

ALIL Board Charter

1. Purpose

The Board is responsible for governing Ashburton Lyndhurst Irrigation Limited (ALIL) in a manner that protects shareholder interests, supports reliable and sustainable irrigation services, and ensures ALIL meets its legal, financial, environmental, operational, and health and safety obligations.

2. Role of the Board

The Board manages, directs, and supervises ALIL's business and affairs, consistent with ALIL's Constitution and applicable law. The Board's role is to set strategic direction, approve key policies and major decisions, monitor performance, and hold management accountable for delivery.

3. Key Responsibilities

- Set and review ALIL's strategic direction, ensuring decisions support water reliability, environmental stewardship, cost efficiency, and long-term shareholder value.
- Ensure ALIL operates as a co-operative company in accordance with its Constitution, the Companies Act 1993, the Co-operative Companies Act 1996, and other applicable legal obligations.
- Approve major policies, budgets, capital programmes, financial settings, water charges, audited financial accounts, and material transactions.
- Monitor operational, financial, environmental, regulatory, cyber, climate, asset, and reputational risks.
- Ensure effective systems are in place for stakeholder engagement, shareholder communication, compliance, and accurate reporting.
- Maintain appropriate delegations to the Chief Executive while retaining Board oversight of reserved matters.

4. Health and Safety Governance

The Board provides governance and oversight of ALIL's health and safety performance. Directors will exercise due diligence by taking proactive steps to understand ALIL's operations, health and safety risks, and the effectiveness of the systems used to manage those risks.

The Board's health and safety responsibilities include:

- Maintaining current knowledge of health and safety matters and ALIL's operations.
- Ensuring adequate resources are allocated to identify, assess, eliminate, or minimise health and safety risks.
- Ensuring an effective Health and Safety Management System (HSMS) and is adopted by the Board, in place and reviewed within the required timeframes.

- Holding the Chief Executive accountable for implementing, maintaining, and improving the HSMS.
- Ensuring processes enable compliance with health and safety legislation, regulations, codes, consent conditions, and other relevant obligations.
- Embedding health and safety expectations in governance decisions, Board papers, site visits, risk reviews, and performance reporting.
- Applying Work as Imagined / Work as Done thinking so that Board decisions are informed by how work is planned, how work is actually performed, and the practical realities faced by workers, contractors, and affected parties.

5. Chief Executive Accountability

The Chief Executive is responsible for leading ALIL's day-to-day operations and implementing Board-approved strategy, policies, budgets, delegations, and risk controls. The Board will set clear expectations, receive regular reporting, test the adequacy of management responses, and require timely escalation of material issues.

6. Board Composition and Conduct

The Board will be consulted in accordance with ALIL's Constitution, including requirements for director numbers, director qualification, appointment, rotation, chairperson election, quorum, voting, disclosure of interests, and management of conflicts. Directors are expected to act in good faith, exercise care and diligence, maintain confidentiality, declare interests, and make decisions in the best interests of ALIL shareholders as a collective ahead of their personal interests.

7. Chair

The Chair will act as facilitator at meetings of the Board to ensure that no member, 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.

Should the Chair be absent for a meeting, or at the Chair's request, the Board will appoint a member to chair the meeting or meetings as necessary.

8. Information, Reporting, and Assurance

The Board will receive timely, accurate, and relevant information to support informed decision-making. ALIL's annual financial accounts are independently audited, and the Board will use the audit process and audit findings as part of its financial oversight and assurance framework. The Board may seek independent advice or assurance where required.

9. Board Committees

Board committees will be formed only when it is efficient or necessary to facilitate effective decision-making. Board committees will observe the same rules of conduct and procedure as the Board unless the Board determines otherwise.

Board committees will each have a term of reference and will only speak or act for the Board when authorised to do so.

10. Confidentiality

Directors must treat Board papers, Diligent board book materials, meeting discussions, shareholder information, staff information, operational information, financial information, strategic matters, and any other non-public ALIL information as confidential. Confidential information must only be used for ALIL governance purposes and must not be disclosed outside the Board or authorised management channels unless disclosure is authorised by the Board, required by law, or otherwise permitted under ALIL policy.

Directors are expected to take reasonable steps to protect confidential information, including maintaining the security of Board documents and electronic access, avoiding unauthorised copying or sharing, and promptly notifying the Chair or Chief Executive if confidential information may have been accessed or disclosed inappropriately.

11. Indemnities and Insurance

Subject to ALIL's Constitution, ALIL 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 Companies Act 1993.

12. Review of Charter

This Charter will be reviewed at least every two years, or earlier if required by changes to legislation, ALIL's Constitution, strategy, risk profile, or governance practice.