



# NOTICE OF ANNUAL MEETING

Tuesday 1 November 2022



**Notice is hereby given that the 34th Annual Shareholders' Meeting of South Port New Zealand Limited (NZBN 9429039452528) will be held in the South Port Board Room, Administration Building, Island Harbour, Bluff on Tuesday, 1 November 2022 commencing at 11:00 am (NZST).**

## Port Security

Please note for those attending the meeting, not only will a Driver's Licence ID be required to be presented at the security gate to gain access onto the South Port Island Harbour, but advanced notice of the name/s of people wishing to attend is to be relayed by contacting Justine Solomon either by phone (03) 212 6009 or email [jsolomon@southport.co.nz](mailto:jsolomon@southport.co.nz). This is a mandatory requirement under the Maritime Security Regulations.

## Important Dates

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**28 OCTOBER 2022** **5:00pm, Friday (NZST)**

Record date for voting entitlements for the Annual Shareholders' Meeting

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**28 OCTOBER 2022** **11:00am, Friday (NZST)**

Latest time for receipt of postal votes and proxies

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**1 NOVEMBER 2022** **11:00am, Tuesday (NZST)**

Annual Shareholders' Meeting

## Business

### A. CHAIR'S ADDRESS

### B. CHIEF EXECUTIVE'S REVIEW

### C. FINANCIAL STATEMENTS

To receive and consider the Directors' Report, the Financial Statements and the Auditor's Report for the year ended 30 June 2022 as contained in the Company's 2022 Annual Report.

### D. RESOLUTIONS

To consider and, if thought appropriate, pass the following ordinary resolutions.

#### RE-ELECTION OF DIRECTORS

Mr P Cory-Wright and Mrs C Kearney retire by rotation in accordance with the Company's Constitution.

1. Mr Cory-Wright now offers himself for re-election to the Board of Directors.
2. Mrs Kearney now offers herself for re-election to the Board of Directors.

Mr McClean has elected to retire from the Board of Directors.

3. The Company, in accordance with Clause 25 of the Constitution and NZX Listing Rule 2.3.1, has received a valid nomination from Mr John Schol. Mr John Schol now offers himself for election to the Board of Directors.

*(See Explanatory Note 1)*

#### AUDITOR'S REMUNERATION

4. That the Directors be authorised to fix the fees and expenses of Deloitte Limited that acts as Agent for the Controller and Auditor General.

*(See Explanatory Note 2)*

#### DIRECTORS' REMUNERATION

5. To consider and if thought fit, resolve to increase the maximum aggregate sum available for payment to non-Executive Directors for each financial year commencing 1 July from \$333,000 to \$400,000, an increase of \$67,000 such sum to be divided between the non-Executive Directors as they determine.

*(See Explanatory Note 3)*

## General Business

### QUESTIONS FROM SHAREHOLDERS AT THE ANNUAL MEETING

The Company wants to provide comprehensive answers to any questions you may wish to ask at the Annual Shareholders' Meeting. Accordingly, we encourage you to send any questions you wish to raise to the following email address: [jsolomon@southport.co.nz](mailto:jsolomon@southport.co.nz) and we will then be in a better position to answer these in greater detail when they are raised at the meeting. However, not sending us questions in advance will not in any way preclude you from asking questions at the meeting.



By order of the Board

**LARA STEVENS**  
Finance Manager

*Dated at Bluff this 22nd day of September 2022*

# Procedural Notes

## PERSONS ENTITLED TO VOTE

The persons who will be entitled to vote on the resolutions at the Annual Shareholders' Meeting are those persons who will be the shareholders of the Company at 11:00am on Friday, 28 October 2022 (NZST).

## CASTING A VOTE

The voting form enclosed with this notice allows you, or your proxy, to vote for or against, or abstain from, each of the resolutions. Votes may be cast in any one of the following ways:

## MEETING ATTENDANCE

### *Attending in person:*

Shareholders present at the Annual Shareholders' Meeting in person may cast their votes at the meeting.

### *Attending online:*

To attend the meeting online, please use the following link: <https://bit.ly/SPAnnualMeeting2022>. Shareholders attending online will not be able to vote online, however will be able to ask questions virtually during the Annual Shareholders' Meeting.

The meeting will be recorded and the recording made available on our website at the conclusion of the meeting – [www.southport.co.nz](http://www.southport.co.nz)

## POSTAL VOTING PRIOR TO THE MEETING

Shareholders may directly cast a vote prior to the meeting by post, by completing and lodging the enclosed voting form with the share registrar, Link Market Services Limited at PO Box 91976, Auckland 1142, New Zealand, in accordance with the instructions set out on the form.

The vote must reach Link Market Services Limited not later than two working days before the time of the holding of the meeting (i.e. before 11:00am, Friday, 28 October 2022 (NZST)). The Board has authorised Link Market Services Limited to receive and count postal votes.

## PROXY

Shareholders may appoint a proxy to attend the Annual Shareholders' Meeting and vote in their place.

A body corporate which is a shareholder may appoint a representative to attend on its behalf in the same manner as that in which it could appoint a proxy.

A proxy need not be a shareholder of the Company. A shareholder who wishes to do so may appoint the Chair of the Meeting to act as proxy.

A proxy will vote as directed in the Proxy Form or, if voting is left to the proxy's discretion, then the proxy will decide how to vote on the resolutions (subject to the comments under "Voting Restrictions" below). If the Chair is appointed as proxy and the voting is left to his discretion, the Chair intends to vote in favour of each of Resolutions (1)-(4). The Chair will not be able to vote on any discretionary proxies in respect of Resolution (5).

To appoint a proxy, complete and lodge the enclosed voting form with the share registrar, Link Market Services Limited, in accordance with the instructions set out on the form. The proxy must be received not later than two working days before the time of the holding of the meeting (i.e. before 11:00am on Friday, 28 October 2022 (NZST)).

## VOTING RESTRICTIONS

The Company will disregard any votes cast in favour of Resolution (5) by any Director of the Company and any of his or her associated persons (in each case the term "associated persons" is as defined in the NZX Listing Rules).

The Company need not disregard a vote cast in favour of Resolution (5) if it is cast by Rex Chapman as proxy for a person who is entitled to vote, in accordance with an express direction on the proxy form.

## RESOLUTIONS

All the Resolutions contained in this Notice of Meeting must be passed by an ordinary resolution of shareholders, i.e. by a simple majority of the votes of those shareholders entitled to vote and voting on the resolutions in person or by proxy.

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## Directors Profiles



### **Philip Cory-Wright**

BCA, LLB (Hons), CFInstD

Mr Cory-Wright is a Company Director and a Strategic Adviser based in Auckland. He is inaugural Chairman of Papa Rererangi i Puketapu (New Plymouth Airport) and a Director of Matariki Forests, New Zealand Local Government Funding Agency, Powerco and New Zealand Windfarms. Mr Cory-Wright was previously a member of the Local Government Infrastructure Expert Advisory Group.



### **Clare Kearney**

BAGSci, MProfStuds, GradDipArts(Phil), CFInstD

Mrs Kearney's background is in Agriculture and Farm Business Management Consulting. She is a Judicial Justice of the Peace. Mrs Kearney is President of the New Zealand Alpine Club, a trustee of the Waitaki Safer Community Trust and a director on the Observatory Village Lifecare and Care Boards. Formerly, the Chair of Sport Otago and Chair of Network Waitaki Ltd. Mrs Kearney was the 2014 winner of the Institute of Directors Otago Branch Aspiring Director Award. Mrs Kearney acted as an observer director to the Dunedin City Holdings subsidiary company Taieri Gorge Railway Ltd during 2015.



### **John Schol**

MBA, FCA, CMInstD, Dip Grad, Bcom, NZDipBus

John holds a Master of Business Administration (MBA), is a Fellow Chartered Accountant, holds a Certificate of Public Practice with Chartered Accountants Australia New Zealand and is also a Chartered Member of the Institute of Directors. John provides strategic, facilitation, mentoring and governance services to the start-up, commercial, local government, retail, and professional services sectors. He is the Chair of Malloch McClean Limited and is both a Trans-Tasman and New Zealand Regional Councillor for Chartered Accountants Australia and New Zealand. Other governance roles include Invercargill City Holdings Ltd, Invercargill City Property Limited as well as several other privately held entities.



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# Explanatory Notes

## EXPLANATORY NOTE 1

### Re-Election of Directors

Under NZX Listing Rule 2.7, a Director must not hold office (without re-election) past the third annual meeting following the Director's appointment or three years, whichever is the longer.

Mr P Cory-Wright and Mrs C Kearney are the Directors retiring by rotation in 2022. Mr Cory-Wright and Mrs Kearney, being eligible, offer themselves for re-election and do so with the support of the Board, having considered the tenure, contribution to the Board, attendance, experience, other commitments and positions, and performance generally.

Mr J McClean has elected to retire from the Board of Directors.

The Company, in accordance with Clause 25 of the Constitution and NZX Listing Rule 2.31, has received a valid nomination from Mr John Schol. Mr John Schol now offers himself for election to the Board of Directors.

## EXPLANATORY NOTE 2

### Auditor's Remuneration

The Office of the Controller and Auditor General (OAG) continues in office in accordance with Section 19 of the Port Companies Act 1988 and Section 207S of the Companies Act 1993. The OAG has appointed Deloitte Limited, that will be acting on their behalf.

## EXPLANATORY NOTE 3

### Directors' Remuneration

The Company is seeking shareholder approval for an increase in directors' remuneration effective from 1 July 2022 to a total remuneration pool of \$400,000. In support of this request the following explanation is provided to shareholders.

The current fee pool is \$333,000 which is paid as follows:

Chair	\$85,000
Directors	\$49,600 each

The proposed increase to \$400,000 per annum is an increase of 20%.

The setting of directors' remuneration is guided by the Company's Director and Executive Remuneration Policy. Clause 3 of the Policy sets out the guiding principles for remuneration of directors and executives. Clause 3.3 says:

"3.3 SPNZ's policy on remuneration position is that remuneration will be at market median level."

Over recent years, adjustments to the fee pool have been insufficient to maintain the fee pool at market median level.

The Company had been proposing to seek an increase in directors' fees in 2020 to reset to market levels, but it was recognised that with the challenges and uncertainty presented by COVID-19, it was preferable to defer the review, a CPI adjustment only was sought that year.

Last year shareholders approved a 15% increase in the fee pool to \$333,000. The Company said at that time that the fee pool was still considered to be below the median, but the proposed increase would go some way to correcting that, noting that more regular increases may need to be considered in the future.

This year the Board engaged Price Waterhouse Coopers (PWC) to undertake independent remuneration benchmarking and to provide advice as to the market median for a comparator group of companies with comparable market capitalisation. The PWC report is available on the Company's website <https://southport.co.nz/assets/reports/South-Port-PWC-Summary-2022.pdf>

PWC assessed the market median fee pool of comparable companies to be \$449,000 with South Port's current fee pool of \$333,000 being only 74% of that market median.

The proposed increase to the fee pool of \$400,000 is still below the market median at 89%.

The Company has been fortunate in the past to have been able to retain and recruit quality directors both in terms of experience and capability. In order to continue to be able to do so, the Company must be able to offer fees that are competitive, reasonably reflect the market and fairly compensate directors for the role. It is likely that further increases in directors' fees will need to be considered in future to ensure that directors' remuneration meets these objectives.

In accordance with NZX Listing Rule 6.3.1, no Executive Director or their associated persons (as defined under the NZX Listing Rules) may vote on this resolution, unless casting votes under an expressed proxy of a person who is not disqualified from voting.

#### Additional Note

Pursuant to Listing Rule 2.11.3, in the event of an increase in the total number of directors holding office, the directors may without shareholder approval, increase the total remuneration by such an amount necessary to enable the Company to pay the additional director/directors' remuneration not exceeding the average amount being paid to each of the Company's other non-executive directors.



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🏢 South Port NZ

[www.southport.co.nz](http://www.southport.co.nz)

