

# FISHER FUNDS MANAGEMENT LIMITED

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## BOARD CHARTER

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## 1. PURPOSE

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This Board Charter ('Charter') sets out the roles and responsibilities of the Board and Directors, including formal delegations to management.

The Charter highlights the values, principles and practices that underpin the function of the Board of Directors ('Board') at Fisher Funds Management Limited ('Fisher Funds' or the 'Company') and identifies the principles of corporate governance that assist Directors in performing their duties.

This Charter does not attempt to provide a complete record of all formal and informal rules relevant to the Board.

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## 2. ROLE OF THE BOARD

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The Board is responsible for the governance and control of the activities of the Company. Corporate governance structures and practices must encourage the creation of value for Fisher Funds shareholders whilst ensuring the highest standards of ethical conduct, supporting the achievement of good outcomes for clients, and providing control systems appropriate to the risks faced by the Company.

In practice, the Board operates through delegation, in part, to the Chief Executive Officer and other executives who are charged with the day to day leadership and management of the Company.

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## 3. CONDUCT MANAGEMENT PROGRAMME AND CONDUCT PRINCIPLES

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The Board has adopted a Conduct Management Programme, including a set of Conduct Principles.

The Conduct Management Programme assists Fisher Funds to deliver good client outcomes by providing a framework, with a conduct lens, for considering the role of and effects on the client throughout the Fisher Funds' product lifecycle from product development to market offering (including the use of intermediaries), through to post-sales analysis, on-going servicing and complaints. The framework has an essential element of effective governance oversight of conduct and is underpinned by the business' cultural orientation and people management systems.

A continuous uplift in good client outcomes can be expected to strengthen Fisher Funds' platform for sustainable growth and enhance delivery of our brand promise by promoting deeper and richer engagement with our clients.

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## 4. FUNCTIONS AND RESPONSIBILITIES OF THE BOARD

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The Board operates in accordance with all applicable laws and regulations and the constitution of Fisher Funds.

The Board's responsibilities include:

- Approving the strategic direction of Fisher Funds and the corresponding business strategies and objectives that give effect to the Company's strategic direction.

- Reviewing and approving the Company’s business plans, budgets, capital expenditure and financial forecasts as well as monitoring the financial performance and financial position of the Company.
- Approving and regularly reviewing the Company’s key policies and procedures, including the Conduct Management Programme and Conduct Principles, Financial Delegation and Authorities given to management, the Risk Governance Policy, the Securities Trading Policy, this Charter and all Board committee charters
- Overseeing the operation of the Fisher Funds business to ensure that it is being managed appropriately and operates in an honest, ethical and responsible manner.
- Monitoring the operations of the Fisher Funds’ business to ensure it is managed appropriately to help deliver good client outcomes.
- Monitoring the Company’s adherence with its internal compliance programmes to ensure regulatory, policy and contractual compliance is maintained.
- Maintaining appropriate risk management practices, including those relating to workplace health and safety.
- Monitoring the integrity of the financial reporting process to ensure the timely and accurate reporting of financial results, consistent with all legal and regulatory requirements.
- Managing the appointment, remuneration and performance of the Chief Executive Officer.

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## 5. GOVERNANCE ROLES AND DELEGATIONS

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### **Board**

The Board has overall responsibility for the strategy, culture, governance and performance of Fisher Funds. The Board has appointed four sub-committees of the Board (outlined in section 6) to assist it in carrying out its responsibilities.

Directors must use reasonable care and exercise independent professional judgment at all times.

The Board and its sub committees are entitled to require management personnel to report directly to them at their respective meetings and each may directly engage external experts at the cost of the Company.

### **Chairperson**

The Chairperson is elected by the Board and the Chairperson’s role is to foster a constructive governance culture, manage the Board effectively and provide leadership to the Board and management.

The Chairperson is separate from the Chief Executive Officer. The relationship between the Chairperson and Chief Executive Officer is important as it facilitates effective working relationships between the Board and management.

### **Chief Executive Officer**

The Board has delegated authority, in part, to the Chief Executive Officer who is primarily responsible for the effective day to day management and leadership of Fisher Funds.

Specific delegations have been provided to the Chief Executive Officer through the Financial Delegations and Authorities Policy, set by the Board. Other executives of the Company are also provided with delegated authorities. These delegations cover matters

such as expenditure limits, key contracts, and dealing with the media. The delegations allow management to conduct business operations through a clear and controlled authority framework, taking into account budgets, compliance requirements and the objectives of the business, while retaining certain authorities solely for the Board.

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## 6. BOARD COMMITTEES

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The Board has established committees to assist it in carrying out its responsibilities and adopted committee charters that set out the delegated function, responsibility and purpose of each committee.

Committee chairs and members are appointed by the Board.

The Board is responsible for the oversight of all committees. Committees may make recommendations to the full Board, but do not make decisions on behalf of the Board unless specifically mandated to do so.

Each committee's charter is reviewed bi-ennially or more frequently if required.

The Board has established four permanent committees:

- The Audit and Risk Committee - provides assistance to the Board in fulfilling its responsibilities in relation to the company's financial reporting, internal controls structure, risk management systems and the external audit function.
- The Remuneration Committee – provides assistance to the Board with matters relating to; the remuneration, recruitment, retention and performance measurement of the Chief Executive Officer and other selected Executives.
- The Nominations Committee – provides assistance to the Board with matters relating to; the recruitment, retention, performance measurement and evaluating the balance of skills, knowledge and experience on the Board.
- The Investment Strategy Committee - Ensuring that the company's investment approach is appropriate to meet the investment outcomes promised to clients' generally; to consider material changes to investment policy matters (including fair dealing); to monitor the performance of portfolios and assess strategic and tactical asset allocation decisions.

A copy of each committee's charter is on the Fisher Funds website.

From time to time the Board may establish other standing or temporary committees to consider or monitor specific projects or issues.

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## 7. BOARD COMPOSITION

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### **Composition and Independence**

The Board will be structured in such a way, that as a collective group, it has the skill, knowledge, experience, and diversity to meet and discharge its responsibilities.

The number of Directors on the Board at any one time is determined in accordance with the constitution.

Fisher Funds is a privately held company and shareholders have rights to appoint directors' as their representatives as defined in the in the Shareholders' Agreement. All Directors must act in the best interests of the Company, irrespective of their independence.

Details about the current Directors, including their experience and background are available on the Fisher Funds website.

### **Tenure and Rotation**

There is no maximum term of Director appointments or requirement to retire by rotation. However, the Board considers the collective mix of skills and experience of directors at least annually to ensure it remains effective.

### **Induction**

The Board seeks to ensure that new Directors are appropriately introduced to other Directors and Company management and are well acquainted with Fisher Funds businesses. New Directors receive an induction pack which includes key governance documents and policies.

### **Continuous Education**

It is expected that all Directors continuously educate themselves to ensure that they have appropriate expertise and can effectively perform their duties.

In addition, briefings from key management and industry experts will be arranged for the Board where appropriate.

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## **8. BOARD MEETINGS AND PROCEEDINGS**

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The Board meets as often as it deems appropriate and typically this is at least six times per year. Additional meetings may be scheduled at the discretion of Directors, as deemed necessary to discharge their obligations.

The constitution requires that a quorum for each Board meeting is a majority of Directors.

To enable appropriate review by Directors, Board papers are sent to Directors approximately one week in advance of Board meetings, in paper and/or electronic form (except in the case of a special meeting, for which the time period may be shorter due to the urgency of the matter to be considered).

Proceedings of all Board meetings are minuted and signed by the Chairperson, subject to prior circulation to Directors and approval by the Board. All discussions at Board meetings and the meeting minutes remain confidential unless there is a specific direction from the Board or disclosure is required by law.

Directors (with the prior consent of the Chairperson) may invite members of management and/or advisors to attend Board meetings as deemed appropriate to discuss or obtain further information on any matter.

When exercising judgement, the Board is entitled to rely on the honesty, integrity and advice of management and the Company's external advisors and auditors, but must not substitute reliance on the advice of management and third parties for the Board's own due consideration of the issues presented to it for review and approval.

In discharging their respective duties, individual Directors may (with the prior approval of the Chairperson) engage and consult with professional advisors from time to time, with any costs being met by the Company.

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## 9. BOARD AND COMMITTEE EVALUATION

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An annual assessment of each Director is conducted to ensure the Board has an appropriate balance and mix of knowledge, skills and experience within its membership to be effective. The assessment will also highlight any gaps which will be considered in selecting any new Directors and also may result in additional training or professional development for existing Directors.

An annual evaluation of Board performance and the performance of each sub-committee is also conducted, with Directors' views sought on issues relating to Board process and support, efficiency and effectiveness, as well as openness and participation in Board discussions.

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## 10. CONFLICTS OF INTEREST

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### **Disclosure of Interests**

Any transaction by the Company in which a Director has an interest must be entered in the Company's Interests Register, which is reported to the Board at each meeting. In addition, Directors must disclose to the Board at each meeting, all directorships they hold with other organisations to ensure the Board is aware of any potential conflicts of interest that might exist when Fisher Funds is contracting with other organisations. Where it is determined that a conflict of interest exists, the relevant Director will refrain from participating in any discussion in relation to the transaction and must abstain from voting on any issues relating to the transaction in which they are interested.

It is expected that Directors will be sensitive to actual and perceived conflicts of interest that may arise and they are expected to give ongoing consideration to conflicts.

### **Gifts and Personal Gains**

Directors must place the interests of Fisher Funds' clients first and before their own personal interests. Directors will not use for personal gain, opportunities that are discovered through the use of Company property or Company information disclosed to Directors by virtue of their position as a Director.

Directors must not solicit gifts, hospitality or benefits from a client, supplier, business partner or other external party and must not accept or give any gift, hospitality or benefit that is likely to influence the commercial decision making of the receiver of the gift.

### **Insurance**

The Company has Director and Officer Liability insurance. The costs of this insurance are met by the Company.

The existence of the insurance is disclosed in the Company's Interest Register.

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## 11. REVIEW OF CHARTER

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This Charter will be reviewed bi-ennially or more frequently if required.

If there is any inconsistency between the Board Charter and the constitution of the Company, the constitution will prevail.

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