

Board Charter – Z Energy Limited

Z Energy Limited (“**Z Energy**”) is committed to the highest standards of corporate governance. This Board Charter (“**Charter**”) is the foundation document which sets out the Board’s role and responsibilities for the governance of Z Energy.

INTRODUCTION

1. This Charter sets out how the Board will exercise and discharge its powers and responsibilities in relation to the business and affairs of Z Energy. In performing its role, the Board aspires to continuously improve corporate governance at Z Energy, as appropriate for a company with securities listed on the NZX and ASX.

PURPOSE

2. This Charter sets out the role, composition, responsibilities and duties, procedures, powers and authority, and review and accountability of the Board, the committees established by the Board (“**Board Committees**”) and the relationship between the Board and the Chief Executive Officer (“**CEO**”) and the CEO’s Executive team (together “**Management**”).
3. The use of Board Committees and other key governance documents are illustrated in **Appendix A**.

GOVERNANCE AT Z ENERGY

4. Z Energy’s purpose – “*solving what matters for a moving world*” – guides its actions and behaviours. This purpose reflects Z Energy’s commitment to doing the right thing for New Zealanders, and for its staff, stakeholders, and customers.
5. Against that background, the Board has adopted the following corporate governance objectives for Z Energy:
 - To lay solid foundations for Management and provide general oversight, including oversight of:
Management’s implementation of Z’s strategic objectives and performance;
 - Z’s reporting and accounting systems;
 - Z’s risk management framework.

- To ensure that, through its skills mix and composition, it is positioned to add value.
- To provide a framework for creation of Board Committees where this will enhance effectiveness in key areas, while still retaining board responsibility.
- To set standards of ethical and behaviour and hold management accountable for delivering these standards throughout the organisation.
- To safeguard integrity in its financial and non-financial reporting.
- To make timely and balanced disclosure.
- To respect the rights of its shareholders.
- To respect the interests of broader stakeholders.
- To recognise and manage risk.
- To encourage enhanced performance.

- To promote a corporate culture that embraces diversity and inclusiveness.
6. Each Director will (when acting as a Director of Z Energy) conduct himself or herself in accordance with his or her legal duties and other obligations, including Z's Code of Conduct, the duty to act in good faith and in what the Director believes to be the best interests of Z Energy.

GOVERNANCE ROLES

Board

7. The Board is appointed by Z Energy's shareholders and has statutory responsibility for the business and affairs of Z Energy. The Board has overall responsibility for the strategy, culture, governance, and performance of Z Energy working with, and through, the CEO.

Chair

8. The Chair's role is to manage the Board effectively and provide leadership. The Chair is separate from the CEO. The relationship between the Chair and CEO is important as it facilitates effective working relationships between the Board and Management. Generally, the Chair and the CEO meet before Board meetings to discuss and suggest agenda items.

CEO

9. As the principal representative of Z Energy, the CEO is responsible for providing leadership which shapes culture and drives performance within Z Energy and that supports trust in Z Energy, Z Energy's reputation, the development and achievement of business strategies and aligns with a range of stakeholder expectations.
10. The Board will provide general governance for Z Energy and will give guidance to Management to contribute to performance as well as continuous learning and improvement. Using their knowledge and experience, the Board members will constructively challenge as part of overseeing and monitoring the work and performance of Management.

RESPONSIBILITIES AND DUTIES

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

- Approving, and reviewing performance against Z Energy's Operating Plan. Each year, the Board reviews and approves the Z Energy Operating Plan for the following year, including the capital expenditure and operating budget for the following year.
 - The Board is also involved in on-going strategy development, setting the risk appetite and the assessment of business opportunities and risks.
 - It is also responsible for the oversight of the control and accountability systems within Z Energy.
- Monitoring and, where appropriate, approving Z Energy's financial and other reporting.
- Every six months receiving a certification from the CEO and Chief Financial Officer ("**CFO**") that:
 - Z Energy's financial reports represent a true and fair view in all material respects of its financial condition and operational results and are in accordance with relevant accounting standards.
 - The certification has been made based on a sound system of risk management and internal compliance and control which implements policies adopted by the Board.
 - The risk management and internal compliance system is operating efficiently and effectively in all material respects.
- Monitoring compliance with Z Energy's continuous disclosure obligations.
- Having close oversight over all Health, Safety, Security, and Environment Committee ("**HSSE**") performance.
- Determining the remuneration of the CEO, Management and individual directors (from a pool of remuneration approved by shareholders).
- Appointing and removing the CEO, and appointing the Chief Governance Officer.

DELEGATION OF POWERS AND AUTHORITY

12. The Board has appointed three standing Board Committees (as outlined below) to assist it in carrying out its responsibilities, and has delegated some of its responsibilities, powers and authority to those Board Committees.
13. In addition to the delegations referred to above, the Board may also, from time to time:
 - establish *ad hoc* or other standing Board Committees, and delegate responsibilities, powers and authority to those Committees; and

- delegate specific responsibilities, powers and authority to particular Directors and/or members of Management.
14. Non-executive Directors are not employees of Z Energy.

DELEGATION TO, AND ROLE OF, MANAGEMENT

Chief Executive Officer

15. The Board has delegated authority, in part, to the CEO through the Delegated Authority Policy and Register to allow for the effective day to day management and leadership of Z Energy. In accordance with the Delegated Authority Policy and Register, the CEO may also sub-delegate authority to other members of Management, and certain other Z Energy people, within specified financial and non-financial limits.
16. Within the delegation of authority there is a delegation of responsibility and accountability. When Z Energy's people make decisions under a delegated authority, they are authorised to exercise appropriate and informed decision making within a controlled, accountable and transparent framework, with reference to budgets, compliance with the law and the objectives of Z Energy.
17. The Delegated Authority Policy and Register specifies those matters that have been reserved to the Board, and any decision making that needs to be notified to the Board.
- The CEO attends all Board and Board Committee meetings, except for: meetings of the Board or any Board Committee that are held without Management present.

Chief Financial Officer

18. The CFO attends all Board meetings and all Audit and Risk Committee meetings (but may be asked to leave at any time).

Chief Governance Officer

19. The Chief Governance Officer is appointed by the Board (on the recommendation of the CEO) and:
- is accountable to the Board, through the Chair, on all governance matters;
 - attends all Board meetings (but may be asked to leave at any time);
 - may attend all Board Committee meetings if invited to do so by the Committee's respective Chair, (but may be asked to leave at any time); and

- acts as a reference point between the Board and Management by being accessible to all Directors and Management.
20. The Chief Governance Officer plays a significant role in contributing to good governance through monitoring compliance with Board policies and procedures, ensuring timely completion and distribution of Board materials, monitoring completion of actions and retaining independent professional advisers or experts at the request of the Board or a Board Committee and advising on a range of governance matters.

General Manager, People and Culture and General Manager, HSSE

21. The General Manager, People and Culture attends all meetings of the People and Culture Committee (but may be asked to leave at any time).
22. The General Manager, Health Safety Security and Environment attends all meetings of the Health Safety Security and Environment Committee (but may be asked to leave at any time).

Evaluating the Performance of Management and Succession Planning

23. The Board has delegated certain responsibilities relating to these matters to the People and Culture Committee (as set out in that Committee's Charter). The People and Culture Committee meets with the Board and the Chair to discuss the CEO's performance and remuneration. The Chair then meets with the CEO to discuss performance and to provide guidance.
24. The CEO reports annually to the People and Culture Committee regarding development and succession planning for certain other key members of Management.

DELEGATION TO, AND ROLE OF, BOARD COMMITTEES

Standing Board Committees

25. The Board currently has the following standing Board Committees (each with a Board approved Charter and Chair):
- **Audit and Risk Committee:** assists the Board in ensuring oversight of all matters relating to risk management, including verification that there are appropriate process to identify and manage risk, financial management and controls, and the financial accounting, audit and reporting of Z Energy.
 - **People and Culture Committee:** guides and reviews the People and Culture Strategy and policies and provides assurance to the Board that the strategy and policies are designed and implemented effectively

and are fully compliant with all legislative and listing requirements. The PCC also oversees all people policies including remuneration frameworks.

- **Health, Safety, Security, and Environment Committee:** assists the Board to ensure it provides direction and monitors performance on health, safety, security and the environment ("HSSE") matters.
26. These Committees assist the Board by focusing on specific responsibilities in greater detail than is possible for the Board as a whole. The Board will ensure that each Committee has access to adequate resources (both internally and externally) to allow the Committee to perform its functions effectively and efficiently.

Operation of Board Committees

27. **Schedule 1** to this Charter sets out matters that apply to all standing Board Committees, including:
- composition and membership;
 - procedure;
 - responsibilities and duties; and
 - powers and authorities.
28. In addition to these common matters, additional or specific requirements may be set out in a Board Committee's Charter (and any such requirements must be read in conjunction with the general provisions in Schedule 1).
29. The matters in Schedule 1 will, unless specified otherwise, also apply to any ad hoc or other standing Board Committees established by the Board.

Review and Accountability of Board Committees

30. The Board will annually review and evaluate the performance of each Committee to ensure it is operating consistently with its Charter and all relevant Board delegations. Each Committee Charter will be reviewed every five years or more frequently if considered appropriate.

RELATIONSHIPS WITH SHAREHOLDERS

31. Z Energy is committed to fostering constructive relationships with shareholders that encourage them to engage with Z Energy and to building a best-in-class investor relations function internally. In particular, Z Energy is committed to:
- communicating effectively with shareholders, including through annual shareholder meetings;

- giving shareholders ready access to balanced and understandable information about Z Energy and its corporate proposals;
- making it easy for shareholders to participate in Z Energy's general meetings, including by the use of technology; and
- maintaining an up to date website which provides shareholders with information about Z Energy, its business and affairs.

BOARD PROCEDURE

Board Meetings

32. The Board normally meets around six times a year. The Board may meet without Management present, as the Board considers necessary.
33. The procedure for Board meetings is set out in Schedule 3 to Z Energy's Constitution.
34. The Board may call ad hoc meetings to deal with urgent matters.

Board Materials and Presentations

35. The Chair of the Board generally meets with the CEO prior to each Board meeting to discuss the agenda for the forthcoming Board Meeting. Each Committee or Director is able to suggest agenda items.
36. To enable appropriate review of Board materials, Directors will generally receive materials five business days in advance of meetings for items to be acted upon, except in the case of special meetings for which the time period may be shorter due to the urgency of the matter to be considered. Templates and guidance are in place concerning the presentation and delivery of papers. Papers are taken as read and summarised at meetings so that discussion is appropriately focused on the issues requiring Board input and determination.
37. The Board encourages the CEO to bring Z Energy employees to Board meetings who can provide additional insight into the items being discussed because of personal involvement in those matters. This includes Z Energy employees whose executive development the CEO believes would benefit from exposure to the Board.
38. All Directors have access to Z Energy employees to discuss issues or obtain further information on specific areas, as they think appropriate.

Reliance on advice

39. A Director may, with the Chair's prior approval, retain, consult with, or terminate the use of, external independent consultants and experts (including legal advisers) and may request the attendance of such adviser, experts or consultants at a Board or Board Committee meeting

where this is necessary to fulfil the relevant role and responsibilities for Z Energy. The costs of any such adviser, experts or consultants will be paid by Z Energy.

40. Directors (as members of the Board and as members of any Board Committees) are entitled to rely on Management in relation to matters within their responsibility and area of expertise and may assume the accuracy of information provided by Management, so long as:
 - the Director acts in good faith;
 - the Director makes proper inquiry where the need for this is indicated by the circumstances;
 - the Director brings an enquiring mind and his or her own knowledge of Z Energy to evaluate the information and advice provided; and
 - the Director has no knowledge that any such reliance or assumption may be inappropriate.
41. The Board may rely on information provided by a Board Committee (or its members) in relation to matters within that Committee's delegated responsibility (subject to the same provisos set out above).

Remuneration of Directors

42. Director remuneration is paid in the form of Directors' fees. Additional fees are paid to the Chair of the Board and each Committee to reflect the additional responsibilities of these positions. The Board may determine that additional allowances be paid to a Director, as appropriate, to reflect additional services provided to Z Energy by that Director. The total fees available to be paid to Directors are subject to shareholder approval.

Reimbursement of Directors' Expenses

43. In summary, Z Energy meets the following expenses of Directors:
 - travel directly associated with attendance at Board and Committee meetings, Board trips and Board business;
 - any costs associated with attendance at functions where the Director is representing Z Energy;
 - any travel costs directly associated with a Director's spouse's/partner's attendance at functions where their attendance is considered appropriate to represent Z Energy's interests; and
 - any expenses directly associated with the performance of the Director's role,

consistent with Z's travel and entertainment policy.

Remuneration of CEO

44. The CEO's remuneration is paid in the form of a salary. The CEO may also be entitled to participate in various Z Energy incentive schemes (subject to any necessary shareholder approval requirements).

Trading in Z Energy Shares

45. All non-executive Directors are encouraged to hold Z Energy shares.
46. Directors are subject to limitations on their ability to deal in Z Energy securities by Z Energy's Insider Trading Policy, the New Zealand Financial Markets Conduct Act 2013 and the Australian Corporations Act 2001 (or replacement legislation). These limitations include the requirement that Directors may not deal in Z Energy securities or the securities of another issuer while in possession of inside information about that entity.
47. As a matter of policy, Z Energy also requires that prior to a Director dealing in Z Energy securities, consent must be obtained from the Chair and that trading may only occur in accordance with Z Energy's Insider Trading Policy. If the Chair wishes to trade his or her securities in Z Energy, consent must be obtained from the Chair of the Audit and Risk Committee, with notification to the Chief Governance Officer.
48. All changes in any interests in Z Energy shares held by Directors are required to be reported to the Board and the stock exchanges on which Z Energy is listed.

BOARD MEMBERSHIP

Board Composition and Succession

49. The Constitution provides that the Board must comprise between three and eight Directors. In addition the Board has agreed that a majority of Directors (including the Chair) must meet the independence requirements (see below).
50. Each Director will fully disclose to the Board all information necessary to enable Z Energy to ensure compliance with these requirements.
51. The Board should maintain a live skills matrix which records the current mix of experience and expertise of the Board and the future strategy/business needs that need to be sought over future appointments.
52. The Board has a responsibility to have potential appointees (more than one) identified ahead of time.
53. A majority of directors should live in the operating location.

54. The Board should not depart from ensuring it maintains at a minimum, a mix of former CEOs (or other strong organisational leadership experience) on the Board, and deep industry experience.
55. Diversity and inclusion factors should be taken into account, particularly in relationship to the needs of Z's customer base, and not limited to gender.
56. Leadership roles (Chair of Board or Committees) should be filled by current directors where possible and ideally, Chair successors would hold a Committee Chair role previously.
57. Expectations and criteria for board leadership roles should be clear.
58. Board leadership succession should be aligned to executive succession (i.e. planned CEO and Chair departures should be separated by at least one year).

Rotation

59. All Directors appointed by way of casual vacancy are required by the Z Energy Constitution to retire or be elected by the shareholders at the first annual meeting after their appointment. At least one third of all Directors, or, if their number is not a multiple of three, then the number nearest to one third, shall retire from office at the annual meeting each year, but shall be eligible for re-election at that meeting. In each year the Directors who retire are those who have been longest in office since their last election. There is no maximum term for which a person can remain a Director.
60. However, these rotation requirements do not apply to any one Director who is appointed as a Managing Director by the Board.

Independence

61. In order for a Director to be considered independent, the Board must affirmatively determine that the Director does not have a disqualifying relationship (other than solely as a consequence of being a Director). The basis for determining whether a Director has a disqualifying relationship is set out in **Schedule 2** to this Charter.
62. The Board will review any determination it makes as to a Director's independence on becoming aware of any information that indicates that the Director may have a disqualifying relationship or a material relationship with Z Energy. The Board will disclose which Directors are independent in the Z Energy annual report and the basis for these determinations.
63. The Chair's other commitments must not be such that they are likely to hinder his or her effective performance in the role.

Nomination

64. Potential candidates for appointment as Directors on the Z Energy Board are recommended by the People and Culture Committee. To be eligible for selection, candidates must demonstrate appropriate qualities and experience, satisfy the Board they will commit the time needed to be fully effective in their role, and meet the certification requirements established by any stock exchange on which Z Energy is listed.
65. Directors are selected based on a range of factors including the perceived needs of the Board at the time. These factors include the independence, qualifications, skills and experience of candidates. The Board will first review the skills and competency needs of Z Energy and those of existing Board members.
66. All Directors will undertake due diligence prior to appointment.
67. The nomination of new Directors to be appointed by way of casual vacancy is considered by all Directors. All Directors will have the opportunity to meet with potential new Directors prior to their appointment.

Induction

68. The Board seeks to ensure that new Directors are appropriately introduced to Management and the Z Energy business, that all Directors are acquainted with relevant industry knowledge and economics and that they receive a copy of this Charter, the Charters of the Board Committees and the key governance documents referred to in **Appendix A** to this Charter.

Continuous Education

69. It is expected that all Directors continuously educate themselves to ensure that they have appropriate expertise and can effectively perform their duties.
70. In addition, visits to Z Energy's operations, briefings from key Management and industry experts or key advisers to Z Energy, and educational and stakeholder visits, briefings or meetings will be arranged for the Board.

REVIEW AND ACCOUNTABILITY

Review and Evaluation of Board Performance

71. The Board will review and evaluate the performance of the Board, individual Directors and Committees annually utilising a Board evaluation process established, developed and overseen by the People and Culture Committee.
72. The People and Culture Committee reviews the remuneration of Directors based on criteria developed by that Committee.

Review of Governance Documents

73. This Board Charter, the Charters of Board Committees and other key governance documents that appear in **Appendix A** will be reviewed every three years by the relevant Committees overseeing them and by the Board or more frequently if considered appropriate.

Accountability

74. While this Board Charter, the Charters of Board Committees and other key governance documents that appear in **Appendix A** set out the key aspects of Z Energy's corporate governance, they are not themselves intended to independently give rise to legal rights or obligations on Directors and Z Energy people (employees and contractors).

SCHEDULE 1: BOARD COMMITTEES

Membership

1. The membership of each Board Committee must comply with the following:
 - the members of each Board Committee are appointed (and removed) by the Board;
 - each Board Committee must have at least three Directors as members;
 - a majority of the members of each Board Committee (including the Chair of each Board Committee) must be independent (in accordance with the independence criteria set out in this Charter); and
 - unless specified otherwise in a Board Committee's Charter, Z Energy employees who are not Directors cannot be appointed as members of a Board Committee.

Remuneration

2. The remuneration payable to any member of a Board Committee (if any) will be determined by the Board.

Procedure

3. A Board Committee will meet approximately four times each year, as its Chair considers necessary.
4. A quorum of a Board Committee is two members.
5. The Chair of a Board Committee:
 - may call informal meetings to discuss draft proposals or senior management issues where considered appropriate to fulfil the responsibility of the Committee effectively and efficiently;
 - will discuss the agenda and meet with relevant Management before each meeting;
 - may communicate with any Z Energy employees to seek information or invite any person to a meeting where this is necessary to enable the Board Committee to perform its role;
 - may request that any person leave a meeting at any time (this includes members of the Board Committee and Management);
 - will ensure that papers submitted to that Board Committee are circulated to all Directors (not just members of the Board Committee) by the Chief Governance Officer;
 - will ensure that the Committee's Charter appears on Z Energy's external website; and

- will report back any Board Committee recommendations (or resolutions, where a Board Committee has been delegated authority to make decisions on the Board's behalf) at the Board meeting immediately following the Board Committee meeting.
6. Any member of the Board may attend any Board Committee meeting at any time. Any such Board member who attends a Board Committee meeting will attend as an observer only (and will not be counted in the quorum or be able to vote).

Roles and Responsibilities

7. The role of, and the responsibilities delegated to, a Board Committee will be specified in its Charter. Generally, a Board Committee's role will be to assist the Board to discharge the Board's duties (including reviewing, monitoring and overseeing Management and making recommendations to inform Board decision-making).

Powers and Authority

8. The three standing Board Committees have the following powers:
- Any of the Board Committee's responsibilities can be delegated to the Chair of the Committee at any time and on any conditions which the Board Committee considers appropriate.
 - Any activity in Z Energy which is covered by the Board Committee's role (as set out in its Charter) can be investigated by the Committee.
 - A Board Committee may, with the Chair's prior consent, retain, consult with, or terminate the use of, external independent consultants and experts (including legal advisers) and request the attendance of such adviser, experts or consultants at a Committee meeting (and the costs of this will be paid by Z Energy).

SCHEDULE 2: DISQUALIFYING RELATIONSHIPS

Determining whether there is a Disqualifying Relationship

1. In determining whether a disqualifying relationship exists, the Board will consider the following:

- i. Any direct or indirect interest or relationship that could reasonably influence, in a material way, the Director's decisions in relation to Z Energy.
- ii. Whether the Director:
 - a) is a substantial security holder of Z Energy, or is an officer or other associated person of a substantial security holder of Z Energy (other than solely as a consequence of being a Director).
 - b) has a relationship (other than as a Director) with Z Energy or a substantial security holder of Z Energy, or an associated person of a Director has a relationship with Z Energy or a substantial security holder of Z Energy, and, by virtue of that relationship, the Director or the relevant associated person is likely to derive, in Z Energy's current financial year, 10% or more of his, her or its annual revenue from Z Energy (but dividends and other distributions to Z Energy equity security holders are not included in annual revenue for this purpose).
 - c) is a material supplier or customer of Z Energy, or is an officer of or otherwise associated with (directly or indirectly) a material supplier or customer.
 - d) has a material contractual relationship with Z Energy (other than as a Director).
 - e) is employed in an executive capacity by Z Energy.
- iii. Whether, at any time during the past three years, the Director:
 - a) was employed in an executive capacity by Z Energy.
 - b) was a principal of a material professional adviser or a material consultant to Z Energy, or was an employee materially associated with the service provided.

Meaning of terms used

2. For the purposes of the definition of disqualifying relationship:

- i. "associated person" means a person who, as a result of an arrangement or relationship existing between the person and another person, could be influenced in making a power or exercising a decision by the other person, and is further defined by the NZSX/NZDX Listing Rules;

- ii. "executive officer" means any member of an executive team including the CEO and the Chief Executive Officer's direct reports;
- iii. "indirect relationship" includes relationships as supplier, partner, customer, shareholder, or an officer of an organisation that has a relationship with Z Energy;
- iv. "material" is to be considered having regard to the materiality to Z Energy, the Director and the person or organisation with which the Director is related (e.g. the customer, supplier or adviser);
- v. "relationship" is to be interpreted broadly and includes indirect relationships and direct relationships such as employment and other contractual relationships;
- vi. "substantial security holder" is a person who has a relevant interest in 5% or more of the voting securities of the Company.