



Board Charter

February 2024

1. Purpose

- This Board Charter sets out the responsibilities and framework for the operation of the Board of Directors (“Board”) of Contact Energy Limited (“Contact”). It is to be read in conjunction with Contact’s Constitution.
- The shareholders have elected the directors and have authorised them to manage the business of Contact and to exercise the powers and perform the duties and obligations as set out in the Constitution and under the law.

2. Code of Conduct and Ethics

- The Board expects that its people will act honestly, with integrity and in Contact’s best interests and in accordance with the law at all times. To enshrine this expectation, the Board has approved and adopted the Tikanga and Code of Conduct which forms the base of Contact’s corporate policy framework.
- A copy of the Code of Conduct is available on Contact’s website.

3. Responsibilities of the Board and each Director

- The Board is responsible for the governance, direction, management and performance of Contact and guiding Contact in what the Board believes to be the best interests of Contact (being the company, its shareholders and stakeholders generally to whom the Board is accountable).
- The Board retains all rights and powers conferred upon it by the Constitution and the law.
- All policies and delegated limits of authority are reviewed on a regular basis.
- The primary duty of the Board is to act in what it believes is in the best interests of Contact. The key objective of the Board is to enhance the sustainable long-term value of Contact. Specific responsibilities of the Board include:
 - approving the strategic direction, policies and budgets of Contact and ensuring that these are followed;
 - approving major investments and monitoring the return on those investments;
 - monitoring financial performance including approval of the interim and annual financial statements and reports;
 - appointing, and when required, replacing the Chief Executive Officer (“CEO”), and supervising and monitoring the performance of the CEO and senior management;
 - overseeing the remuneration, development and succession planning for the CEO and senior management, and ensuring that appropriate human resource management systems are in place, including remuneration, development and succession policies;
 - identification and control of significant risks;
 - reviewing and approving Contact’s risk capacity and tolerance;
 - ensuring appropriate audit and risk management systems are established to manage risk within Contact’s risk capacity and tolerance;

- monitoring selected risks including but not limited to funding and liquidity, strategic and project delivery risks, potentially catastrophic reputational risks and climate-related risks, including reviewing controls and treatment plans to reduce risk, and seeking assurance on controls;
 - reviewing and approving Contact’s compliance systems, including relevant corporate governance policies;
 - the Audit and Risk Committee will assist the Board by assessing the effectiveness of, and monitoring compliance with, the risk management framework, and identifying significant risks for escalation to the Board;
 - ensuring that Contact provides continuous disclosure of information to the investment community, and that shareholders have available all information they reasonably require to make informed assessments of Contact’s prospects; – overseeing Contact’s commitment to its values, sustainable development, the environment and the health and safety of employees, contractors, customers and the community;
 - approving and monitoring the implementation of policies governing Contact’s relationship with key stakeholders (including the communities in which Contact operates, its employees and its customers) and considering the experience and outcome of Contact’s activities on those stakeholders;
 - overseeing and approving customer outcomes, including oversight and measurement of customer programs and initiatives, and risks regarding conduct, culture, governance and reputation as it applies to customers; and
 - protecting and enhancing Contact’s reputation.
- From time to time, the Board may appoint a named director to have oversight of an area where there is a key focus or risk. Any director so appointed will have a duty to watch over the area in question on behalf of the Board but this will not diminish the responsibility of the full Board.
 - Each director will minimise the possibility of any conflict of interest with Contact by restricting their involvement with other businesses that would be likely to lead to a significant conflict of interest. Where a conflict of interest does arise, the interested director will disclose the interest to the Board and, as appropriate, excuse themselves from the discussion and will not exercise their right to vote in respect of relevant matters.
 - The Board may establish other policies and practices to ensure that the Board fulfils its functions and ensures that it remains an effective decision making body.

4. Relationship between Board and Management

- The Board has established delegated limits of authority, which define the matters that are delegated to management and those which require Board approval, and from time to time the Board approves policies that govern the management and operation of the business.

5. The Role of Chair, CEO and Secretary

- The Chair is an independent, non-executive director appointed by the Board, and is responsible for fostering a constructive governance culture and applying appropriate governance principles among directors and with management.
- Under the delegations of authority, the CEO has authority to manage and control Contact’s day to day affairs in relation to all matters other than those specifically reserved for the Board. The CEO has authority to delegate to the senior management team and together, with the team, is responsible to the Board for development and implementation of strategy and overall management and performance of Contact.

- The General Counsel acts as secretary of the Board and attends all meetings of the Board as required. This role is accountable to the Board through the Chair on all corporate governance matters and all matters to do with the proper functioning of the Board.

6. Board Composition and Director Independence, Nomination and Appointment

- The number of Directors on the Board at any given time is determined in accordance with the Constitution.
- The Board will ensure that its membership is comprised with a majority of independent¹, non-executive directors.
- Each director must retire by rotation every three years at the annual meeting, and retiring directors are eligible to stand for re-election by shareholders. Any director appointed by the Board will stand for election at the next annual meeting after their appointment. Contact's Constitution sets out in detail the formal process for director rotation and appointment.
- The Board will ensure that its composition is structured so that it has the appropriate size, knowledge, skill, experience and diversity to enable it to discharge its responsibilities and duties effectively having regard to the law and the highest standards of governance. In particular, the Board is responsible for the following matters:
 - the size, composition and diversity of the Board, including the desired skills and experience for the Board and the extent to which these are represented on the Board;
 - suitable candidates for appointment to the Board, including reviewing nominations received from shareholders, as additional Directors or to succeed existing Directors, having regard to the skills, diversity and experience identified above;
 - ensure letters of engagement are in place for all Directors and there is an appropriate induction program in place for all new Directors;
 - re-appointment of incumbent Directors (following resignation by rotation);
 - structure of Board committees;
 - evaluation of the performance of the Board, its committees and individual Directors; and
 - Contact's risks that relate to Board appointments and structure, including controls and treatment plans to reduce risk.
- The Board recognises the significant value of diversity, and considers factors such as gender, ethnicity and cultural background in its nomination process. As one part of that commitment, Contact has set an objective that the Board will comprise at least 30% male and 30% female directors at any time.

7. Meetings

- The Constitution governs the regulation of meetings and proceedings of the Board. The Board will meet as required, normally a minimum of eight times per year.
- Meetings will usually include a director only private session where the Board meets without management present.
- The General Counsel will provide assistance to the Board in the preparation of agenda and minutes of meetings and will provide secretarial support to the Board.

¹ An independent director is as defined in the NZX Listing Rules and Corporate Governance Code.

8. Committees of the Board

- The Board has established committees to assist in the execution of its duties and to allow detailed consideration of complex issues or areas of special interest. Current committees established by the Board are:
 - Audit and Risk Committee;
 - Health, Safety and Environment Committee;
 - People Committee.
- The Board may establish other committees, as required from time to time.
- 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 and made available on the Contact website.

9. Induction, Performance and Continuous Education

- The Board will ensure that new directors receive induction training, which will cover governance, key policies and the key strategic and operational issues facing Contact. New directors will also visit Contact generation and call centre sites.
- The Board is committed to the ongoing development and continuing education of directors. A fund is available for director development opportunities, a portion of which is made available upon approval by the Chair where the training opportunity is of benefit for both Contact and the individual director.
- Reviews of the performance of the Board and individual directors will be carried out regularly to ensure the Board as a whole and individual directors are performing to a high standard. A comprehensive review will be carried out every two years.

10. Directors' Remuneration

- Directors' remuneration will be paid from a total fee pool approved by shareholders. In addition, directors will be reimbursed for costs directly associated with carrying out their duties, such as travel costs.

11. Directors' Shareholdings

- Subject to personal circumstances, the Board encourages directors to hold a minimum of 20,000 Contact shares within three years of appointment to further align the interests of directors with the interests of shareholders.
- Directors must comply with Contact's Share Trading Policy in relation to any dealings with Contact shares.

12. Access to Independent Advice and Resources

- The Board, and any Board committee or individual director may, with the approval of the Chair, obtain external independent legal or other professional advice at Contact's expense where the Board or director considers it necessary to carry out its or his or her functions.
- The Board has direct access to any resources and information of Contact as it may reasonably require.

13. Review of Charter

- The Board will review the Charter as necessary to ensure its relevance and the effectiveness of the Board. Any resulting amendments must be approved by the Board.
- To the extent of any inconsistency between this Charter and the Constitution, the Constitution will prevail.