

## Rakon Limited

### Board Charter

#### INTRODUCTION

This Charter formalises and sets out the manner in which the powers and responsibilities of the board of directors (Board) of Rakon Limited ("Rakon") will be exercised and discharged, adopting principles of good corporate governance and practice that accord with best practice and the applicable laws in the jurisdictions in which Rakon operates.

#### ROLE OF THE BOARD

The Board is ultimately responsible for setting the strategic direction of Rakon, oversight of the management of Rakon and direction of its business strategy, with the ultimate aim being to increase sustainable shareholder value while taking into account the reasonable interests of shareholders, employees, customers, the communities in which Rakon operates and other relevant stakeholders.

#### RESPONSIBILITIES OF THE BOARD

In carrying out its role, the Board's specific responsibilities include:

##### Strategy

1. Providing strategic direction for, and approving, Rakon's business strategies and objectives, including climate-related strategies.
2. Reviewing and approving Rakon's budgets and business plans.
3. Monitoring implementation of strategies, plans and budgets

##### Compliance and risk management

4. Providing leadership of Rakon within a framework of prudent and effective controls, which enables risks to be assessed and managed.
5. Identifying the principal risks faced by Rakon and taking reasonable steps designed to ensure that appropriate internal controls and monitoring systems are in place to manage and, to the extent possible, reduce the impact of these risks.

##### Oversight of financial, operational and capital management

6. Reviewing, approving and monitoring the management of Rakon's capital, including the progress of any major capital expenditure, acquisitions or divestitures.
7. Monitoring the operational and financial position and performance of Rakon.

##### Governance and oversight of management

8. Requiring that financial and other reporting mechanisms are established by the Chief Executive, which result in adequate, accurate and timely information being provided to the Board, and Rakon's shareholders and the financial market as a whole being fully informed of all material developments relating to Rakon.



9. Appointing and, where appropriate, removing the Chief Executive, approving other key executive appointments, planning for executive succession and monitoring the performance of the Chief Executive and other senior executives having regard to Rakon's strategic direction and goals.
10. Reviewing and approving Rakon's remuneration policies.
11. Establishing procedures to ensure appropriate and accurate reporting of financial results on a timely basis in accordance with all legal and regulatory requirements.
12. Adopting appropriate policies and procedures to ensure compliance with all laws, governmental regulations and accounting standards.
13. Regularly reviewing and monitoring adherence to Rakon's internal decision-making and compliance policies and procedures, including any codes of conduct, this Board Charter and the charters of the Board's Committees.
14. Ensuring that sufficient resources are provided to support Rakon's compliance framework.
15. Governance and oversight of Rakon's health and safety framework to ensure appropriate policies and procedures are in place to enable an effective health and safety culture:
  - setting clear expectations regarding Rakon's health and safety management system and ensuring sufficient resources are provided to support the system;
  - monitoring the effectiveness of, and ongoing improvements to, Rakon's health and safety management system; and
  - conducting an annual review of Rakon's health and safety system to determine it is appropriate and effective.

#### Ethical and social responsibility

16. Providing oversight of Rakon's environmental, social and governance (ESG) factors
17. Approving and reviewing Rakon's statement of values to clearly express the standards and behaviours expected of directors, officers, employees and contractors.
18. Monitoring Rakon's culture, reputation and ethical standards
19. Approving and regularly reviewing all codes of conduct.

#### Auditors

20. Appointment and removal of external auditors.
21. Selecting and appointing external auditors on an interim basis if a vacancy occurs in the office of auditor

#### **DELEGATION OF RESPONSIBILITIES TO MANAGEMENT**

The Board delegates management of the day-to-day affairs and management responsibilities of Rakon to the executive team under the leadership of the Chief Executive to deliver the strategic direction and goals determined by the Board. This delegation includes:

1. Operating Rakon's business within the parameters set by the Board from time to time and, where a proposed transaction, commitment or arrangement exceeds these parameters, referring the matter to the Board for its consideration and approval.
2. Developing business plans, budgets and company strategies for the Board's consideration and, to the extent that they are approved by the Board, implementing these plans, budgets and strategies.
3. Developing climate-related plans, budgets and strategies.



4. Identifying and managing business risks, and if those risks could materially affect Rakon or its business, formulating strategies to manage those risks.
5. Managing Rakon's current financial and other reporting mechanisms to ensure that they are functioning effectively to capture all relevant material information on a timely basis.
6. Implementing and monitoring and providing assurance to the Board that Rakon's internal controls, policies, procedures and systems are being complied with and ensuring that they remain appropriate and effective.

## DELEGATION OF RESPONSIBILITIES TO COMMITTEES

The Board may, from time to time, establish committees to assist it in carrying out its responsibilities and shall regularly assess whether specific or additional committees are required. For each committee the Board shall adopt a formal charter that sets out the delegated functions and responsibilities for, and the composition of and any administrative matters relating to, that committee. The Board currently has the following committees:

1. **Audit and Risk Committee** with responsibility to assist oversight by the Board of matters relating to financial accounting and reporting (including environmental, social and governance reporting and climate-related reporting), external and internal audit processes, and internal controls, compliance and risk (including climate-related risk) management.
2. **People Committee** with responsibility to assist oversight by the Board of human resources and remuneration matters and management of director nomination matters.

The Board is responsible for the oversight of its committees. This oversight shall include, in relation to each committee, determining and reviewing its composition and structure and regularly reviewing its performance against its charter which shall also be regularly reviewed.

## RELIANCE ON ADVICE

The Board is expected to exercise a high standard of commercial and ethical judgement. In doing so, Directors are entitled to rely on the advice of Rakon's management team and its external advisers and auditors, but must not substitute reliance for the Board's own due consideration of the issues presented for review and approval.

In discharging their duties, individual Directors may (with the prior approval of the Chair or resolution of the Board) engage and consult with professional advisers from time to time, with any costs being met by Rakon.

## MEMBERSHIP AND INDEPENDENCE

The membership of the Board is determined so that as a collective group it has the skill, knowledge, experience and diversity to meet and discharge its responsibilities. In determining the membership of the Board, the Board has regard to the needs of Rakon at the time and whether candidates for directorship demonstrate the appropriate qualities and experience for the role of Director.

Directors appointed by the Board must retire and be elected by shareholders at the first annual meeting after their appointment.

All Directors, including any executive directors, must retire by rotation and if eligible stand for re-



election at the third annual meeting or three years after their last election whichever is longer.

The Constitution provides that the number of Directors must at any time be no more than ten and not less than three. Subject to these limitations, the number of Directors to hold office will be fixed from time to time by the Board. At least two Directors must be ordinarily resident in New Zealand. A majority of Directors will be non-executive Directors.

At least two Directors are to be independent, as determined by the Board. A Director is only to be regarded as independent if they (i) are not an “Employee” of Rakon; and (ii) have no “Disqualifying Relationship”, both as defined in the NZX Listing Rules.

Additionally, and without limiting the factors to be taken into account at the time of determining whether a Director is independent, the Board expects a Director will not be independent if the Director:

- is currently, or was within the last three years, employed in an executive role by Rakon, or any of its subsidiaries;
- Is currently deriving, or within the last 12 months derived a substantial portion of his, her or their annual revenue from Rakon;
- Is currently, or was within the last 12 months, in a senior role in a provider of material professional services (other than an external auditor) to Rakon or any of its subsidiaries;
- Is currently, or was within the last three years, employed by the external auditor to Rakon, or any of its subsidiaries;
- Currently has, or did have within the last three years, a material business relationship (e.g., as a supplier or customer) with Rakon or any of its subsidiaries;
- Is a substantial product holder of Rakon, or a senior manager of, or person otherwise associated with, a substantial product holder of Rakon;
- Is currently, or was within the last three years, in a material contractual relationship with the Rakon or any of its subsidiaries, other than as a Director;
- Has close family ties or personal relationships (including close social or business connections) with anyone in the categories listed above;
- Has been a Director of Rakon for a period of 12 years or more.

The Board shall identify which Directors it has determined, in its view, to be independent no later than 10 business days following Rakon’s Annual Shareholders’ Meeting and no later than 10 business days following any Director’s appointment in respect of a Director appointed by the Board and immediately after making such determination shall release such information to the market. The Board must also include a statement as to which of its Directors are independent in its Annual Report.

The Board shall regularly review the independence of each Director in light of interests disclosed.

## **NEW DIRECTORS AND ONGOING DEVELOPMENT**

New Directors will receive a letter of appointment agreeing the key terms and conditions of their appointment.

The Board provides for induction of new Directors including access to Rakon’s key strategic, financial and governance information and engagement with key management and operational site visits.



Directors are expected to keep themselves abreast of changes and trends in the industry, businesses and environment and countries in which Rakon operates, and to keep abreast of general changes and trends in economic, political, social and legal environments (in addition to any development needs identified during individual director performance review).

## **DIRECTORS' CONDUCT AND ETHICS**

Directors will maintain high standards of honesty, integrity and ethical conduct, which include:

1. The level of fees paid to Directors is subject to approval by shareholders.
2. Directors will comply with Rakon's codes and policies.
3. Directors will not use for personal gain opportunities or information discovered by virtue of their position.
4. Directors will not accept gifts, cash or personal benefits of any value from external parties if it would or could be perceived to compromise or influence any decision.
5. Directors will not offer gratuities or other personal rewards to influence business transactions.
6. Directors' expense claims are approved by the Chair and the Chair's expenses are approved by the Chair of the Audit and Risk Committee.
7. Directors are expected to avoid any action, position or interest that would conflict with an interest of Rakon, or gives the appearance of a conflict. A director who has a material personal interest in a matter that relates to the affairs of Rakon must give the other directors notice of such interest. The Company Secretary will maintain a register of dealings in securities and declarations of interest by directors and report them to the Board as necessary.
8. Each Director is required to disclose all actual or potential conflicts of interest.
9. Directors may hold Rakon shares. Directors are subject to the limitations on their ability to deal in Rakon shares under Rakon's Financial Product Trading Policy.

## **CHAIR OF THE BOARD**

The Directors may elect one of their number as Chair of the Board. Rakon's Chair is not required to be an independent Director. If the Directors appoint a fellow Director as Chair who is not independent, Rakon must disclose this fact in its annual report along with the reasons justifying that decision and, in that case, the Chair and the Chief Executive shall not be the same person.

The Chair is responsible for leading the Board in the performance of its duties, facilitating the effective contribution of all Directors and promoting constructive and respectful relations between Directors and between the Board and management. The Chair is also responsible for setting the Board's agenda and ensuring that adequate time is available for discussion of all agenda items, in particular, strategic issues. Additionally, the Chair will also maintain appropriate liaison with major shareholders, shareholder representative groups and shareholder advisory firms and reporting their views back to the Board and maintain a regular dialogue with the Chief Executive and be the principal communication channel between the Board and management.



## MEETINGS OF THE BOARD

The Board shall meet as often as it deems appropriate.

Board papers are provided to Directors in sufficient time prior to Board meetings to allow attendees to become familiar with the issues to be addressed. Rakon shall ensure that Directors are receiving information of sufficient content, quality and timeliness as the Board considers necessary to enable the Board to effectively discharge its duties.

Proceedings of all Board and Committee meetings are minuted and the minutes signed by the Chair of the relevant meeting subject to prior review and approval by the Board or relevant Committee members. All discussions of the Board and the minutes of meetings remain confidential unless there is specific direction from the Board or disclosure is required by law.

## REVIEW OF THE BOARD AND THIS CHARTER

The Board will review this Charter every two years.

The Board evaluate its performance every two years including:

1. Compare the performance of the Board with the requirements of this Charter;
2. Review the performance of the Board's committees and individual Directors;
3. Consider the goals and objectives of the business for the upcoming year; and
4. Give effect to any improvements to the Board's practices and this Charter deemed necessary or appropriate.

The performance evaluation shall be conducted in such a manner as the Board deems appropriate.

<b>Date of last Review:</b>	<b>April 2025</b>
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