

Appointments Policy (OUSA Holdings Limited)

Category Operational

Version 1

Ratified April 2023

1. Definitions

1.1. In this Policy:

Holdings means OUSA Holdings Limited;

Holdings Board means Holdings' board of directors;

OUSA means Otago University Students' Association Limited;

Subsidiary means a subsidiary of Holdings; and

Subsidiary Board means the board of directors of a Subsidiary.

2. Purpose

2.1. This Policy applies to the appointment of directors to Subsidiary Boards by the Holdings Board.

2.2. The purpose of this Policy is to provide guidelines to ensure appropriate representation of student, OUSA and Holdings' interests on Subsidiary Boards.

3. Appointment and Removal

3.1. At the date of this Policy, Holdings has the right to appoint directors to the following Subsidiary Boards:

- a) **OUSA Commercial Limited** (Company Number 8544547) (**OUSA Commercial**); and
- b) **University Book Shop (Otago) Limited** (Company Number 149382) (**UBS**).

3.2. Appointments to Subsidiary Boards must be approved by a resolution of the Holdings Board. The resolution will include:

- a) the Subsidiary Board to which they are to be appointed;
- b) the term of appointment; and
- c) any conditions of the appointment.

3.3. Where a member of the Holdings Board is to be appointed as a director of a Subsidiary Board, that member will not participate in Holdings Board discussions or vote on any resolution regarding their appointment to the Subsidiary Board.

Composition

3.4. It is generally expected that two directors from the Holdings Board will be appointed to each of the OUSA Commercial and UBS boards, together with such other directors as the Holdings Board determines. The Holdings Board members appointed to the OUSA Commercial board will not be the same as those appointed to the UBS board.

Removal of Directors

3.5. The office of director is vacated through retirement, resignation, disqualification, or removal.

3.6. The removal of a director from a Subsidiary Board must be approved by a resolution of the Holdings Board.

3.7. The following are likely reasons for a director to be removed from a Subsidiary Board. Where the director:

- a) no longer has the confidence of the Holdings Board, the Subsidiary Board (if relevant) or OUSA;
- b) has breached ethical standards;
- c) does not act in the best interests of Holdings, the Subsidiary or of OUSA; or
- d) is regularly absent from Subsidiary Board meetings without good justification.

Reappointments

3.8. Where a director's term of appointment has expired, and the director is eligible for reappointment and wishes to stand, the Holdings Board will consider the director's reappointment based on the following considerations:

- a) performance of the director and the needs of the Subsidiary Board as a whole;

- b) consultation on a confidential basis with the chair (if any) of the Subsidiary Board;
 - c) whether the skills of the director add value to the work of the Subsidiary Board;
 - d) whether there are other skills or competencies' which the Subsidiary Board needs;
 - e) whether the process offers and opportunity for increasing diversity on the Subsidiary Board; and
 - f) succession issues and balancing the appointment of new directors with maintaining continuity/stability by reappointing existing directors.
- 3.9. The Holdings Board will take each director's term limit into account when appointing and re-appointing directors to Subsidiary Boards and will seek to balance appointing new directors with maintaining continuity and stability of each Subsidiary Board's composition. Appointments should be staggered, where possible, to enable rotation of Subsidiary Board members.

Casual vacancies and additional directors

- 3.10. Where the Holdings Board wishes to appoint a director to the Holdings Board to fill a casual vacancy or as an additional director, the Holdings Board will have regard to term limits set out in Holdings' constitution and the criteria set out in clause **Error! Reference source not found.** of this Policy.
- 3.11. Where the Holdings Board has appointed a director to fill a casual vacancy or as an additional director, that director may be removed by a resolution of the Holdings Board.

Implementation

- 3.12. Where the Holdings Board resolves to appoint or remove a director under this Policy, the Holdings Board will take all steps to implement that resolution in accordance with the relevant constitution, shareholder agreement or legislation (e.g. by a special shareholder's resolution).

4. Term

- 4.1. Directors may only be appointed to Subsidiary Boards for terms of 3 years and no director may serve for longer than 9 years in total unless the Holdings Board resolves there are exceptional circumstances which justify a director serving for longer than this term limit. Any such resolution will state the exceptional circumstances that the Holdings Board has recognised.

5. Board Requirements

- 5.1. Directors on Subsidiary Boards should demonstrate the following competencies:
- a) **Experience:** Experience in governance of commercial entities and enterprises, and/or governance experience in sectors relevant to OUSA's commercial strategic objectives.
 - b) **Relationships:** The ability to foster a positive board culture, resolve conflicts, and ensure that all board members are actively engaged in board activities and decision-making. Ability to communicate with OUSA, the Holdings Board and Subsidiary Boards in an effective and timely manner. Awareness and understanding of OUSA's position in the wider University environment.
 - c) **Personal integrity:** Maintaining a high standard of personal integrity and ethics, and demonstrating ethical behaviour and decision-making in all board activities. This includes acting with honesty, transparency, and accountability, avoiding conflicts of interest, and upholding OUSA's values.
 - d) **Knowledge:** Familiarity with legal and regulatory requirements, corporate governance principles, and best practices for board oversight and decision-making. Understanding of industry trends, competitive landscape, and emerging technologies that may impact future growth and success. Knowledge of relevant laws and regulations that govern operations and ability to ensure compliance.
 - e) **Risk Management:** The ability to identify, assess, and manage potential risks including financial, operational, legal, and reputational risks to the company, its subsidiaries and OUSA.

- f) **Independence and conflicts of interest:** Able to exercise objective judgment. Understanding of the importance of board independence and the ability to act independently in decision-making processes. Understanding of conflicts of interest and the ability to identify, declare and manage conflicts of interest in a transparent and ethical manner.
- g) **Leadership skills:** The ability to inspire, motivate, and guide management and employees towards achieving the company's and OUSA's goals. Knowledge of best practices in human resource management, including recruitment, performance management, and employee retention.
- h) **Financial acumen:** Knowledge and understanding of financial statements, accounting principles, and financial reporting requirements, and ability to evaluate financial performance and risks. Ability to comprehend and analyse financial performance of the company and subsidiaries in the context of OUSA's wider commercial group and objectives. A track record of developing and implementing a successful and sustainable strategy of growth in business.
- i) **Charities:** Understanding of relevant charities legislation and reporting requirements, including the Charities Act 2005 and the ability to ensure that the company complies with these requirements.
- j) **Inclusive Leadership:** Ability to lead in an inclusive manner that fosters a culture of belonging and respect for all, regardless of their background or identity.
- k) **Ethics:** A strong commitment to ethical conduct, integrity, and transparency, and the ability to promote these values. The ability to ensure the company is aligned with OUSA's ethics and values.
- l) **Te Tiriti o Waitangi / Treaty of Waitangi:** Understanding of the principles of the Treaty of Waitangi, including partnership, participation and protection. The ability to apply these principles to decision-making when required. Ability to engage and consult with relevant Māori stakeholders and communities in a culturally appropriate manner.
- m) **Environmental, Social and Governance (ESG):** Understanding of ESG principles and the ability to evaluate ESG risks and opportunities. Alignment with OUSA's ESG principles.
- n) **Innovation:** The ability to encourage and support innovation and new ideas that can drive growth and development of new opportunities. Understanding different business models and the potential for disruptive models and practices to impact operations. Understanding of the opportunity and risks provided by technology and disruptive technology.

5.2. It is expected that different directors will have greater strengths in certain competencies than in others and it may be appropriate to give weightings to different competencies when considering an appointment, reappointment or evaluating a director's performance.

5.3. The mix of skills and experience on Subsidiary Boards will be considered. Consideration will be given to complementing and reinforcing existing skills of directors and reducing known weaknesses where necessary.

5.4. It is expected that all appointees to Subsidiary Boards will undergo, or already will have undergone, formal corporate governance training or have requisite experience in this area.