

1. PURPOSE

This Charter sets out the governance requirements and standards for the Board of Steel & Tube Holdings Limited (“Steel & Tube” or the “Company”). It is designed to provide Directors and Officers with greater clarity regarding the role of the Board, the requirements of Directors in carrying out their role and discharging their duties to the Company, and the Board's operating practices.

The Board holds the statutory responsibility for the activities of the Company. This is achieved in practice through delegation of authority to the Chief Executive Officer and other employees of the company who are responsible for the day to day operations, leadership and management of the company affairs.

2. COMPANY PURPOSE STATEMENT

Steel & Tube is New Zealand's leading Distributor and Processor of metal and related products. Our commitment to delivering exceptional service, quality and value to our customers and shareholders is maintained through our people who always act safe and are reliable, accountable and committed.

3. GOVERNANCE OBJECTIVES

The objective of the Board of Steel & Tube is to enhance shareholders value and protect the interests of other stakeholders by improving the corporate performance and accountability.

The Board is committed to ensuring:-

- Adequate disclosures and effective decision making to achieve corporate objectives;
- Transparency in business transactions;
- Statutory and legal compliance;
- Protection of shareholder interests;
- Commitment to values and ethical conduct of business
- Effectively and regularly monitoring the functioning of the management team;
- Management risk appetite is appropriate.

And acting in a way that is:-

- Safe in everything we do
- Locally based and operated
- Stable and secure
- Reliable and trustworthy in every way
- Open and honest in all we do
- Knowledgeable and capable

4. BOARD COMPOSITION

The Company's constitution requires a minimum of 3 and a maximum of 10 Directors. The minimum number of independent Directors on the Board will be two (or, if the size of the Board is increased to eight or more Directors, the minimum number of independent Directors will be the greater of three or one-third of the total number of Directors).

The Chief Executive Officer may be appointed as an Executive Director. Only the Chief Executive Officer can be appointed as an Executive Director. The Chief Executive Officer shall not be the Chair.

The Board fosters independence of view and its composition should reflect the nature of the Company's business with a balance of cultural fit, business and international experience and diverse perspectives.

5. ROLE OF THE BOARD

The primary role of the Board is to take all appropriate steps to protect and enhance the value of the assets of the company acting in the best interests of the company.

The Board's responsibility is to continue to assure itself about the continuing health of the Company, its management and the operations.

To achieve this the Board will:-

- Appoint the Company Chief Executive Officer and monitor the performance of the CEO.
- Determine the strategic direction for the Company.
- Ensure that the Company's business is conducted in an honest, ethical responsible and safe manner.
- Ensuring appropriate systems and processes are in place in the Company.
- Oversight and monitoring of Company performance targets
- Oversight and monitoring of the Company's Health & Safety programmes
- Approve and review the Company's governance policies

6. ROLE OF THE CHAIR

The Chair carries out a leadership role in the conduct of the Board and its relations with shareholders and other stakeholders. The Chair maintains a close professional relationship with the CEO and their management team and acts as mentor as required.

The Chair will chair Board meetings, as well as general meetings of shareholders, and should focus on the good order and effectiveness of the Board and its processes.

The Chair must ensure that all Directors are encouraged to participate in the affairs of the Board and have an adequate opportunity to express their views.

7. BOARD PERFORMANCE

The Board keeps its own performance under review. This includes a formal review step – such as a focussed discussion at least annually – as well as comprehensive reviews from time to time.

External reviews are commissioned at times to assist in reviewing the performance of individual Directors and the Board's own effectiveness.

It is expected that these reviews will assess overall Board effectiveness with particular emphasis on:-

- individual performance of Directors
- the Board's own role
- the effectiveness of processes to support that role, and
- the skillset capability for Board overall

8. INDEPENDENCE

The independence of Directors is to be assessed at least annually by the Board in accordance with the requirements of the NZX Listing Rules.

9. DIRECTORS SHAREHOLDING

Each Director is expected to hold at least 1,000 shares. Directors' shareholdings are disclosed in the annual report.

A Director who acquires or disposes of a relevant interest in Steel & Tube shares must notify the Chair and the NZX within five business days of the acquisition or disposal. This requirement applies to Directors for the six-month period after they cease to be a director of the Company.

Directors are limited in their ability to deal in the Company's shares by reason of their position as insiders. Directors may only deal in shares in the Company after having obtained all required approvals including those set out in the Company's Insider Trading Policy. Directors who possess inside information relating to the Company may not deal in the Company's shares.

10. DIRECTORS REMUNERATION

Directors' remuneration is in the form of Directors Fees. Additional fees are paid to the Chair to reflect the additional responsibilities.

The total Director fee pool is agreed with the Governance and Remuneration Committee and approved by shareholders.

Directors are not entitled to incentive rewards, and do not receive additional remuneration for Committee or other commitments. Directors do not participate in share programs for employees of the Company.

The Chief Executive Officer receives no additional remuneration for serving as a Director.

11. PROVISION OF BUSINESS OR PROFESSIONAL SERVICES

Directors should not provide business or professional services of an ongoing nature to the Company due to a perceived or actual conflict of interest.

Notwithstanding the general rule, the Company may:-

- for the purpose of a special assignment, engage the services of any Director having special expertise in the particular field; or
- engage the services of another member of a Director's organisation

Provided the terms of engagement are competitive, are clearly recorded and all legal requirements for disclosure of the engagement are properly observed.

12. INDEPENDENT ADVICE

The Board may seek independent advice as determined by the Chair.

A Committee or individual Director may, with the prior approval of the Chair, engage professional advisers at the Company's expense to advise or assist them in carrying out their Director responsibilities.

Any advice received is to be made available to the Company, the Chair and other Directors.

13. TENURE OF DIRECTORS

In accordance with the requirements of the constitution and the NZX rules, Directors will require election approximately every 3 years.

The tenure of any Executive Director is linked to the executive office they hold.

Under the Company constitution, there is no mandatory retirement time for Directors.

14. COMPANY SECRETARY

The Company Secretary supports the Board in carrying out its role, including assistance in communications between Board and Management and attending meetings and recording minutes of the proceedings, as well as undertaking compliance and administrative functions in the governance of the Company.

The Company Secretary is appointed by the Board. All Directors have access to the Company Secretary.

15. STEEL & TUBE BOARD PROCESSES

15.1 Frequency and Duration of Meeting

The Board will meet regularly. The constitution governs the meetings and proceedings of the Board. A schedule of dates and locations will be provided to Directors at the beginning of each calendar year. The Chief Executive Officer may invite employees to attend the Board meeting from time to time.

15.2 Agenda

The agenda is determined by the Chair.

15.3 Committees of the Board

The Board has established Committees to attend to particular areas of work nominated by the Board. Notwithstanding any delegation of decisions to a Committee, a decision by a Committee is deemed to have been taken by the full Board.

The standing Committees of the Board are the Audit and Risk Committee, the Nominations Committee, the Governance and Remuneration Committee and the Quality, Health, Safety and Environment Committee.

Other Committees may be convened as deemed appropriate to address matters calling for special attention or to exercise specified powers on behalf of the Board.

Each standing Committee has a written charter outlining its authority, duties, responsibilities and relationship with the Board. The performance of each Committee is regularly reviewed by the Board.

The minutes of each Committee of the Board are circulated to all Directors and the Chair of each standing Committee reports to the Board on meetings of each Committee that have occurred since the last meeting of the Board.

16. OWNERSHIP AND REVIEW

| | |
|-----------|-----------------------------|
| Approver: | Steel & Tube Board |
| Reviewer: | Steel & Tube Board |
| Owner: | Company Secretary |
| Review: | Three Yearly or as required |
| Date: | 23 August 2021 |
