

BOARD CHARTER

1 INTRODUCTION

The Rubicon Board is committed to the highest standards of behaviour and accountability.

This charter is to be read in conjunction with the Constitution of the Company and the Code of Conduct and Ethics.

2 CONSTITUTION AND MEMBERSHIP

- 2.1 The Board will ensure it is of an effective composition, size and commitment to adequately discharge its responsibilities and duties and to add value to the company's decision making.
- 2.2 The Board's composition shall represent a balance of independence, skills, knowledge, experience and perspectives amongst Directors, thereby ensuring the effectiveness of the Board in guiding the strategic direction of the Company and overseeing management.
- 2.3 The Board shall have a minimum of three and a maximum of nine Directors.
- 2.4 At least two Directors shall be ordinarily resident in New Zealand.
- 2.5 The minimum number of Independent Directors shall be two or, if there are eight or more Directors, three or one-third (rounded down to the nearest whole number of Directors) of the total number of Directors, whichever is greater. The test of independence will be governed by the requirements of the NZX Listing Rules.
- 2.6 The Nominations Committee of the Board shall recommend to the Board candidates to be considered for appointment as a Director.
- 2.7 One-third of the Directors of the Company (or the number which is nearest to one-third) must retire from office at the annual meeting of the Company each year. This is in addition to the Board appointed Directors who must retire at the annual meeting following appointment.

3 ROLE OF THE BOARD

The Board's primary role and obligation is to protect and enhance the value of the assets of the Group and to act in the best interests of the Group. The Board has statutory responsibility for the activities of the Company, which in practice is exercised through delegation to the three Board Standing Committees (Audit, Remuneration and Nominations) and through delegation to the Chief Executive Officer who is charged with the day-to-day leadership and management of the Company.

The Board shall:

- 3.1 Oversee the overall conduct of the Group's business and ensure that the business is being properly managed.
- 3.2 Ensure that appropriate systems and processes are in place so that the Group is conducted in an honest, ethical, responsible and safe manner.
- 3.3 Ensure that adequate procedures and systems are in place and in use to identify and manage significant risks and exposures of the Group.
- 3.4 Review and approve the Rubicon's corporate strategy and objectives, financial and capital structure policies, transactions relating to material acquisitions and divestments, and capital expenditure above the authority limits delegated to management.
- 3.5 Review and monitor the financial and overall performance of the Group against set objectives.
- 3.6 Ensure the adequacy and effectiveness of the Group's internal control framework, including the independence of the External Audit.
- 3.7 Ensure that adequate plans and procedures are in place for succession planning, including the appointment, training and monitoring of the Chief Executive Officer and his direct reports.
- 3.8 Regularly review the performance of the Board's Committees in accordance with each Committee's written charter.

4 TRAINING

- 4.1 Directors shall continuously educate themselves to ensure that they are able to appropriately and effectively perform their duties as Directors.

5 RELATIONSHIP BETWEEN THE CHAIRMAN AND THE CHIEF EXECUTIVE OFFICER

- 5.1 The Chief Executive Officer's role is to provide the day-to-day leadership and management of the Company. The Chief Executive Officer also has special responsibility to manage the interfaces between the Company, its shareholders and the public.
- 5.2 The Chairman's role is to manage the Board effectively, provide leadership to the Board and to interface with the Chief Executive Officer.

6 BOARD COMMITTEES

- 6.1 The Board has established three permanent Committees to oversee certain aspects of the management of the Company. These Committees are:
 - the Nominations Committee
 - the Audit Committee, and
 - the Remuneration Committee.

- 6.2 The Committees are comprised of Directors of the Company appointed by the Board. The Board appoints the Chairpersons of all its Committees.
- 6.3 Each permanent Committee shall adopt a formal written Charter addressing its purpose, membership, delegated responsibilities and reporting procedures.
- 6.4 The Committees shall assist the Board in the conduct of its responsibilities, and shall report to the Board on all material matters and issues requiring Board decisions.
- 6.5 From time to time the Board may establish special purpose Committees to address specific issues on behalf of the Board.

7 DELEGATION OF AUTHORITY TO CHIEF EXECUTIVE OFFICER

- 7.1 The Board has a statutory obligation under Section 128 of the Companies Act 1993 to manage, or direct and supervise, the business and affairs of the Company. The formulation and implementation of this obligation is through the delegation of the Board's powers to the Chief Executive Officer by the authority of Section 130 of the Companies Act 1993 and the sub-delegation by him to members of the Rubicon senior management team.
- 7.2 The Board has delegated to the Chief Executive Officer of Rubicon authority (subject to appropriate reporting and monitoring procedures) to manage the business of Rubicon Limited and its subsidiaries.
- 7.3 The delegations to the Chief Executive Officer are:
- Subject to any specific direction given by the Board at any time, and from time to time;
 - Subject to amendment in whole or in part at any time, and from time to time, by the Board in its discretion;
 - Revocable in whole or in part at any time, and from time to time, by the Board in its discretion.

8 PROCEDURE

- 8.1 A resolution of the Board may be passed either by holding a meeting of Directors or by the Directors signing a resolution in writing.
- 8.2 Any Director may convene a Board meeting by providing at least 2 days' notice of a Board meeting to every Director unless the Director waives that right or a shorter period is required to enable the Board to comply with its obligations.
- 8.3 Board meetings may be held by means of audio or audio visual communication.
- 8.4 A quorum shall be at least one-third of the Directors (either in person or by audio or audio visual communication).

8.5 The Chairman shall not have a casting vote.

8.6 Minutes of all Board meetings must be kept.

9 BOARD PERFORMANCE EVALUATION

9.1 The Board has regular evaluations of the Board, its Committees and individual Directors.