

## **RADIUS RESIDENTIAL CARE LIMITED BOARD CHARTER**

### **OUR CHARTER**

Radius Residential Care Limited's ("Radius") Board Charter sets out the authority, responsibilities, membership, and operation of the Board of Directors of Radius.

This Charter recognises the principles of health and lifecare business practices to which Radius subscribes.

### **RADIUS' GOALS**

The purpose of Radius is to provide Exceptional Care through Exceptional People. Radius will strive to be Leaders in Care, Do the Right Thing and Act with Empathy.

The capital and resources of Radius will be allocated to those assets and activities, which will enable it to achieve Radius' goals in a manner best serving the interests of the shareholders as a whole.

### **BOARD GOVERNANCE PRINCIPLES AND PROCESSES**

#### **Governance Principles**

All members of the Board of Radius are committed to the highest standards of corporate governance. Specifically, the Board has adopted the following governance principles:

- (a) To act in accordance with agreed standards of ethical and moral behaviour, including to observe the Directors' Code of Ethics
- (b) To ensure the Board is structured and uses its best endeavours to add value to Radius
- (c) To act in the best interests and to respect the rights of its shareholders
- (d) To ensure full, accurate, and timely financial reporting
- (e) To identify and manage risks
- (f) To encourage enhanced performance
- (g) To remunerate and promote fairly and responsibly
- (h) To recognise the legitimate interests of all stakeholders
- (i) To be a good corporate citizen
- (j) To protect Radius' assets; and
- (k) To act responsibly at all times with regard to the human wellbeing and social impacts of Radius' business.

#### **Role of the Board**

The role of the Board is to effectively represent, and promote the interests of, shareholders with a view to adding long-term value to Radius' shares. Having regard to its role, the Board will direct and supervise the Management of the business and affairs of Radius including, in particular:

- Ensuring that Radius' goals are clearly established, and strategies are in place for achieving them (such strategies being expected to originate, in the first instance, from Management).
- Establishing policies for strengthening the performance of Radius, including ensuring that Management is proactively seeking to build the business through innovation, initiative, technology, new products, new services, and the development of its business capital.
- Monitoring the performance of Management.
- Appointing the CEO, setting the terms of the CEO's employment contract, and, where necessary, terminating the CEO's employment with Radius.
- Deciding on whatever steps are necessary to protect Radius' financial position and the ability to meet its debts and other obligations when they fall due, and ensuring that such steps are taken.
- Ensuring Radius' financial statements are a fair representation of the financial position of Radius and otherwise conform with the law.
- Ensuring Radius has appropriate risk management/regulatory compliance policies in place.

In the normal course of events, day to day management of Radius will be in the hands of Management. The Board will satisfy itself that Radius is achieving Radius goals. The Board will work to ensure that Radius has a culture of integrity, innovation, and good performance.

#### **Compliance with Laws**

Radius is based in New Zealand. Each Director acknowledges the importance of complying with New Zealand law. The Board will carry out timely reviews to ensure that Radius is complying with all its legal obligations.

#### **The Board's relationship with shareholders**

The Board will use its best endeavours to familiarise itself with issues of concern to shareholders. The Board will regularly evaluate economic, political, social, and legal issues and any other relevant external matters that may influence or affect the development of the business or the interests of shareholders and, if thought appropriate, will take outside expert advice on these matters.

#### **The Board's relationship with other stakeholders**

The Board will use its best endeavours to familiarise itself with issues of concern to all relevant stakeholders. The Board recognises that Radius' long-term survival and prosperity are closely intertwined with the environments and markets within which it operates and the extent to which Radius is seen as a responsible corporate citizen.

#### **Board procedures**

The conduct of the members will be consistent with their duties and responsibilities to Radius and, indirectly, to shareholders. The Board will be disciplined in carrying out its role, with the emphasis on strategic issues and policy. Directors will always act within any limitations imposed by the Board on its activities.

Directors will use their best endeavours to attend all Board meetings and to prepare thoroughly. Members are expected to participate fully, frankly, and constructively in Board discussions and other activities and to bring the benefit of their particular knowledge, skills, and abilities to the Board table.

Board discussions will be open and constructive, recognising that genuinely held differences of opinion can, in such circumstances, bring greater clarity and lead to better decisions. The Chair will, nevertheless, seek a consensus by the Board but may, where considered necessary, call for a vote. All discussions and their record will remain confidential unless there is a specific direction from the Board to the contrary, or disclosure is required by law.

Members of the Management team attend Board meetings to discharge their Board responsibilities. At Board meetings, Board responsibilities supersede all Management responsibilities.

The Board has sole authority over its agenda and exercises this through the Chair. Any Director may, through the Chair, request the addition of an item to the agenda. The agenda will be set by the Chair in consultation with the CEO and the Board secretary.

The quorum for a Board meeting is three Directors.

The secretary of the Board shall be appointed by the Board.

The Board will meet at least six times per year and will hold additional meetings as the occasion requires. At each normal Board meeting, Radius' interests register will be updated as necessary, and the Board will consider:

- A report from the CEO.
- A report from the GM Finance.
- An operational report from other members of the Management.
- Specific proposals for capital expenditure and acquisitions.
- Major issues and opportunities for Radius.

In addition, the Board will, at intervals of not more than one year:

- Review Radius goals.
- Review the strategies and operating plans for achieving Radius goals.
- Approve the annual budget.
- Approve the annual and half-yearly financial statements, reports to shareholders, and public announcements.
- Approve the annual report.
- Consider and, if appropriate, declare or recommend the payment of dividends.
- Review the Board composition, structure, and succession.
- Review Radius' audit requirements.
- Review the performance of, necessity for, and composition of Board committees.
- Undertake Board and individual Director evaluations.
- Review Director's remuneration.
- Review the CEO's performance, remuneration, and incentive scheme.

- Review remuneration policies and practices in general, including superannuation and incentive schemes for Management.
- Review risk assessment policies and controls, including insurance covers and compliance with legal and regulatory requirements.
- Review policies and Board Committee Charters.
- Review Radius' Code of Ethics.
- Review donations and sponsorships.
- Settle the following years' Board work plan.

Directors may meet in person or by means of audio or audio and visual communication.

Members are entitled to have access, at all reasonable times, to all relevant Company information and to Management.

Directors are expected to strictly observe the provisions of the Companies Act 1993 (“**Act**”) applicable to the use and confidentiality of Company information. In making policy, the Board will not reach specific decisions unless it has considered the more general principles upon which they are founded, and in reaching other specific decisions, the Board will consider the policies against which the decisions are made.

#### **Chair and Deputy Chair**

Each year the Board will appoint from among the Members, a Chair and Deputy Chair.

The Chair will be a Director as approved by the Board, and the Deputy Chair will be a non-executive Director. The Deputy Chair will deputise for the Chair in his or her absence or at his or her request.

The Chair is responsible for:

- Representing the Board to shareholders.
- Ensuring the integrity and effectiveness of the governance process of the Board.
- Maintaining regular dialogue with the CEO over all operational matters and will consult with the remainder of the Board promptly over any matter that gives him or her cause for major concern.

The Chair will act as facilitator at meetings of the Board to ensure that no Director, whether executive or non-executive, dominates discussion, that appropriate discussion takes place and that relevant opinion among members is forthcoming. The Chair will ensure that discussions result in logical and understandable outcomes.

#### **Board committees**

Board Committees will be formed only when it is necessary to facilitate efficient decision making. Board Committees will observe the same rules of conduct and procedure as the Board unless the Board determines otherwise. The authority conferred on a Board Committee will not derogate from the authority delegated to the CEO.

Other committees may be formed for specific purposes and disbanded as required.

The Board has established two Committees and their Charters are available on the Radius website:

The **Audit and Risk Committee** assists the Board by providing oversight of all financial reporting, financial risks and internal controls, and the efficiency and effectiveness of the external and internal audit functions.

The **Remuneration & Human Resources Committee** assists the Board in reviewing the remuneration and performance of the CEO, as well as the remuneration of Directors, and the establishment of human resources strategy and policy.

### **Board composition and Re-Appointment**

The composition of the Board will reflect the duties and responsibilities it has to discharge and perform as representative of the interests of shareholders and in setting Radius' strategy and seeing that it is implemented. Generally, the qualifications for Board membership are the ability and intelligence to make sensible business decisions and recommendations, an entrepreneurial talent for contributing to the creation of shareholder value, the ability to see the wider picture, the ability to ask the hard questions, preferably some experience in the industry sector, high ethical standards, sound practical sense, and a total commitment to furthering the interests of shareholders and the achievement of Radius' goals.

The Board will identify candidates (using objective criteria) who are qualified to become Board members and consider candidates based on merit, the needs of the Board as a collective, and the Board's strategic objectives. The criteria for the selection of Directors will be reviewed regularly by the Board.

Each Director is expected to participate fully in the business of the Board. This will include being available between meetings where their skills are relevant to some aspect of Radius' business, which requires additional attention at the time.

Radius' Constitution requires that the Board be comprised of not less than five Members. The Board will comprise at least two Independent Directors. In determining independence, the Board has adopted the definition of Independent Directors set out in the NZX Listing Rules. At least two Directors must be ordinarily resident in New Zealand. The Chair will initially be an Executive Director.

The Board may appoint Directors to fill casual vacancies. Under the Constitution, the Directors appointed by the Board will be required to retire at the next annual general meeting after their appointment but will be eligible for election at that meeting.

Unless permitted by the NZX Listing Rules, no Director may hold office (without re-election) past the third annual general meeting following the Director's appointment or three years, whichever is longer. Directors may be appointed for further terms subject to their re-election being approved by shareholders.

### **Director remuneration**

The Board will determine the level of remuneration paid to Directors. The total fees available to be paid to Directors are subject to shareholder approval.

Additionally, Radius will meet any costs directly associated with the Directors' performance of their role as a Director or in carrying out authorized duties on behalf of Radius, consistent with the policy on reimbursement of expenses and review such policy annually.

Approval of Directors' claims for expenses will be by the Chair and those of the Chair by the Chair of the Audit and Risk Committee.

### **Conflict of Interest**

Directors are expected, both individually and collectively, to act in accordance with Radius' Directors' Code of Ethics.

Each Director will ensure the potential for conflicts of interest is minimized by restricting involvement in other businesses or in private capacities that could lead to an actual or perceived conflict of interest.

Each Director is required to disclose:

- All actual and potential conflicts of interest, including all relationships with Radius including any subsidiary companies, and relevant private or other business interests to the Board, and
- Any other information requested by Radius from time to time for purposes of making a determination of independence under the NZX Listing Rules.

All disclosures of interest are recorded in the interests' register, which is tabled at each Board meeting.

Where conflicts of interest do arise then Directors will excuse themselves from the relevant discussions (unless all non-conflicted Directors agree otherwise) and will not exercise their right to vote in such matters, except that Directors may exercise their right to vote if:

- a) They are expressly entitled under the NZX Listing Rules to do so; or
- b) They are not restricted from voting under the NZX Listing Rules and all non-conflicted Directors agree that they may do so.

### **Independent Advice**

Any Director is entitled to obtain independent professional advice (at the expense of Radius) where the Director considers it necessary to carry out his or her responsibilities as a Director, with the approval of the Chair of the Board.

### **Board and Member evaluations**

The Board will each year, critically evaluate its own performance and its own processes and procedures to ensure that they are not unduly complex and are designed to assist the Board in effectively fulfilling its role against this Charter.

### **Indemnities and insurance**

Subject to Radius' Constitution, Radius will provide Directors with and will pay the premiums for indemnity and insurance cover while acting in their capacities as Directors, to the fullest extent permitted by the Act. Such cover to be maintained for a further seven years after resignation.

### **The Company secretary**

The Company secretary is responsible for ensuring that Board procedures are followed, that the applicable rules and regulations for the conduct of the affairs of the Board are complied with, and for all matters associated with the maintenance of the Board or otherwise required for its efficient operation.

All members, particularly the Chair, have access to the advice and services of the secretary for the purposes of the Board's affairs and the business.

#### **BOARD - MANAGEMENT RELATIONSHIP**

Responsibility for day to day management of Radius is delegated by the Board to the CEO, assisted by Management. The Board will link Radius' governance and management functions through the CEO. All Board authority conferred on Management is delegated through the CEO consistent with the strategy, plans and Delegated Authority Policy approved by the Board.

The Board will ensure it has appropriate procedures to assess the CEO and Management's performance. Policies and delegated limits are reviewed on a regular basis.

Between Board meetings, the Chair maintains an informal link between the Board and the CEO, expects to be kept informed by the CEO on all important matters, and is available to the CEO to provide counsel and advice where appropriate. Only decisions of the Board acting as a body are binding on the CEO.

#### **AUTHORISATION AND REVIEW**

This Radius Residential Care Limited Board Charter approved by the Board in November 2021 and will be reviewed at least every two years.

**RADIUS RESIDENTIAL CARE LIMITED BOARD CHARTER – APPENDIX A****CODE OF ETHICS**

Radius Residential Care Limited's Code of Ethics sets the standards of ethical behaviour on which Directors of Radius are required to conduct their professional lives. Directors will:

- Always act with honesty and total integrity, exercising diligence, and fairness. They will conduct themselves in a manner that ensures Radius' reputation and image will not be compromised by their actions or statements.
- Fulfill their duties and exercise their powers as Directors with due care and diligence having regard to Radius' Values and acting in the best interests of Radius.
- To the best of their abilities, using reasonable endeavour, seek to ensure Radius' records and documents, including financial reports, are accurate and true.
- Avoid conflicts of interest. Each Director will disclose all relationships they have with Radius, together with private or business interests that may constitute a conflict of interest to the Board so that the Board can assess the Director's independence in each instance.
- Respect, maintain and protect the confidentiality of information about Radius' financial and business affairs as well as information entrusted to them about customers, residents, work colleagues, and stakeholders except where disclosure is permitted or required by law.
- Respect, protect, and uphold the rights of employees, customers, residents, shareholders, and other legitimate stakeholders in Radius.
- Not take advantage of opportunities arising through the use of any Radius assets, property, or information for personal gain.
- Fully comply with all laws, rules, and regulations relevant to Radius' business in all jurisdictions within which Radius operates.
- Use their best endeavours to ensure compliance by Radius with all statutory and internal disclosure requirements in a timely manner.
- Not accept unauthorized payments, gifts, or other inducements arising from dealings conducted on behalf of Radius.
- Report any unethical or illegal (or potentially illegal) behaviour of which they become aware to the Chair of Radius.