



## Board Charter

First Mortgage Managers Limited (FMML, 'the Company') is a licenced reporting entity under the managed investment scheme sector. We are a New Zealand registered company, with offices in Tauranga, Auckland & Christchurch offering (1) borrowers finance options for borrowing capital against land and buildings; and (2) investors competitive returns backed by a portfolio of loans secured by first mortgages.

The role of the Board is to effectively represent, and promote, the interests of the investors, shareholders and other material stakeholders with a view to adding long-term value to the Company.

The Board upholds FMML's Purpose, Vision & Values Statements as confirmed from time to time, and uses these as a guideline for making decisions – this is to ensure good customer outcomes.

The purpose of this Charter is to set out the role, composition and responsibilities of the Board of FMML. This is to ensure the Company is meeting its governance, leadership, social and compliance responsibilities.

### 1. Board Composition

- 1.1 The Constitution of the Company states a person may be appointed or removed as a Director at any time by the Shareholder by written notice to the Company. The Board currently consists of 7 Directors, of which 5 are currently Independent Directors. Generally, the majority of Board members will be non-executive members unless otherwise determined by the Shareholder.
- 1.2 A quorum for a meeting of the Board is a majority of Directors. No matter may be considered at a meeting of the Board if a quorum is not present.
- 1.3 The Directors may elect one of their number as chairperson of the Board and determine the period for which he or she is to hold office. Where possible, the chairperson is to be an independent director.

- 1.4 Board membership will be disclosed in the annual report and financial statements.
- 1.5 Board directors will possess an appropriate level of skills and experience, have a proper understanding of, and competence to deal with, current and future issues of the Company. The Board, through the Chairperson, may review and challenge the performance of management and exercise independent judgement.

## 2. Term of Directorship

2.1 A Director ceases to be a Director if they:

- (a) resign by written notice delivered to the Company at its address for service (such notice to be effective at the time when it is so received unless a later time is specified in the notice); or
- (b) are removed from office in accordance with clause 5.3 of the Constitution; or
- (c) die, or become disqualified from being a Director pursuant to the Companies Act.

## 3. Board Responsibilities

- 3.1 The Board is responsible for building and promoting the success of the Company by effectively representing, promoting and protecting the interests of investors, shareholders and other stakeholders, while at all times acting in the best interests of the Company. The Board is committed to the highest standards of corporate governance and must act in accordance with the duties and obligations imposed on them by the Company Constitution, the Company's governance policies and New Zealand law.
- 3.2 The Board has delegated authority for the daily operations and administration of the Company to the Chief Executive Officer of the Company. Having regard to this authority, the Board will direct the management of the Company as required by Company strategy and policy.
- 3.3 The Board will seek to familiarise itself with issues of concern to shareholders and significant stakeholders, including investors, borrowers, regulators, supervisors and staff.
- 3.4 The Board will ensure the Company adheres to high standards of ethics and corporate behaviour.
- 3.5 The Board's responsibilities include:
  - Ensuring the Company's purpose, vision, values and goals are clearly established and strategies are in place for achieving them.
  - reviewing, amending, and approving the company's strategic plan, ensuring it is robust and responsive to market changes and opportunities.
  - overseeing the implementation of the approved strategy, regularly monitoring and evaluating performance against strategic objectives.
  - Approving the Company's risk management framework, systems and processes and monitoring the management of identified material risks.
  - Approving operating and capital expenditure budgets.
  - Approving the Company's key policies and protocols.
  - Ensuring full, accurate and timely financial reporting.

- Ensuring the health, safety and wellbeing of the Company's employees, officers and contractors.
- Ensuring the Company acts responsibly with regard to environmental and social impacts relevant to the Company's business.
- Overseeing management of the Company's operations in relation to, and in compliance with relevant regulatory requirements.
- Ensuring the Company operates under a good credit risk management framework to build trust and protect the Company brand in order to give confidence to investors, lending clients, supervisors and regulators.
- Appointing and monitoring the performance of the Chief Executive Officer.
- Developing and implementing a robust succession plan for its members, ensuring continuity and stability in leadership.

## 4. Board Committees

- 4.1 Board Committees may be established from time to time when necessary to facilitate effective decision making. All Committee members are appointed by the Board.
- 4.2 The current Committees of the Board are the Remuneration Committee, Assets & Liabilities Committee, Audit Committee, Treasury Committee, Due Diligence Committee and Compliance Committee.
- 4.3 Each of the committees has its own written charter setting out its purpose, responsibilities, composition, and the manner in which the committee is to operate. All charters of committees of the Board are reviewed on a regular basis.

## 5. The Board and Management

- 5.1 The Chief Executive Officer, appointed by the Board, is assisted by the Company's senior leadership team in meeting the responsibility for the daily operations and administration of the Company.
- 5.2 The Board will agree with the Chief Executive Officer specific goals and procedures with a view to achieving specific results in the best interests of the Company. The Chief Executive Officer will be accountable to the Board for the achievement of the strategic goals of the Company.
- 5.3 The Chief Executive Officer will act within the specific authorities delegated to the Chief Executive Officer by the Board, and will keep the Board informed of all material decisions and important matters.

## 6. The Role of the Chairperson

- 6.1 The role and responsibilities of the Chairperson of the Board will include providing leadership to the Board and Company, ensuring the efficient organization and conduct of the Board, facilitating Board discussions and the effective contribution of all directors, promoting relations between Board members and the Chief Executive Officer, chairing Board and shareholder meetings.
- 6.2 If no chairperson is elected or if, at a meeting of the Board, the chairperson is not present within 15 minutes after the time appointed for the commencement of the meeting, the Directors present may choose one of their number to be chairperson of the meeting.

## 7. The Role of the Individual Director

- 7.1 Each Director is expected to comply with their legal, statutory and equitable duties and obligations when carrying out their responsibilities including acting in good faith and in the best interests of the Company, acting with care and diligence and for proper purpose, avoiding and notifying conflicts of interest where possible and supporting the Board and Management of the Company.
- 7.2 Directors are expected to commit sufficient time and effort to fulfill their duties, including preparing for and attending Board and committee meetings.
- 7.3 Directors should strive to attend all Board meetings. If a member is unable to attend a meeting, they should inform the Chair in advance and review meeting materials to stay informed.
- 7.4 Directors are expected to stay engaged between meetings, including participating in relevant communications and follow-up actions.

## 8. Conflicts of Interest & Confidentiality

- 8.1 Conflicts of interest arising in relation to the Company are to be managed in accordance with the Company Conflicts of Interest Policy.
- 8.2 All Board members are expected to maintain the confidentiality of the Company's confidential information and such a requirement applies both during the Director's term of office and after their term ends. Board members must not disclose confidential information without the prior approval of the Chairperson and at all times must comply with their duties under New Zealand law, including that confidential information obtained in the course of the Board member's office as a director must not be used for any purpose other than the purposes of the Company.

## 9. Independent Advice

- 9.1 With the Chairperson's approval, a Director may access information and seek advice, including independent advice, as they individually or collectively consider necessary to fulfil their responsibilities as a director. Any such advice obtained by a director will be made available to the other members of the Board.
- 9.2 Independent advice includes legal advice, financial accountant's advice, and other professional financial advisors on matters of law, accounting and other regulatory matters.
- 9.3 All requests for independent advice will require the prior written approval of the Chairperson of the Board.

## 10. Board Procedures and Reporting

- 10.1 The Board will normally hold at least 6 Board meetings a year, with additional meetings held as the occasion requires.
- 10.2 The Company Secretary (currently Chief Financial Officer) will develop the agenda for each Board meeting, this will be circulated to Board members at least five days before the meeting requesting any additional agenda items.
- 10.3 The Company Secretary will ensure that minutes of each Board meeting are recorded. The minutes should capture key discussions, decisions, and assigned actions. Draft minutes should be distributed to Board members within five business days for review and approval. The Board Chair

is responsible for ensuring that the Board's decisions and actions are implemented. A log of action items, including responsible individuals and deadlines, will be maintained by the Company Secretary. The status of action items will be reviewed at the beginning of each meeting under 'Matters Arising'.

- 10.4 The Company Secretary is tasked with circulating the agenda, relevant documents, and meeting minutes to all Board members via Diligent. These materials should be provided at least three business days before the meeting to allow adequate preparation time.
- 10.5 Board members are responsible for rigorously examining issues, questioning management, and challenging proposals to ensure comprehensive evaluation and effective decision-making.
- 10.6 Board members will respect and recognise each other's contributions and embrace any differences. The Board Chair shall promote an open and inclusive environment where all members feel comfortable presenting their views and challenging assumptions. This approach ensures that the committee benefits from a wide range of insights and expertise.
- 10.7 Executive members may attend Board meetings by invitation. The Board may meet in director only session without management present.
- 10.8 The Board shall ensure that minutes are kept of all proceedings at meetings of shareholders of the Company and of the Board

## 11. Accountability

- 11.1 The Board will biennially review and evaluate its own performance, as well as the performance of each Committee to ensure it is operating consistently with its Charter and all relevant Board delegations. Each Committee Charter will be reviewed at least biennially or as considered appropriate.
- 11.2 The Chief Executive Officer is accountable to the Board and the Board will review their performance as a whole on an annual basis. An annual review with the Chief Executive Officer will be conducted by the Remuneration Committee.

## 12. Other Matters

- 12.1 A number of other operational matters relating to the Board such as directors' fees, powers and duties of directors, qualification requirements, term of appointments and behavioural expectations are governed by the Company's constitution, other relevant governance policies and New Zealand law, and are not reproduced here.
- 12.2 This charter is subject to the overriding provisions of the Company Constitution, and should any conflict arise between this charter and the Constitution, the provisions of the Constitution will take precedence.
- 12.3 This Charter should be read alongside the Company's Code of Ethics.

## 13. Review of Charter

- 13.1 The Board shall review the charter biennially to ensure its relevance.