

# CORPORATE GOVERNANCE STATEMENT

The Board of Directors (the Board), and Executive Leadership Team (ELT) of South Port New Zealand Ltd (South Port) are committed to building long-term value for shareholders, stakeholders, and employees. We are honouring this commitment by maintaining the highest standards of governance, supported by best practice structures, people, practices and policies. This includes maintaining high standards of business integrity and ethics in all of our activities. The extent to which South Port has followed the recommendations of the NZX Corporate Governance Code dated 31 January 2025 (NZX Code) for the financial year ended 30 June 2025 is detailed below. This statement was approved by the Board on 21 August 2025 and was accurate as at that date.

Consistent with its commitment to best practice corporate governance, the Board's view is that South Port's corporate governance policies, practices and processes generally follow the recommendations set by the NZX Code in all material aspects for the financial year ending 30 June 2025. The Board regularly reviews and assesses South Port's governance policies, procedures, and practices to ensure they are appropriate and effective. This Corporate Governance Statement includes disclosure to the extent to which South Port has followed each of the recommendations of the NZX Code or, if applicable, an explanation of why a recommendation was not followed and any alternative practices followed in lieu of the recommendation.

South Port's key corporate governance documents referred to in this statement, including charters and policies, can be found on the Company's website:

→ [https://southport.co.nz/investors-centre#corporate\\_governance](https://southport.co.nz/investors-centre#corporate_governance)



These documents should be read in conjunction with this statement:

- › Corporate Governance Manual
- › Company Constitution
- › Director and Executive Remuneration Policy
- › Sensitive Expenditure Policy
- › Health and Safety Policies

## OUR DIRECTORS AND BOARD COMPOSITION

South Port's Directors bring a diverse wealth of experience, acting on behalf of our shareholders and other stakeholders.

Directors are chosen for their corporate leadership skills, professional backgrounds, experience and expertise. The right blend of skills and experience, combined with the diversity of Directors' perspectives, is crucial to ensuring the attainment of long-term value for South Port's shareholders.

At 30 June 2025, the Board comprised five independent directors; Philip Cory-Wright, Nicola Greer, Michelle Henderson, Clare Kearney and William (John) Schol, and one non-independent director; Cassandra Crowley.

Under the NZX Listing Rules, a director must not hold office (without re-election) past the third annual meeting following that Director's appointment or three years, whichever is longer. The Company's Constitution also requires at least one third of the Board to retire annually. Accordingly, Clare Kearney and William (John) Schol are required to retire by rotation this year. Being eligible, Mr Schol has offered himself for re-election at the Annual Meeting in October 2025; however, Mrs Kearney has elected to retire from the Board.

For more information about our Board, please visit:

→ <https://southport.co.nz/about-us-and-our-people>



## PRINCIPLE 1 Ethical Standards

**"Directors should set high standards of ethical behaviour, model this behaviour and hold management accountable for these standards being followed throughout the organisation."**

## CODE OF ETHICS

**Recommendation 1.1:** *The board should document minimum standards of ethical behaviour to which the issuer's directors and employees are expected to adhere (a code of ethics) and comply with the other requirements of Recommendation 1.1 of the NZX Corporate Governance Code.*

South Port expects its directors, senior management and employees to maintain the highest standards of honesty, integrity and ethical conduct in day-to-day behaviour and decision making. The Company's Code of Ethics sets out the standard of conduct expected of everyone working at South Port including directors, management, staff and contractors. The Code of Ethics provides a guide to the conduct that is consistent with the Company's values and behaviours, business goals and legal obligations. It also outlines internal reporting procedures for any breaches and incorporates the other requirements of Recommendation 1.1 of the NZX Corporate Governance Code. An introduction to the Code of Ethics forms part of the induction and training process of new employees. Subsequently, every three years employees are required to complete a Code of Ethics refresh session. This key corporate governance document is available on the Company's website within the Company's Corporate Governance Manual and staff are reminded to refamiliarise themselves with it on a regular basis via internal training processes. The Code of Ethics is subject to annual review by the Board.

South Port also has formal whistleblowing procedures in the form the Protected Disclosures / Whistleblowing Policy. This is contained in the Company's Corporate Governance Manual.

## SENSITIVE EXPENDITURE POLICY

This policy sets out the Company's expectations on sensitive or discretionary expenditure incurred by directors or employees and is available on the Company's website.

## SECURITIES TRADING POLICY AND GUIDELINES

**Recommendation 1.2:** *An issuer should have a financial product dealing policy which applies to employees and directors.*

The Company is committed to transparency and fairness in dealing with all of its stakeholders and to ensure adherence to all applicable laws and regulations. The Securities Trading Policy and Guidelines governs trading in the Company's securities by directors, employees and other associated persons. This policy can be found on the Company's website within the Company's Corporate Governance Manual.

While it is not compulsory for directors or ELT members to own shares in South Port, they may buy South Port shares and hold them as a long-term investment.

## PRINCIPLE 2 Board Composition and Performance

**"To ensure an effective Board, there should be a balance of independence, skills, knowledge, experience and perspectives."**

## BOARD CHARTER

**Recommendation 2.1:** *The board of an issuer should operate under a written charter which sets out the roles and responsibilities of the board. The board charter should clearly distinguish and disclose the respective roles and responsibilities of the board and management.*

The Board has adopted a formal Board Charter to ensure compliance with the NZX Corporate Governance Code. The Charter sets out the roles, responsibilities and structure of the Board and provides guidance for the effective oversight of the Company by the Board. The Board is responsible for setting the Company's strategic direction, overseeing the management of the Company and directing performance by optimising the short-term and long-term best interests of the Company and its shareholders. The Board delegates management of the day-to-day affairs and management responsibilities of the Company to achieve the strategic direction and goals determined by the Board. The roles and responsibilities of management are also outlined in this Charter.

## NOMINATION AND APPOINTMENT OF DIRECTORS

**Recommendation 2.2 and 2.3:** *Every issuer should have a procedure for the nomination and appointment of directors to the board. An issuer should enter into written agreements with each newly appointed director establishing the terms of their appointment.*

The Board's procedure for the nomination and appointment of directors to the Board is set out in the Board Charter. Careful consideration is given to the composition of the Board in relation to the Company's needs and operating environment. The Board should at all times comprise members whose skills, experience and attributes together reflect diversity, balance, and cohesion and match the demands facing the Company. This also applies to the consideration of additional or replacement directors. Priority is given to ensuring the skills, experience and diversity necessary for the Board to fulfil its governance role and to contribute to the long-term strategic direction of the Company.

The Board may engage consultants to assist in the identification, recruitment and appointment of suitable candidates.





South Port enters into appointment agreements with each newly appointed director. Among other things, the agreement includes information about the Company's expectations of the director, the expected time commitment to South Port, remuneration entitlements, the requirement to comply with corporate policies and charters, the right to access information, the requirement to disclose interests that may impact the director's independence, and indemnity and insurance arrangements. The agreement covers all aspects outlined in recommendation 2.3 of the NZX Corporate Governance Code.

## DIRECTOR PARTICULARS

**Recommendation 2.4:** *Every issuer should disclose information about each director in its annual report or on its website, including a profile of experience, length of service, and ownership interests; the director's attendance at board meetings; and the board's assessment of the director's independence, including a description as to why the board has determined the director to be independent if one of the factors listed in table 2.4 applies to the director, along with a description of the interest, relationship or position that triggers the application of the relevant factor.*

As at 30 June 2025, the Board was comprised of five independent non-executive directors including a non-executive Chair, and one non-independent director. Cassandra Crowley is no longer considered an independent director as she has been appointed to the Investment Committee of related party and majority shareholder Environment Southland (Southland Regional Council). The biography of each Board member is set out in the "Directors' Profiles" section of this Annual Report and is also available on the Company's website.

The size and composition of the Board is subject to the limits imposed by South Port's Constitution and in accordance with the provisions of the Port Companies Act 1988. The Constitution requires the Board to comprise of a minimum number of six directors. Under the NZX Listing Rules the Board is required to maintain at least two independent directors, being directors who are not employees of South Port, and who have no Disqualifying Relationship under the Rules. The criteria for director independence are outlined in the Board Charter. Pursuant to the Company's Constitution, one third of the directors retire by rotation at each annual meeting but are eligible for reappointment by shareholders.

The Chair facilitates a formal process to determine the support or otherwise for directors who offer themselves for re-election. While the Company does not currently have a formal policy on director tenure, in time South Port will be working towards establishing a nine-year or three-term tenure for non-executive directors, unless the Board and shareholders support a further term of an individual to ensure the Company maintains the right skillset in the best interests of South Port.

South Port director ownership interests can be found in the "Statutory Report of Directors" section of this Annual Report.

South Port director attendance at board meetings is set out at recommendation 3.5.

South Port director independence is discussed at recommendation 2.8.

## BOARD SKILLS MATRIX

This Board Skills Matrix is intended as an additional tool to assist the Board to record the skills the Board currently has, and to identify existing or future gaps. Directors will be appointed to the Board because of their specific skills, diversity, knowledge and experience, and their ability to work as a collaborative but courageous team.

The table below shows the representation of expertise among the current directors for the Board as a whole.

CAPABILITY	KEY ELEMENTS	DIRECTOR EXPERTISE	KEY
<b>Infrastructure/ Capital Projects</b>	Experience working in an industry with projects involving large-scale capital expenditure and long-term investment horizons.		<p>This key represents the assessment of the strength of the skills and experience of the Board as a whole.</p> <p> Very strong</p> <p> Strong</p> <p> Solid</p> <p> Some gaps</p>
<b>Financial Acumen</b>	A strong accounting or financial background, including knowledge and understanding of accounting rules and standards, as defined by the NZX Listing Rules.		
<b>Business Acumen</b>	Port industry knowledge and expertise (port/shipping/supply chain/transport).		
<b>Risk Management</b>	An understanding of both financial and non-financial risk management, and the ability to assess risk associated with the business, particularly those that would threaten the organisation's business model, future performance, solvency or liquidity.		
<b>Legal, Regulatory and Public Policy</b>	Experience in corporate and commercial law, including major contracts; or legal background or experience in regulatory and public policy.		
<b>Health and Safety</b>	Relevant experience and familiarity with nature of business operations and associated hazards and risks related to health, safety, environmental and sustainability.		
<b>Culture</b>	Detailed understanding of organisation's corporate purpose and values and experience in developing and maintaining a positive organisational culture.		
<b>Information Technology</b>	Knowledge and experience in the strategic use and governance of information management and information technology.		
<b>Strategy Development/ Implementation</b>	Experience in developing, implementing and challenging a plan of action designed to achieve long-term goals.		
<b>Environmental, Social and Corporate Governance (ESG)</b>	Experience in developing, implementing and reporting on ESG goals and objectives.		
<b>Stakeholder Management</b>	Experience in dealing with and presenting to iwi, strategic clients, strategic partners, key financiers/suppliers and industry/regulatory bodies. Has worked in businesses with a diversity of stakeholders, having played a role in successfully engaging them over time.		

## DIVERSITY

**Recommendation 2.5:** *An issuer should have a written diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving diversity (which, at a minimum, should address gender diversity) and to assess annually both the objectives and the entity's progress in achieving them. An issuer should disclose its diversity policy or a summary of it.*

The Company and its Board recognise and believe that building a diverse and inclusive workforce provides significant opportunity to leverage engagement, innovation, productivity and improved service to our customers.

South Port is committed to providing an inclusive work environment that recognises and values different skills, abilities and experiences and where people are treated fairly in order to attract and retain talented people who will contribute to the achievement of South Port's commercial success. As such it seeks to use appointment processes that ensure the opportunity for unconscious or conscious bias is minimised. It also seeks to manage staff in a manner that they can "bring their best self" to work.

Diversity and inclusion are commitments to recognising and appreciating the variety of characteristics that make individuals unique; for example, gender, age, race, ethnicity, culture, disability, education and background.

The South Port Diversity and Inclusion Policy is disclosed on the Company's website within the Company's Corporate Governance Manual and includes the following specific measurable objectives set by the Board:

- At least 25% gender diversity across all South Port Staff by 2025;
- At least 20% gender diversity across South Port Supervisors by 2025;
- At least 25% gender diversity across South Port Executive by 2025;
- At least 25% gender diversity across South Port Board by 2025; and
- At least 10% gender diversity across operational areas by 2025.

The following table compares the above measurable objectives against the actual data at balance date:

Category	Target	Actual		Achieved
	2025 % FEMALE	2025 % FEMALE	2024 % FEMALE	
Board	25	67	67	✓
Executive	25	29	29	✓
Supervisors	20	10	-	×
Operational	10	11	11	✓
All Permanent Staff	25	26	25	✓

The following table sets out the gender composition of South Port's directors and officers at balance date:

	Male	Female	Gender Diverse	Total
<b>2025</b>				
Directors	2	4	—	6
Executive Leadership Team	5	2	—	7
	7 (54%)	6 (46%)	— (0%)	13
<b>2024</b>				
Directors	2	4	—	6
Executive Leadership Team	5	2	—	7
	7 (54%)	6 (46%)	— (0%)	13

## DIRECTOR TRAINING

**Recommendation 2.6:** *Directors should undertake appropriate training to remain current on how to best perform their duties as directors of an issuer.*

South Port's directors are expected to undertake continuous education to remain current on how best to perform their responsibilities and keep abreast of changes and trends in governance practices around economic, political, social, financial, sustainability and legal climates. The Board also ensures that new directors are appropriately introduced to management and the business, that all directors are updated on relevant industry and company issues and receive copies of appropriate company documents to enable them to perform their duties.

## EVALUATION OF PERFORMANCE OF DIRECTORS

**Recommendation 2.7:** *The board should have a procedure to regularly assess director, board and committee performance.*

The Chair of the Board leads an annual performance review and evaluation of the Board as a whole, and of the Board committees against the Board and Committee Charters including seeking director's views relating to board and committee process, efficiency and effectiveness, for discussion by the full Board. The Chair of the Board also engages with individual directors to evaluate and discuss performance and professional development.

An independent review of the performance of individual directors and the Board was last undertaken in July 2024. This was supported by external consultants, and was supplemented by surveys, self-evaluation, and Board discussion.

## DIRECTOR INDEPENDENCE

**Recommendation 2.8:** *A majority of the board should be independent directors*

South Port acknowledges that having a majority of independent directors makes it harder for any individual or small group of individuals to dominate the Board's decision-making and maximises the likelihood that the decisions being made by the Board will reflect the best interests of the entity and its shareholders.



South Port's Board Charter specifies that the Board shall maintain at least a minimum number of two independent directors or where the Board comprises eight or more directors, the number of independent directors shall be at least three or one-third of all directors. The Chair of the Board must be a non-executive director.

As at 30 June 2025, the Board was comprised of five independent directors including an independent Chair, and one non-independent director. Those directors considered by the Board to be "independent" directors, who do not have a Disqualifying Relationship are considered independent having regard to (amongst other things) the following factors. None of those independent directors:

- Is currently, or was within the last three years, employed in an executive role by South Port, or any of its subsidiaries;
- Is currently deriving, or within the last 12 months derived a substantial portion of their annual revenue from South Port;
- Is currently, or was within the last 12 months, in a senior role in a provider of material professional services to South Port, or any of its subsidiaries;
- Is currently, or was within the last three years, employed by the external auditor to South Port, or any of its subsidiaries;
- Currently has, or did have within the last three years, a material business relationship (e.g. as a supplier or customer) with South Port or any of its subsidiaries;
- Is a substantial product holder (as defined in the Financial Markets Conduct Act 2013) of South Port, or a senior manager of, or person otherwise associated with a substantial product holder of South Port;
- Is currently, or was within the last three years, in a material contractual relationship with South Port or any of its subsidiaries, other than as a director;
- Has close family ties or personal relationships (including close social or business connections) with anyone in the categories listed above.

Although Philip Cory-Wright has been a director of South Port for a period of more than 12 years, he is considered to be sufficiently independent from management to still be considered an independent director. His tenure on the Board reflects the skills and experience that he brings to the Company.

South Port's Board Charter requires directors to declare to the Board any relationship or interest that is relevant to its assessment of whether the Director has a disqualifying relationship.

## INDEPENDENT CHAIR

**Recommendation 2.9:** *An issuer should have an independent chair of the board.*

The current Chair of the South Port Board, Philip Cory-Wright is an independent Chair, as noted above under the discussion of recommendation 2.8.

## SEPARATION OF THE BOARD CHAIR AND CHIEF EXECUTIVE OFFICER (CEO)

**Recommendation 2.10:** *The Chair and the CEO should be different people.*

The positions of the Chair and the CEO of South Port are held by different people.

### PRINCIPLE 3 Board Committees

**"The Board should use committees where this will enhance its effectiveness in key areas, while still retaining Board responsibility."**

## AUDIT AND RISK COMMITTEE

**Recommendation 3.1:** *An issuer's audit committee should operate under a written charter. An audit committee should only comprise non-executive directors of the issuer. One member of the committee should be both independent and have an adequate accounting or financial background. The chair of the audit committee should be an independent director and not the chair of the board.*

The Audit and Risk Committee (ARC) provides the Board with assistance in fulfilling their responsibilities to shareholders, the investment community and others for overseeing the Company's financial statements, financial reporting processes, internal accounting systems, financial controls, risk management, climate-related disclosures, and South Port's relationship with its independent auditors.

The Committee is governed by an Audit and Risk Committee Charter which is available on the Company's website within the Company's Corporate Governance Manual. The Board regularly reviews the performance of the Committee in accordance with the Charter.

The Company has developed an External Auditor Relationship Framework to ensure external audit independence is in line with best practice to ensure reliable and credible reporting. This framework is disclosed on the Company's website within the Company's Corporate Governance Manual.

The Committee comprises of three independent non-executive members of the Board of Directors, being Nicola Greer, John Schol, and Michelle Henderson.

The Committee Chair, also appointed by the Board, cannot also be the Chair of the Company. Nicola Greer is the Audit and Risk Committee Chair. At least one member of the Committee should be both independent and have an adequate accounting or financial background; John Schol is a Fellow Chartered Accountant and holds a Master of Business Administration (MBA) and a Certificate of Public Practice with Chartered Accountants Australia and New Zealand (CAANZ), and Nicola Greer has a Master of Commerce and an extensive background in the banking and finance sectors. Both are independent directors.

**Recommendation 3.2:** *Employees should only attend audit committee meetings at the invitation of the audit committee.*

The Chief Executive and Chief Financial Officer attend the Audit and Risk Committee meetings by invitation. South Port’s external auditor also attends the Committee meeting by invitation. During each meeting, all executives leave the meeting for a period of time to enable the Board to have open discussions with the external auditor without any management present.

REMUNERATION COMMITTEE

**Recommendation 3.3:** *An issuer should have a remuneration committee which operates under a written charter (unless this is carried out by the whole board). At least a majority of the remuneration committee should be independent directors. Management should only attend remuneration committee meetings at the invitation of the remuneration committee.*

The Board does not operate a separate remuneration committee as director and senior management remuneration is considered by the entire Board. The Director and Executive Remuneration Policy outlines the structure of director and executive/ management remuneration, the formal process for shareholder review, transparency and reporting of actual remuneration paid, and a biennial review of the Remuneration Policy and processes.

The Board intends to establish a People and Performance Committee in FY26.

NOMINATION COMMITTEE

**Recommendation 3.4:** *An issuer should establish a nomination committee to recommend director appointments to the board (unless this is carried out by the whole board), which should operate under a written charter. At least a majority of the nomination committee should be independent directors.*

The Board does not operate a separate nomination committee. The process and procedure for the appointment of directors to the Board is outlined in the Board Charter. The appointment of a director is a shareholder decision. Director nominations are called for from shareholders in accordance with the Rules. The Board will then consider the candidates who have been nominated for appointment as a director. Directors are selected based on a range of factors, including the needs of the Board at the time and the independence of the candidates.

OVERVIEW OF BOARD COMMITTEES

**Recommendation 3.5:** *An issuer should consider whether it is appropriate to have any other board committees as standing board committees. All committees should operate under written charters. An issuer should identify the members of each of its committees, and periodically report member attendance.*

During FY25, the Board did not operate any other committees apart from the Audit and Risk Committee. Consideration has been given as to whether any other standing board committees are appropriate and determined that a People and Performance Committee, and a Health and Safety Committee will be established by the Board in FY26.

DIRECTORS’ ATTENDANCE AT MEETINGS

1 July 2024 to 30 June 2025

	Annual Meeting	Board Meeting	Audit and Risk Committee (ARC)
Total Meetings	1	8	3
P Cory-Wright	1	8	3
C Crowley	1	8	n/a
N Greer	1	8	3
M Henderson	1	8	3
C Kearney	1	8	n/a
J Schol	1	8	3

CONTROL TRANSACTIONS

**Recommendation 3.6:** *The board should establish appropriate protocols that set out the procedure to be followed if there is a ‘control transaction’ for the issuer including the procedure for any communication between the issuer’s board and management and the bidder. The board should disclose the scope of independent advisory reports to shareholders. These protocols should include the option of establishing an independent control transaction committee, and the likely composition and implementation of an independent control transaction committee.*

The Board has not established protocols for setting out procedures to be followed in the event of a control transaction. This is because the Board considers receipt of a control transaction to be an extremely unlikely event given the Southland Regional Council’s (Environment Southland) majority shareholding in the Company.

PRINCIPLE 4 Reporting and Disclosure

“The Board should demand integrity in financial and non-financial reporting, and in the timeliness and balance of corporate disclosures.”

The Board is committed to providing full and timely financial and non-financial information that is accurate, balanced, meaningful and consistent. As a listed company, keeping the market informed is a key component to ensure securities are fairly valued.

## CONTINUOUS DISCLOSURE

**Recommendation 4.1:** *An issuer's board should have a written continuous disclosure policy.*

South Port has a Continuous Disclosure Policy which is available on the Company's website within the Company's Corporate Governance Manual.

South Port is committed to providing accurate, timely and consistent disclosures which comply with its continuous disclosure regime, in accordance with the NZX Listing Rules. The Company is required to disclose to the market, matters which could be expected to have a material effect on the price or value of the Company's shares. Management processes are in place to ensure that all material matters which may require disclosure are promptly reported to the Board through established reporting lines. Matters reported are assessed as and when required against the NZX Listing Rules and advised to the market. The Chair, Chief Executive, and Chief Financial Officer are responsible for communications with NZX and for ensuring that such information is not provided to any person or organisation until NZX has confirmed its release to the market.

All material announcements are posted on the Company's website.

## CHARTERS AND POLICIES

**Recommendation 4.2:** *An issuer should make its code of ethics, board and committee charters and the policies recommended in the NZX Code, together with any other key governance documents, available on its website.*

Information about South Port's corporate governance framework (including the Code of Ethics, Board and Committee Charters and other selected key governance codes and policies) is available to view on the South Port website:

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



## FINANCIAL REPORTING

**Recommendation 4.3:** *Financial reporting should be balanced, clear and objective.*

The Audit and Risk Committee oversees the quality and integrity of external financial reporting including the accuracy, completeness and timeliness of financial statements. The Committee is committed to balanced, clear and objective financial reporting.

It reviews half-yearly and annual financial statements and makes recommendations to the Board concerning accounting policies, areas of judgement, compliance with accounting standards, stock exchange and legal requirements, and the results of the external audit.

Management accountability for the integrity of the Company's financial reporting is reinforced by the certification from the Chief Executive and the Chief Financial Officer.

The Chief Executive and the Chief Financial Officer have provided the Board with written confirmation that the Company's financial report presents a true and fair view, in all material respects, of the Company's financial position for the year ended 30 June 2025, and that the operational results are in accordance with relevant accounting standards.

## NON-FINANCIAL REPORTING - SUSTAINABILITY

**Recommendation 4.4:** *An issuer should provide non-financial disclosure at least annually, including considering environmental, social sustainability and governance factors and practices. It should explain how operational or non-financial targets are measured. Non-financial reporting should be informative, include forward looking assessments, and align with key strategies and metrics monitored by the board.*

South Port assesses its exposure to environmental, economic and social sustainability as part of an overall framework for managing risk (see Principle 6 – Risk Management). Environmental, social and governance factors and practices are always considered when making decisions. South Port has separate sections included in the Annual Report to report on environmental, social sustainability, and governance factors (ESG) which covers the following areas:

- Environment
- People and Communities
- Governance

South Port also annually discloses:

- Climate-related disclosures as per the requirements of the Aotearoa New Zealand Climate Standards.
- Greenhouse Gas (GHG) Emissions Profile.

The Company is committed to improving standards of environmental performance to enable a more efficient and sustainable future and is working towards continuous improvement in this area. The Company's GHG emissions data is reported annually as part of the climate-related disclosures.

### PRINCIPLE 5 Remuneration

**"The remuneration of directors and executives should be transparent, fair and reasonable."**

## DIRECTOR REMUNERATION

**Recommendation 5.1:** *An issuer should have a remuneration policy for the remuneration of directors. An issuer should recommend director remuneration to shareholders for approval in a transparent manner. Actual director remuneration should be clearly disclosed in the issuer's annual report.*



South Port's Director and Executive Remuneration Policy contains the policy for remuneration of directors. In accordance with the Remuneration Policy and the Company's Constitution, shareholder approval is sought on any increase in the pool available to pay directors' fees. The Remuneration Policy is available at:

➔ [https://southport.co.nz/investors-centre#corporate\\_governance](https://southport.co.nz/investors-centre#corporate_governance)



Director remuneration is paid in the form of director's fees. South Port does not offer performance-based remuneration, equity-based remuneration or retirement payments to directors. On 31 October 2023 the shareholders approved the directors' fee pool limit of \$532,000 per annum. South Port's Board considered and presented the proposal to increase the director fee pool from the FY23 level, and sought and considered independent advice from PwC, which reviewed the remuneration of directors of comparable listed companies in New Zealand. A copy of the Summary Directors' Fees Report was provided to shareholders and can be found at:

➔ <https://southport.co.nz/assets/reports/South-Port-NED-Summary-Report-2023.pdf>



Information on director remuneration is available in the South Port Annual Report 2025; refer "Statutory Report of Directors" (page 49). It includes a breakdown of remuneration for board fees. There were separate fees provided for members of the Audit and Risk Committee during FY25, which are included in the pool limit noted above. Directors are entitled to reimbursement of reasonable travel and other expenses incurred by them in connection with their attendance at Board or Annual Meetings, or otherwise in connection with South Port business.

## EXECUTIVE REMUNERATION

**Recommendation 5.2:** *An issuer should have a remuneration policy for remuneration of executives which outlines the relative weightings of remuneration components and relevant performance criteria.*

South Port has adopted a Director and Executive Remuneration Policy as outlined above. This sets out the guiding principles and structure of South Port's remuneration to its executives, together with the review process and reporting requirements to ensure that remuneration is transparent, fair and reasonable to meet the needs of the business, corporate governance bodies and shareholders. The Board seeks to ensure that executives receive remuneration that is fair and reasonable in a competitive market for the skills, knowledge and experience required by the Company.

Guidance is sought from independent remuneration consultants by the Board as required.

The Board is responsible for reviewing the remuneration of the Company's executive leadership team (ELT) in consultation with the Chief Executive of the Company. The remuneration packages of the ELT consist of a mixture of a base remuneration package and a variable remuneration component (short-term incentive, or STI) based on relevant performance measures, designed to attract, motivate and retain high quality employees who will enable the Company to achieve its short and long-term objectives. The Company also has a long-term incentive (LTI) for the ELT in the form of a performance share rights plan. The plan grants participants a right to receive ordinary shares in South Port for no consideration if the following vesting conditions/hurdles are met at the conclusion of a three-year period and the participants remain employed by the Group during that period:

- Total shareholder return exceeds a cost of equity target (absolute return performance rights 33.33%);
- Total shareholder return is above a target percentile of the NZX50 peer group companies (relative return performance rights 33.33%); and
- Earnings per share compound annual growth rate exceeds a target rate (EPS performance rights 33.33%).

Details relating to the number of employees and former employees who received remuneration and other benefits in excess of \$100,000 during the year ended 30 June 2025 is available in the South Port Annual Report 2025, refer "Statutory Report of Directors" (page 49).

## CHIEF EXECUTIVE REMUNERATION

**Recommendation 5.3:** *An issuer should disclose the remuneration arrangements in place for the CEO in its annual report. This should include disclosure of the base salary, short-term incentives and long-term incentives and the performance criteria used to determine performance-based payments.*

The Chief Executive's remuneration is made up of fixed remuneration and variable remuneration. Variable remuneration refers to remuneration that is "at risk" and linked to individual and organisational performance with clearly defined metrics. The Chief Executive's remuneration is reviewed annually by the Board and an external consulting firm is engaged as appropriate to review market relativity and comparability against peer groups. The Chief Executive is entitled to redundancy compensation if his/her employment is terminated as a result of redundancy, however, no retirement benefits, sign-on bonuses or retention payments are offered.

The fixed remuneration is determined in relation to the market for comparable sized and performing companies and includes all benefits and allowances. The position in the market will normally be comparable to the median. Adjustments are not automatic and are determined by performance which is reviewed annually by the Board.

**Fixed remuneration** includes a base salary, employer KiwiSaver contributions of 3%, vehicle allowance and medical insurance.

**Short-term incentive (STI)** is set at a maximum of \$69,525 per annum (including KiwiSaver) for the Chief Executive. The scheme has three measures, these are:

- 70% related to EBITDA performance (with the actual opportunity ranging from 0% to 150%).
- 10% related to health and safety measures (with the actual opportunity ranging from 0% to 100%).
- 20% related to individual non-financial measures (with the actual opportunity ranging from 0% to 100%).

For the scheme to activate, the following trigger must be met (company-wide):

- 90% of budgeted EBITDA
- Zero fatalities.

#### STI OUTCOME FOR FY25:

STI Component	Measure	STI TARGET		OUTCOME	STI EARNED AND AWARDED	
		Weighting	\$*	Achievement on STI Target	% awarded for STI measure	\$ awarded for STI measure*
Financial	EBITDA	70%	\$54,075	EBITDA achieved was 119% of target, resulting in a 147% outcome against the financial measure	147%	\$52,994
Other STI measures	Health and Safety measures	10%	\$5,150	100% of critical risk and control reviews, leadership walks and safety observations completed	100%	\$5,150
	Other non-financial measures	20%	\$10,300	Not achieved	0%	\$ —
Total STI target		100%	\$69,525	Total STI payment against target*	84%	\$58,144

\* Including KiwiSaver



The Long-term incentive (LTI) noted under recommendation 5.2 is only in year two of three, therefore no performance rights have been vested during the years ended 30 June 2025 or 30 June 2024. However, the Chief Executive was offered 8,795 performance rights on 1 November 2023 which will vest in 2026, and 12,672 performance rights on 30 August 2024 which will vest in 2027 if the required hurdles are met.

CEO REMUNERATION OUTCOMES

	2025	2024
Fixed Remuneration		
Base Salary	\$434,793	\$419,707
Benefits <sup>1</sup>	\$56,948	\$62,668
Short-term Incentive (STI)		
Target STI	\$69,525	\$55,620
STI Earned <sup>2</sup>	\$58,144	—
STI Earned as % of Target	84%	0%
Long-term Incentive (LTI)		
Shares vested	—	—
Market value at vesting	—	—
Total Earned	\$549,885	\$482,375
Share Rights allocated and at risk <sup>3</sup>	12,672	8,795

1. Benefits include KiwiSaver, a vehicle allowance and medical insurance. The CEO is eligible to receive a KiwiSaver company contribution of 3% of gross taxable earnings (including STI).

2. STI earned in the reporting period reflects the cash value of amounts received following achievement of performance measures related to the current period. These were actually paid in the following financial year i.e. FY25 STI earned paid in FY26. During FY24 the CEO was also paid the second half of a one-off bonus relating to project Kia Whakaū (\$40,000 + 3% KiwiSaver).

3. LTI Share Rights allocation refers to the number of Share Rights issued in August 2024 for the 2025 year and remaining at risk.

PRINCIPLE 6 Risk Management

“Directors should have a sound understanding of the material risks faced by the issuer and how to manage them. The Board should regularly verify that the issuer has appropriate processes that identify and manage potential and material risks.”

RISK MANAGEMENT FRAMEWORK

**Recommendation 6.1:** *An issuer should have a risk management framework for its business and the issuer’s board should receive and review regular reports. An issuer should report the material risks facing the business and how these are being managed.*

South Port’s risk management framework supports a structured approach for identifying, assessing, and managing risks that may affect the Company’s business objectives. The framework is based on the AS/NZS ISO 3100:2018 standards and principles.

The risk management framework outlines the purpose and benefits of risk management, such as informed decision-making, resource prioritisation, balance of risk and reward, anticipation of challenges, mitigation of adverse impacts, and enhancement of organisational resilience.

The risk framework explains the steps and tools for conducting risk assessments, such as establishing the context, identifying risks, analysing risks, evaluating risks, treating risks, monitoring and reviewing risks, and communicating and consulting with stakeholders. The framework describes risk categories, contains risk matrices, and describes control assessment methodology.

RISK MANAGEMENT AND RESPONSIBILITIES

The Board is ultimately responsible for reviewing and approving the Company’s risk management strategy.

The Board delegates day-to-day management of risk to the Chief Executive, who may further delegate such responsibilities to the executive and other officers. Management meets with the Risk and Technology Manager regularly to discuss the Company’s risk matrix and make changes as required.

The Company encourages a risk-aware culture, where risks are identified and managed within the respective risk appetite levels set by the Board.

Risks are assessed with consideration to the potential impact on the business across a number of areas including:

- › Strategic
- › Financial
- › Regulatory
- › Reputational
- › Operational
- › Employee
- › Health, Safety and Wellbeing
- › Environmental
- › Climate
- › Social, and Cultural Risk

The Audit and Risk Committee is responsible for overseeing risk management practices and works closely with management, external advisors and the Company’s auditors to ensure that risk management issues are properly identified and addressed. The Board reviews the Company’s material risks matrix at least three times a year.

The Group maintains insurance policies to assist in mitigating its principal insurable risks.



## RISK MONITORING AND EVALUATION

Risks and treatments are monitored regularly to ensure that they remain within tolerable levels and that the controls and treatments are effective. Risk reviews consist of reassessing the inherent risk, assessing emerging risks, and assessing control effectiveness and treatment options.

The Audit and Risk Committee reviews the reports of management and the external auditors on the effectiveness of systems for internal control, financial reporting and risk management.

The Company has a separate Risk Management Committee which meets at least annually to review changes to the risk

profile of the business and to consider ways of mitigating additional risks identified. The Board are invited to attend all Risk Management Committee meetings.

The material risks which may impact the Company's ability to achieve its strategic objectives and secure its financial prospects, are managed through the strategic planning process.

The Company has a Treasury Policy to help manage liquidity and funding risk, foreign exchange risk, interest rate risk and other treasury risk. The Treasury Management Group (TMG) consisting of the Chief Executive, Chief Financial Officer and other senior managers (as appropriate) meets at least quarterly to review and discuss treasury risk. The minutes taken at these meetings are shared with the Board.

## MATERIAL RISKS

MATERIAL RISK	RISK DESCRIPTION	MITIGATION PRINCIPALS
Climate-Related	Physical and transitional risks that have the potential to impact our operations - sea level rise, storm surges, and high wind events present a material physical risk, and changes to insurance (cost and cover), and appropriate timing with the investment in transitioning to low carbon assets.	Assessment and monitoring of climate-related risks is undertaken annually to ensure the risk remains within tolerable levels and the controls and treatments remain effective
Critical Equipment or Asset Failure	Failure of critical assets or equipment could have a flow on effect through our business and cause significant business interruption.	Regular programmed maintenance Auditing Asset management planning Business continuity planning Insurance
Cyber Security	Protecting South Port's systems and information from threats that could compromise their availability, integrity, and result in loss is vital for our business operations.	Constant monitoring and reporting Partner with third parties to leverage additional expertise Training and awareness for our teams
Health and Safety	The risk of an incident in the port environment is always present. Protecting our team members and port users is essential to ensuring a safe working environment.	Mature Health and Safety culture - Safety First Critical risk review, monitoring, and reporting Proactive hazard identification Training in safe operating procedures
Legislative and Regulatory	Failure to comply with requirements could result in financial penalties, legal action, or impact or restrict our business operations.	Active monitoring and notification of legislative requirements Annual attestation Community relationships
Market Changes and Competition	Changes in demand due to local or geopolitical environment. Risk could present as trade restrictions, tariffs, supply chain disruptions, and conflicts impacting our and our customer's business operations.	Risk assessments Diversification Stakeholder engagement Strategic planning and review
Severe or Catastrophic Event	Whilst the threat of a major earthquake, destructive tsunami, extreme weather event, explosion, fire, shipping/marine incident, or act of terrorism is unlikely, the potential risk impact to the Port needs to be identified and managed accordingly.	Asset management planning Standard operating procedures Business continuity and emergency response planning Material damage and business interruption insurance



## ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) FACTORS

South Port is a Climate Reporting Entity (CRE) under the Aotearoa New Zealand Climate Standards which came into effect on 1 January 2023. FY24 was the Group's first mandatory reporting period under these new standards.

The new climate standards provide a consistent framework for entities to consider the climate-related risks and climate-related opportunities that climate change presents for their activities over the short, medium and long-term. The climate-related disclosures cover four pillars being; governance, strategy, risk management, and metrics and targets.

South Port's climate-related disclosures for FY25 will be published on or before 31 October 2025, and made available on our website:

➔ <https://southport.co.nz/communication-centre?url=reports>



## HEALTH, SAFETY AND WELLBEING

**Recommendation 6.2:** *An issuer should disclose how it manages its health and safety risks and should report on its health and safety risks, performance and management.*

Health, safety and wellbeing (HSW) continues to be a key focus of the Company and continuous improvement has been made in this area over recent years. The Company presently has four full-time personnel dedicated to HSW matters in addition to all personnel having responsibility for HSW in their daily work processes.

South Port has identified six site critical risks being mobile plant vs person, working at heights, falling objects, working on or near water, uncontrolled energy release and hazardous substances.

The Port's focus is to establish controls to prevent these accidents/incidents occurring while also providing controls to fail safely if an accident/incident were to occur in one of these six critical risk areas.

The Board operates a Health and Safety Panel which consists of the full board, two Health and Safety personnel, together with two senior managers and two staff representatives. The Health and Safety Panel's function is to establish a HSW strategic plan, monitor its implementation, undertake scheduled operational site visits and address key HSW issues facing the business, with the objective of achieving continuous improvement. The Health and Safety Panel meets at least two times each year.

Another important tool used to deliver HSW improvement is the Company's Port Achieving Combined Excellence Programme (PACE), with the Health and Safety component being driven by the South Port Health and Safety Committee. Output from the PACE Programme and the Health and Safety Committee is fed through to the Health and Safety Panel for consideration.

## PRINCIPLE 7 Auditors

**"The Board should ensure the quality and independence of the external audit process."**

### EXTERNAL AUDIT

**Recommendation 7.1 and 7.2:** *The board should establish a framework for the issuer's relationship with its external auditors. This should include procedures prescribed in the NZX Corporate Governance Code. The external auditor should attend the issuer's Annual Meeting to answer questions from shareholders in relation to the audit.*

The independence of the external auditor is of particular importance to shareholders and the Board. The Audit and Risk Committee is responsible for overseeing the external audit of the Company. Accordingly, it monitors developments in the areas of audit and threats to audit independence to ensure its policies and practices are consistent with emerging best practice.

The Board has adopted a policy on audit independence (the External Auditor Relationship Framework), the key elements of which are:

- the external auditor must remain independent of the Company at all times;
- the external auditor must monitor its independence and annually report to the Board in writing that it has remained independent;
- the audit firm is permitted to provide non-audit services that are not considered to be in conflict with the preservation of the independence of the auditor; and
- the Audit and Risk Committee must approve significant permissible non-audit work assignments that are awarded to the external auditor.

It is the responsibility of the Audit and Risk Committee, among others, to act as a formal forum for free and open communication between the Board and the external auditors and management.

### ENGAGEMENT OF THE EXTERNAL AUDITOR

The Auditor-General is the auditor of South Port. The Auditor-General is responsible for audit firm rotation and has appointed Deloitte Limited to carry out the audit of the consolidated financial statements and limited assurance over Scope 1 and 2 GHG emissions of the Group on his behalf. Deloitte was first appointed as South Port's auditor for the year ended 30 June 2022. The Lead Audit Partner for FY22 to FY24 was Mike Hawken, and for FY25 is Matt Laing.

South Port does not obtain external limited assurance over their other non-financial disclosures.

## ATTENDANCE AT THE ANNUAL MEETING

Deloitte Limited, as appointed auditor of the 2025 financial statements, has been invited to attend the Annual Meeting and will be available to answer questions about the conduct of the audit, preparation and content of the auditor's report, accounting policies adopted by South Port and the independence of the auditor in relation to the conduct of the audit.

## INTERNAL AUDIT

**Recommendation 7.3:** *Internal audit functions should be disclosed.*

South Port has robust internal controls and processes in place which alleviates the need to have a formal internal audit function as recommended by the NZX Corporate Governance Code. While there is no formal function in place, the Company does undertake some internal audit tasks as required to ensure robust internal processes are being maintained. The Chief Executive is accountable for all operational and compliance risk across the Company's operations. The Chief Financial Officer has management accountability for the effective implementation and improvement of internal systems and controls. South Port's Risk and Technology Manager also plays a vital role in helping to monitor and manage the Company's risks and compliance obligations.

### PRINCIPLE 8 Shareholder Rights and Relations

**"The Board should respect the rights of shareholders and foster constructive relationships with shareholders that encourage them to engage with the issuer."**

## INFORMATION FOR SHAREHOLDERS

**Recommendation 8.1:** *An issuer should have a website where investors and interested stakeholders can access financial and operational information and key corporate governance information about the issuer.*

South Port seeks to ensure its shareholders are appropriately informed of its operations and results, with the delivery of timely and focused communication, and the holding of shareholder meetings in a manner conducive to achieving shareholder participation.

To ensure shareholders have access to relevant information, the Company:

- > Provides a website which contains media releases, current and past annual reports, corporate governance policies, share price information, notices of meetings and other information about the Company;

- > Makes available printed half-year and annual reports and encourages shareholders to access these documents on the website and to receive advice of their availability by email;
- > Publishes press releases on issues/events that may have material information/content that could impact the price of its traded securities;
- > Issues additional explanatory memoranda where circumstances require, such as explanations of dividend changes, independent reviews of director's fees, and other explanatory memoranda as may be required by law; and
- > Maintains regular contact with leading analysts and brokers who monitor the Company's activities.

Key investor information can be found at:

➔ <https://southport.co.nz/communication-centre>

➔ <https://southport.co.nz/investors-centre>



## COMMUNICATING WITH SHAREHOLDERS

**Recommendation 8.2:** *An issuer should allow investors the ability to easily communicate with the issuer, including by designing its shareholder meeting arrangements to encourage shareholder participation and by providing shareholders the option to receive communications from the issuer electronically.*

South Port provides options for shareholders to receive and send communications electronically, to and from both South Port and South Port's share registrar, MUFG Corporate Markets (previously Link Market Services). The Board welcomes investor enquiries.

Although the Board's policy is to hold South Port's annual shareholder meetings at the Port in Bluff, shareholders are also able to attend the meeting online via a Teams Link which enables them to ask questions during the meeting. However, shareholders do not have the option of voting online during the meeting, but they can vote in advance. The 2025 meeting is intended to be a hybrid meeting again as it was in 2024, and shareholders will have the opportunity to attend and participate in Bluff or online via an internet connection. More information will be provided in the Notice of Meeting.

The 'full' hybrid option (including online voting) was made available in the past at a considerable cost to the Company but was not taken advantage of by the shareholders. South Port has historically shown high levels of proportionate physical only attendance such that the costs of the virtual aspects of a 'full' hybrid meeting are uneconomic.

## SHAREHOLDER VOTING RIGHTS

**Recommendation 8.3:** *Quoted equity security holders should have the right to vote on major decisions which may change the nature of the issuer in which they are invested.*



In accordance with the Companies Act 1993, the Company's Constitution and the NZX Listing Rules, South Port refers any significant matters to shareholders for approval at a shareholder meeting. Where shareholder votes are conducted by poll, each shareholder is entitled to one vote per share.

## CAPITAL RAISING

**Recommendation 8.4:** *If seeking additional equity capital, issuers of quoted equity securities should offer further equity securities to existing equity security holders of the same class on a pro rata basis, and on no less favourable terms, before further equity securities are offered to other investors.*

If South Port was to ever look at raising further capital, it would consider the interests of existing shareholders when looking at capital raising options. Where practical, the Company would favour capital raising methods that provide existing equity security holders with an opportunity to avoid dilution by participating in the offer. As such, a pro rata offer should be the preferred approach.

For the avoidance of doubt, this does not preclude the Company from allowing it to offer equity securities to employees (including executive directors), as the primary purpose of such incentives is not to raise capital.

## NOTICE OF ANNUAL MEETING

**Recommendation 8.5:** *The board should ensure that the notices of annual or special meetings of quoted equity security holders is posted on the issuer's website as soon as possible and at least 20 working days prior to the meeting.*

South Port posts any Notices of Shareholder Meetings on the website as soon as these are available. The general practice is to make these available not less than four weeks prior to the shareholder meeting.

Shareholder meetings are generally held at the Company's place of business (Bluff) at a time which best ensures full participation by shareholders. The Board also supports the Annual Meeting being livestreamed and available for replay after the meeting so that shareholders unable to attend in person can still view the meeting and ask questions.

Full participation of shareholders at the Annual Meeting is encouraged to ensure a high level of accountability and identification with the Company's strategies and goals. Shareholders have the opportunity to submit questions prior to each meeting and senior management and auditors are present to assist in answering any specific queries raised. There is also an opportunity for informal discussion with directors and senior management for a period after the meeting concludes.

South Port's Notice of Meeting was made available on its website at least 20 working days prior to the FY24 annual meeting of shareholders.

