



# CORPORATE GOVERNANCE MANUAL

(as updated May 2025)



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## INTRODUCTION

South Port New Zealand Limited (South Port or, SPNZ) and the Board of Directors (the Board) are actively committed to ensuring that South Port maintains best practice governance structures and high standards of appropriate ethical behaviour and integrity.

This Corporate Governance Manual has been developed by the Board to assist the Directors, employees and South Port's representatives to ensure they conduct their business in a manner that is consistent with the high standards and appropriate ethical behaviour set by the Board. This manual incorporates (to the extent relevant) the latest NZX Listing Rules relating to corporate governance, the NZX Corporate Governance Code and applicable external guidelines.

The Board has delegated the responsibility for day-to-day management of South Port to South Port's Chief Executive Officer (CEO). The Board acknowledge that one of their most important roles is to provide high level counsel to the CEO, and to constantly monitor the performance of the CEO against the Boards' requirements and expectations.

The Board regularly reviews South Port's governance structures against applicable guidance to ensure it remains current with developments in corporate governance in New Zealand. The Board is committed to ensuring that South Port follows and has implemented the recommendations of the NZX Corporate Governance Code (as applicable) through the frameworks, policies and procedures outlined in this manual.

**Note:** *South Port NZ Limited reserves the right to amend, update or withdraw these policies without prior notice and will review these policies as required in the event of a change in legislation or practice.*

## PART 1: CODE OF ETHICS

### 1. Policy Statement

The SPNZ Code of Ethics is the framework of standards by which the directors, senior executives and employees of SPNZ and its related companies (SPNZ people) are expected to conduct their professional lives and has been approved by the Board.

### 2. Background

This Code of Ethics is not intended to prescribe an exhaustive list of acceptable and non-acceptable behaviour; rather it is intended to facilitate decisions that are consistent with SPNZ values, business goals and legal and policy obligations, thereby enhancing performance outcomes. SPNZ people must familiarise themselves with SPNZ values, as they govern their behaviour while they are employed by SPNZ.

### 3. Accountability

Directors, Senior Executives and other employees who breach this Code of Ethics will face disciplinary action which, depending on the seriousness and severity of the breach, could include dismissal or legal action or both.

SPNZ directors and managers are expected to lead according to these standards of ethical and professional conduct and to ensure that they are communicated to the people who report to them.

If you have any questions or concerns about an ethical question or want clarification of any aspect of this Code of Ethics, or become aware of a breach of this Code of Ethics, any legal obligations or a SPNZ Policy, let the Chair of the Board know as soon as possible. If this is not appropriate, contact the Chair of the Audit and Risk (ARC) Committee (Refer to the Reporting Concerns section of this Code of Ethics, for more information).

### 4. Core Principles

#### 4.1 Conflicts of Interest

A conflict of interest occurs when an individual's interests interfere, or appear to interfere, with SPNZ's interests. SPNZ expects all SPNZ people to act with integrity and to manage situations where there is a real or potential conflict of interest between their personal interests and the interests of SPNZ. SPNZ expects SPNZ people to act in SPNZ's best interests at all times.

SPNZ people will not without the prior consent of SPNZ:

- engage in any other business or commercial activities which would conflict with their ability to perform their duties to SPNZ;
- support a political party or organisation other than in a personal capacity;
- be directly or indirectly interested or concerned in any capacity including as a material shareholder (i.e. a shareholder who holds more than 25% of the shares), or as a director, employee, or independent contractor with any other business in the transport and distribution industry; and
- engage in any other activity which could conflict with SPNZ's interests.

If a potential or actual conflict arises, it should immediately be raised with the Chief Financial Officer (CFO) or the Chair of the Board.

#### 4.2 Gifts

"Gifts" and "personal benefits" can include accommodation, goods, services, discounts, special terms on loans and so on.

SPNZ people will not accept gifts or personal benefits of any value from external parties if it could be perceived that such acceptance might compromise or influence any decision by SPNZ.

#### 4.3 Corporate Opportunities

SPNZ expects its people to advance its legitimate interests when the opportunity to do so arises.

SPNZ people will not:

- take for themselves any opportunity discovered through the use of SPNZ property, information or position;
- use SPNZ property (including SPNZ's name), information or position for personal gain;
- compete with SPNZ; or
- trade in shares, or any other kind of property, based on information that comes from their roles for SPNZ if that information has not been reported publicly, and not act in contravention of SPNZ's Securities Trading Policy.

#### 4.4 Confidentiality

SPNZ and SPNZ stakeholders entrust us daily with their confidential communications and information. Confidential information includes all information not in the public domain that has come to a SPNZ employee's knowledge by virtue of working for SPNZ.

SPNZ people will maintain and protect the confidentiality of information entrusted to SPNZ about work colleagues, stakeholders and SPNZ's business and financial affairs, except where disclosure is allowed or required by law or where the Board has approved disclosure.

These confidential obligations will take into account those obligations explicitly imposed on SPNZ including those prescribed by the Privacy Act 2020.

SPNZ people will ensure they have followed appropriate business protocols or taken appropriate advice from legal and compliance advisers prior to disclosing confidential information.

#### 4.5 Behaviours

The actions and statements of SPNZ people, whether to customers, suppliers, competitors, or employees, can impact on the way people see SPNZ and whether they choose to do business with us.

SPNZ people will:

- undertake their duties in accordance with SPNZ values;
- act honestly and with personal integrity at all times;

- conduct themselves in a professional manner that upholds and strengthens the image and reputation of SPNZ;
- deal fairly and honestly with SPNZ's people, professional advisors, and stakeholders;
- not enter into transactions or make promises on behalf of SPNZ that SPNZ cannot or does not intend to honour;
- undertake their duties with care and diligence;
- ensure that any personal opinions SPNZ people express are clearly identified as their own and are not represented to be the views of SPNZ;
- value individuals' differences and treat people in the workplace with respect in accordance with SPNZ's philosophies of equal employment opportunities, and anti-harassment and discrimination policies (refer to SPNZ diversity and inclusion policy);
- to the best of their ability, use reasonable endeavours to ensure that SPNZ systems, records and documents, including financial reports, are true, correct and conform to SPNZ reporting standards and internal controls; and
- not accept or offer bribes or improper inducements to or from anyone.

#### 4.6 Proper use of SPNZ Assets and Information

SPNZ people have a duty to protect SPNZ assets from loss, damage, misuse, waste and theft. SPNZ assets include systems, information, intellectual property and networks.

SPNZ people will:

- only use SPNZ assets for lawful business purposes authorised by SPNZ; and
- only create, and only retain, information and communications required for business needs or to meet legal obligations.

#### 4.7 Compliance with Laws and Policies

SPNZ people will act honestly and in the best interests of the issuer, shareholders and stakeholders as required by law, they will:

- familiarise themselves with and comply with SPNZ policies, frameworks and procedures at all times (including those relating to anti-fraud, bribery and corruption, diversity and inclusion, gifts, entertainment and hospitality, travel and related expenses and health and safety);
- abide by the laws, rules and regulations of New Zealand;
- undertake training on legal obligations and policies as required by management from time to time or in order to properly fulfil their duties;
- undertake training on the Code and other related policies at least every three years or in the year after the Code has been materially amended;
- comply with all statutory and internal disclosure requirements on a timely basis; and
- co-operate with regulatory bodies and government agencies in all matters, including their investigations of SPNZ's compliance with legal obligations.

#### 4.8 Delegated Authority

The SPNZ Board of Directors delegates the responsibility of managing the business and affairs of SPNZ to the CEO. The CEO in turn delegates to other levels of management certain rights to make operational and financial decisions within defined limits. A

director should not simultaneously hold the positions of CEO and Chair of the Board.

SPNZ people will:

- only act within the delegated authority framework and any authority that may be specifically given to them as a delegated authority holder; and
- ask their manager if they are uncertain as to their level of delegated authority.

#### 4.9 Additional Director Responsibilities

Directors are required to:

- undertake appropriate training to remain current on how to best perform their duties as directors of SPNZ;
- give proper attention to all matters put before them;
- act honestly and in the best interests of SPNZ, as required by law;
- have an understanding of the regulatory, legal, fiduciary and ethical requirements affecting directors;
- be familiar with up to date business management techniques and related ethics; and
- have an awareness of special strategic, industry, cultural and other issues that may impact on SPNZ's business.

#### 4.10 Information for the Board

SPNZ management shall provide the Board with information of sufficient content, quality and timeliness as the Board considers necessary to enable the Board to effectively discharge its duties.

#### 4.11 Reporting Concerns

Employees who become aware of a breach of the SPNZ Code or any breach of a legal obligation or SPNZ policy, are responsible for reporting it to their manager or the Board, as appropriate. If employees do not feel comfortable reporting a breach to their manager or a senior team member in the circumstances, employees should report the breach to the:

- Chair of the Board; or
- Chair of the Audit and Risk Committee.

This approach is formalised through SPNZ's Protected Disclosures / Whistleblowing policy which sets out the process for raising concerns about actual, suspected or anticipated serious wrongdoing within the group. It sets out what wrongdoing is, who wrongdoing can be reported to and how SPNZ will address such disclosures.

SPNZ is committed to complying with the laws and practices that protect the rights of people who raise concerns about wrongdoing in or by SPNZ including the Protected Disclosures (Protection of Whistle-blowers) Act 2022.

SPNZ will stand behind any employee who, acting in good faith, reports a breach, serious problem or wrongdoing. The identity of the person making the report will be kept confidential where possible – there may be situations however where the proper investigation of the matter inadvertently identifies the reporter or requires his or her identification. Refer to the SPNZ Protected Disclosures / Whistleblowing Policy.

SPNZ requires all Directors, Senior Executives and other employees who receive a report of an actual or suspected violation of this Code of Ethics to take all reasonable steps within their control to ensure that:

- the behaviour alleged in the report is thoroughly investigated;
- the rules of natural justice are observed in that investigation; and
- appropriate disciplinary action is taken if the allegation is substantiated.

Any person who knowingly makes a false report of a legal or policy breach may be subject to disciplinary action.

If employees suspect that a breach of the delegated authority rules or limits has occurred, they should advise their manager and the delegated authority holder whose responsibility it should have been to approve the transaction, as soon as possible.

Any breaches of this Code of Ethics will be addressed promptly, dealt with consistently and handled by the Chair of the Board and/or SPNZ's Directors as appropriate.

#### **5. Training**

As part of their induction, new directors and employees are provided with the Code of Ethics and taken through the expectations set out therein. In the event that SPNZ materially amends the Code of Ethics, SPNZ will ensure directors and employees are provided with training on the changes made in a reasonable timeframe (not to exceed one year following the relevant changes). Subsequently every three years employees are required to complete a Code of Ethics refresh session as part of SPNZ's ongoing commitment to upholding this Code of Ethics.

#### **6. Review**

This Code of Ethics is subject to annual review by the Board. If you have feedback on the Code of Ethics, please contact the Chair of the Board.

## PART 2: BOARD CHARTER

### 1. Policy Statement

This Board Charter (Charter) sets out the role, responsibilities and structure of the Board and provides guidance for the effective oversight of SPNZ by the Board on behalf of its shareholders, employees and other material stakeholders.

This Charter is not an exhaustive document and is intended to be read together with the Constitution (which is available in the Corporate Governance section of SPNZ's website) and SPNZ's other policies.

The Constitution is SPNZ's primary governance document, and, in the event of any conflict, the Constitution will prevail.

### 2. Interpretation

In this Charter:

- "Act" means the Companies Act 1993
- "Board" means the Board of Directors of SPNZ
- "Business" means the business of SPNZ
- "Chair" means the Chair of the Board
- "CEO" means the person appointed by the Board to perform the role of Chief Executive Officer of SPNZ, regardless of the title conferred on that person
- "Climate-related disclosures" means the disclosures required to be reported on as a Climate Reporting Entity (CRE) under the Aotearoa New Zealand Climate Standards
- "Constitution" means the constitution of SPNZ adopted on 7 October 2004 as amended from time to time
- "Directors" means members of the Board
- "Executive Assistant" means the person appointed by the CEO who also acts as secretary to the Board
- "FMC Act" means the Financial Markets Conduct Act 2013
- "Management Limitations" means the limitations on the actions of Management as set out in the 'Management Limitations' section of this Charter.
- "NZX Code" means the NZX Corporate Governance Code dated 31 January 2025
- "Senior Management" means the Chief Executive and the CEO's direct reports
- "Shareholders" means shareholders of SPNZ
- "SPNZ" means South Port New Zealand Limited and, where the context requires, includes subsidiaries of South Port New Zealand Limited

### 3. Board Role and Responsibilities

The role of the Board is to effectively represent and promote the interests of shareholders with a view to adding long-term value to SPNZ's shares in accordance with good corporate governance. A director when exercising powers or performing duties as a director, must exercise the care, diligence and skill that a reasonable director would exercise in the same circumstances. Having regard to its role the Board will direct and monitor the management of the business and affairs of SPNZ including, in particular:

#### 3.1 Strategy

- Ensuring that SPNZ's goals are clearly established, and strategies are in place for achieving them (such strategies

being expected to originate, in the first instance, from Senior Management).

- Monitoring SPNZ's performance against its approved strategic, business and financial plans and oversee the Company's operating results on a regular basis so as to evaluate whether the business is being properly managed.
- Deciding on the steps necessary to protect SPNZ's financial position and its ability to meet its debts and other obligations when they fall due, and ensuring that such steps are taken.
- Establishing policies for strengthening the performance of SPNZ, including ensuring that Senior Management is proactively seeking to build the Business through innovation and initiative, technology, new services and development of its business capital.
- Setting the amount, nature and timing of dividends.

#### 3.2 Management

- Appointing and, where appropriate, removing the CEO, approving other Senior Management appointments, planning for Senior Management succession and monitoring the performance of the CEO and Senior Management having regard to SPNZ's strategic direction and goals.
- Approving the staff bonus share scheme and all executive incentive schemes, including both short-term incentives (STI) and long-term incentives (LTI).

#### 3.3 Reporting and Disclosure

- Approving and monitoring SPNZ's financial statements and other reporting, including reporting to shareholders and other stakeholders in accordance with the Act and the FMC Act.
- Overseeing the process of making timely and balanced disclosures of all material information concerning SPNZ that a reasonable person would expect to have a material effect on the price or value of SPNZ's securities with regard to the requirements of SPNZ's Continuous Disclosure Policy.
- Ensuring SPNZ complies or provides an explanation why it is not complying with the disclosure and reporting requirements of the NZX Code including non-financial disclosure considering material exposure to environmental, economic and social sustainability risks.
- Ensuring SPNZ complies with the reporting requirements related to climate-related disclosures.
- Ensuring the integrity of SPNZ's accounting and corporate reporting systems, including the external audit.

#### 3.4 Health and Safety (H&S)

- Approving and monitoring SPNZ's H&S systems to ensure compliance and continuous improvement.
- Ensuring adequate H&S resource is in place within the organisation.

#### 3.5 Ethical Standards

- Board Members are expected to observe the highest standards of ethical behaviour. The Board has documented

a Code of Ethics which sets out the expected standards of ethical behaviour to which the Directors and employees of SPNZ are required to adhere to.

- Board members should, except as permitted by law and disclosed to shareholders, act in the best interests of SPNZ, ahead of other interests.
- The Board supports and encourages policies within SPNZ which require Directors and Employees to observe high standards of personal integrity and display honesty in their dealings.
- The Board will review the Code of Ethics annually, foster higher standards of ethical conduct and personal behaviour and hold accountable those directors, managers or other employees who engage in unethical behaviours.

### 3.6 People & Culture

- The Board's responsibility is oversight and development of organisational culture.
- Approving and monitoring SPNZ's health and safety systems to ensure the safety of SPNZ's employees, contractors and agents.
- Establishing procedures and systems to promote an organisational culture, ethical behaviour and remuneration practice within SPNZ facilitating the safety and wellbeing of staff and promoting their recruitment, professional development and retention.

### 3.7 Expenditure

- Setting specific limits on authority for Senior Management to commit to new expenditure, enter contracts or acquire businesses or assets without specific prior Board approval and approving any transactions above the specified delegated authority limits.
- Approving and monitoring the progress of major capital expenditure, capital management and material acquisitions and divestitures.
- Review and approve material transactions not in the ordinary course of SPNZ's business.

### 3.8 Risk Management

- Ensuring SPNZ has an appropriate risk management framework, risk management/regulatory compliance policies and processes in place and monitors the integrity of the framework, policies and processes.
- Maintaining a risk register which records the likelihood and impact of each risk to SPNZ, identifies the key risks and notes steps taken to mitigate each risk.

### 4. Relationship between Board and Management

To enable the effective functioning of the day-to-day business of SPNZ, the Board has delegated to the CEO the authority to manage the Business and affairs of SPNZ, and to sub-delegate to other levels of Senior Management, certain limitations and qualifications.

The Board maintains a formal set of delegated authorities which clearly define the responsibilities that are delegated to Senior Management and those retained by the Board. These delegated authorities are subject to review and approval by the Board on a regular basis.

Communication between Directors and Senior Management should be through the CEO. When Directors seek clarification

regarding the information provided to Directors, or seek information about SPNZ generally, this can be sought directly from Senior Management, but the CEO should also be advised.

### 5. The Board's Relationship with Shareholders

The Board will use its best endeavours to familiarise itself with issues of concern to all relevant shareholders. The Board will regularly evaluate economic, political, social and legal issues and any other relevant external matters that may influence or affect the development of the business or the interests of shareholders, and if thought appropriate, will take outside expert advice on these matters.

### 6. The Board's Relationship with Stakeholders

The Board will use its best endeavours to familiarise itself with issues of concern to all relevant stakeholders. The Board recognises that SPNZ's long-term survival and prosperity are closely intertwined with the environments and markets within which it operates to the extent to which SPNZ is seen as a responsible corporate citizen.

### 7. Composition of the Board

#### 7.1 Board Skills

The Board should at all times comprise members whose skills, experience and attributes together reflect diversity, balance, cohesion and match the demands facing SPNZ.

#### 7.2 Appointments to the Board

- The appointment of a director is a shareholder decision and will be for a term or subsequent term of three years (subject to any obligation to retire by rotation in accordance with SPNZ's Constitution).
- A director who resigns before the expiry of his or her term will identify to the Board his or her reasons for early retirement.
- A director standing for re-election will inform the Board in advance and the Board will advise the director of their support or otherwise.
- The Board's decision to support or not support a further term will not prevent a director from standing, but should he/she stand, the decision on support will be advised to the shareholders meeting where the director's candidacy is being determined.

The Board shall at appropriate intervals review its composition to ensure that it has access to the most appropriate balance of skills, qualifications, experience and background to effectively govern SPNZ.

#### 7.3 Director Nomination and Appointment Procedures

- Director nominations will be called for from shareholders in accordance with the Rules.
- Any natural person who is not disqualified under the Act and, if required under the Rules, who has been nominated within the time limits under the Rules, may be appointed as a Director by an ordinary resolution of security holders.



- (c) The Board will consider the candidates who have been nominated for appointment as a director. To be eligible for selection, candidates must demonstrate appropriate qualities and experience. Directors will be selected based on a range of factors, including the needs of the Board at the time and the independence of the candidates.
- (d) The Board has a procedure in place for selecting candidates for nomination which provides for:
- Assessment of all candidates against a people profile for a director;
  - Proper checks as to a person's character, experience, education, criminal record and bankruptcy history;
  - The provision of key information about a candidate to shareholders to assist their decision as to whether or not to elect or re-elect a candidate (i.e. biographical details, relevant skills and experience, any other material directorships they hold); and
  - If the candidate is standing for the first time, any material adverse information revealed by checks SPNZ has performed; or
  - If the candidate is being re-elected, information about the term of office served by the director.
- (e) The Board will consult with any major shareholders prior to the preferred candidate being put forward for election by shareholders at the Annual Meeting.
- (f) Directors shall be appointed formally by letter, signed by the Chair of the Board. The letter shall set out (among other things) what is expected of non-executive directors in terms of:
- Their role and responsibilities;
  - Board expectations;
  - Time commitment;
  - Committee service;
  - Involvement outside of Board meetings.
- (i) the CEO is the only executive who may be a member of the Board, however the Chair and the CEO should be different people; and
- (ii) a Board member should not have a relationship with management that compromises his or her ability to act independently from management. In practice, however, such relationships may arise in the course of a director's tenure and procedures for dealing with these situations are contained in the 'Procedures' section of this Charter;
- (f) A Board member should not have any significant conflict of interest that is potentially detrimental to SPNZ, including:
- (i) affiliations with competitors of SPNZ; and
- (ii) affiliations with parties that are likely to be a regular counterparty to a transaction with SPNZ. In practice, however, such conflicts may arise in the course of a director's tenure and procedures for dealing with these situations are contained in the 'Procedures' section of this Charter. A director who is interested in a transaction with SPNZ must immediately disclose to the Board the nature, monetary value and extent of the interest;
- (g) The Board seeks diversity in the skills, attributes and experience of its members across a broad range of criteria so as to represent the diversity of shareholders, business types and regions in which SPNZ operates;
- (h) At least one-third of the directors will retire annually, but are eligible for reappointment by shareholders;
- (i) The Board elects a Chair who can be replaced by it at any time.

#### 7.4 Board Membership

In addition to the Constitutional requirements, the Board has agreed that:

- (a) The minimum number of directors is six and the maximum shall be nine, in accordance with the Constitution;
- (b) The Board shall maintain at least a minimum number of two Independent Directors (as defined in the NZX Listing Rules) 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 (rounded down to the nearest whole number of directors), whichever is the greater;
- (c) The Chair of the Board will be an independent and non-executive director;
- (d) A majority of directors must be ordinarily resident in New Zealand (as explained in section 3.1.6 of the NZX's Governance Guidance Note (January 2025));
- (e) Board independence from management is vital to ensure that the Board fairly holds management accountable to shareholders. Applying this principle:

#### 7.5 Determination on Independence

The Board will determine the "independence" of Directors when having regard to the non-exhaustive factors set out in the NZX Code, as per NZX Listing Rule 2.6.1. The Company's annual report will include information on each director and identify which directors are independent.

The NZX Listing Rules define an Independent Director as being a Director who is not an "employee" of SPNZ and does not have a "disqualifying relationship" defined by the NZX as being any direct or indirect interest, position, association or relationship that could reasonably influence, or could reasonably be perceived to influence, in a material way, the Director's capacity to:

- bring an independent view to decisions in relation to SPNZ; or
- act in the best interests of SPNZ; or
- represent the interests of SPNZ's financial product holders generally,

having regard to the factors in the NZX Code that may impact director independence (Code Factors), if applicable.

When considering whether a Director has a disqualifying relationship, the Board considers all up to date information disclosed by a Director (see the 'Procedures' section of this Charter). The independence determination is made without taking into account SPNZ's conflict management arrangements.

The Board also has regard to the purpose of the composition requirements under the NZX Listing Rules when determining Director independence. The Board understands that the purpose of these requirements is to ensure there are a sufficient number of Directors on the Board who do not have relationships or interests that would reasonably cause them to be, or to be reasonably perceived to be, aligned with management or a particular shareholder group in a material way.

Where the Board considers that a Director is independent, despite a Code Factor applying to that Director, the basis upon which the Code Factor was triggered and the reason the Board concluded that the Director did not have a disqualifying relationship will be disclosed in:

- SPNZ's annual report;
- any notices of meeting relating to that Director's election or re-election; and
- any market announcements relating to the Board's determination of the Director's independence.

#### **7.6 Procedures**

A director must declare to the Board any relationship or interest that might compromise his or her ability to act independently from management, that is relevant to the assessment of whether the Director has a disqualifying relationship (see the 'Determination on Independence' section of this Charter), or any conflicts of interest that are potentially detrimental to SPNZ. As soon as practicable thereafter the Board, or a committee of the Board established for the purpose, will meet to review the relationship or conflict and determine a process to deal with the issue.

#### **8. Board Procedures**

The Chair is responsible for ensuring that Board meetings are sufficiently well planned and conducted in a manner that ensures the most effective and efficient use of Board time and energy. The conduct of Directors will be consistent with their duties and responsibilities to SPNZ and, indirectly, to shareholders. The Board will be disciplined in carrying out its role, with the emphasis on strategic issues and policy.

Directors will use their best endeavours to attend Board meetings and to prepare thoroughly. Directors are expected to participate fully, frankly and constructively in Board discussions and other activities, and to bring the benefit of their knowledge, skills and ability to the Board table. Directors unable to attend a meeting will advise the Chair at the earliest possible date. When it is not possible for a director to attend in person, they can join by means of audio or video communication.

Formal minutes will be taken of each Board meeting and the meeting of each Board Committee. All discussions and their record will remain confidential unless there is a specific direction from the Board to the contrary, or disclosure is required by law. Subject to legal or regulatory requirements, the Board will decide the manner and timing of the publication of decisions.

The Board has sole authority over its agenda and exercises this through the Chair. Any director may, through the Chair, require the addition of an item to the agenda. The agenda for each

meeting will be set by the Chair in consultation with the CEO and the Executive Assistant.

The Board will normally hold at least eight meetings per year, and otherwise as it considers necessary. The Quorum for Board meetings is a majority of directors.

All directors have the right to attend any meeting of a Committee. In order to be fully informed on the matters for consideration, a Committee member may require the attendance of any of the CEO, senior management, SPNZ's auditors and advisers.

At each normal meeting SPNZ's interests register will be updated as necessary and the Board will consider:

- An operational report from the CEO;
- A health and safety report;
- A report from the CEO;
- Reports from senior management on the activities relating to their areas of the business;
- Specific proposals for capital expenditure and acquisitions in accordance with SPNZ's delegated authority and capital expenditure policies approved by the Board;
- Major issues and opportunities for SPNZ; and
- Matters requiring public disclosure.

The Board will, at intervals of not less than one year:

- Review and approve the strategic goals of SPNZ;
- Review the operational plans for achieving the strategic goals of SPNZ;
- Approve the annual budget;
- Approve the annual and half-yearly financial statements, associated reports to shareholders and public announcements;
- Approve the Annual Report;
- Review disclosure and reporting requirements against the NZX Code, Act, FMC Act and climate-related disclosures;
- Consider SPNZ's dividend policy and, if appropriate, declare or recommend the payment of dividends;
- Review the Board composition, structure and succession;
- Review SPNZ's audit requirements;
- Review the performance of, necessity for and composition of Board Committees;
- Undertake Board and individual director evaluations;
- Review Directors remuneration;
- Review the CEO's performance and remuneration (without the CEO present);
- Review remuneration policies and practices in general, including incentive schemes for Senior Management;
- Review risk assessment policies and controls including insurance cover and compliance with legal and regulatory requirements;
- Review SPNZ's Code of Ethics;
- Review the Charter and the charters of its standing Committees;
- Review shareholder, customer and supplier relations;
- Review donations and sponsorships;
- Assess SPNZ's objectives for achieving diversity and progress in achieving those objectives; and
- Settle the Board's work plan for the following year.

Directors are entitled to have access, at all reasonable times, to all relevant SPNZ information and to Senior Management. The Board encourages the CEO to bring employees to Board meetings who can provide additional insight into the items being discussed because of personal involvement or expertise in such matters, including employees whose future potential the CEO believes should be given exposure to the Board.

Directors are expected to strictly observe the provisions of the Act applicable to the use and confidentiality of SPNZ information.

#### **9. Role of the Chair**

The Chair is responsible for the leadership of the Board and for the efficient organisation and conduct of the Board's functioning.

The Chair also has specific responsibility to:

- Facilitate the effective contribution of all directors and promote constructive and respectful relations between directors and between the Board and senior management;
- Maintain regular dialogue with the CEO over all operational matters and consult with the remainder of the Board promptly over any matter that gives cause for significant concern;
- Represent the views of the Board to all shareholders and maintain appropriate ongoing contact with major shareholders to ensure the Board understands their views;
- Chair Board and Shareholders' meetings;
- Foster a constructive governance culture and assist the Board and senior management in assuring compliance with and implementation of this Charter;
- Promote and maintain the independence of the Board from senior management; and
- Ensure that rigorous, formal processes for evaluating the performance of the Board, Board Committees and individual directors are in place and lead these processes.

#### **10. Board Committees**

The Board recognises the essential role of Committees in guiding SPNZ on specific issues, where specialist knowledge and expertise are required. One standing Board Committee has been established to assist, advise and make recommendations to the Board on matters falling within their area of responsibility.

Board Committees will, as far as is appropriate, observe the same rules of conduct and procedure as the Board, unless the Board determines otherwise. Board Committees will only speak or act for the Board when so authorised. The authority conferred on a Board Committee will not derogate from the authority delegated to the CEO or the responsibility of the Chair. Each Board Committee shall have a Charter approved by the Board and reviewed annually. The members of each Board Committee will be appointed by the Board. Each standing Committee must be Chaired by a director other than the Chair of the Board.

All Directors will receive papers for each Committee. Formal minutes of each Committee meeting are prepared and circulated to the Directors. A verbal report is also provided at the next Board meeting.

The role, function, charter, performance and membership of each Committee are reviewed on an annual basis.

The Board has established the following Committees:

- Audit and Risk Committee

#### **11. Induction and Continuous Education**

The Board will ensure that all new Directors are appropriately introduced to the management and the business of SPNZ. All such directors will receive a full disclosure and compliance pack including relevant company policies and the Constitution. It is expected that all directors will continuously educate themselves to ensure that they may appropriately and effectively perform their duties. In addition, visits to specific SPNZ operations, when appropriate, and briefings from senior management and industry experts will be arranged.

Directors will undertake appropriate training to remain current on how to best perform their duties as directors of SPNZ.

#### **12. Directors Remuneration**

The Board will determine the level of remuneration paid to directors and to members of the various Board committees, within the total amount approved by shareholders.

#### **13. Shareholding of Directors**

Directors are able to hold shares in SPNZ however, these securities should be held as a long-term investment and directors are not to engage in short term trading.

When buying or selling shares, directors must strictly observe the provision of SPNZ's Constitution, SPNZ's own internal rules (including SPNZ's Securities Trading Policy and Guidelines) and all relevant legislative or regulatory procedures.

All changes in shareholding by directors shall be reported to the Board and to the CFO who maintains the Directors and Officers share dealing register.

#### **14. Provision of Business or Professional Services by Directors**

Because a conflict of interest (actual or perceived) may be created, directors must not, directly or indirectly, act as consultants to SPNZ on an ongoing basis.

Notwithstanding the general rule outlined directly above, SPNZ is at liberty to for the purposes of a special assignment, engage the services of any director having special expertise in a particular field or engage the services of another member of a director's organisation, so long as the terms of engagement are competitive, established on an arms-length basis, clearly recorded and all legal requirements for disclosure of the engagement are properly observed. No director is allowed to use his or her position as a director to influence commercial decisions by SPNZ or the affiliate.

#### **15. Other Board Appointments**

Any Director is, while holding office, at liberty to accept other board appointments so long as the appointment is not in conflict with SPNZ and does not detrimentally affect the director's performance as a director. Such appointments and all other appointments potentially having a significant impact on the director's performance must first be discussed with the Chair before being accepted.

It is recognised that, from time to time, conflicts of interest may arise as a result of Director's appointments to the board of, or

other involvement with, other organisations. In such situations, directors will put in place appropriate processes, including excluding themselves from discussions in respect of such businesses, to ensure that the effect of such conflict of interest is minimised.

#### **16. Independent Professional Advice**

The Board has the authority to conduct or direct any investigation required to fulfil its responsibilities and has the ability to engage, at SPNZ's expense, such legal, accounting or other advisers, consultants or experts as it considers necessary from time to time in the performance of its duties.

In certain circumstances, each director has the right to seek independent professional advice at SPNZ's expense within specified limits, with the prior approval of the Audit and Risk Committee. This advice shall generally be made available to all other directors.

All Committees of the Board have access to independent professional advice on this basis.

#### **17. Indemnities and Insurance**

SPNZ will provide directors with, and pay premiums for, indemnity and insurance cover while acting in their capacities as Directors, to the fullest extent permitted by the Act. SPNZ will maintain specified corporate documents and provide directors with access to those documents.

#### **18. The CEO**

The CEO is charged with the day-to-day management of SPNZ. The CEO also has the responsibility to manage and oversee the interfaces between SPNZ and the public and to act as the principal representative of SPNZ.

The CEO, together with Senior Management, is responsible to the Board for the development and implementation of strategy and overall management and performance of SPNZ.

The CEO manages the organisation in accordance with the strategy, business plans and policies approved by the Board to achieve the corporate objective and the goals and targets of SPNZ.

The CEO's performance is assessed in light of the achievement of those goals, targets and other agreed performance indicators.

Between meetings, the Board maintains an informal link between the Board and the CEO, and will be kept informed by the CEO on all important matters. The Chair will be available to the CEO to provide counsel and advice where appropriate.

The CEO undertakes to respect the independence of directors so as to permit the Board to challenge management decisions objectively and evaluate corporate performance.

The CEO will not accept appointment to the Board of other companies except for family companies and directorships undertaken at the request of SPNZ where SPNZ has a significant interest, except with the consent of the Board.

The period of the CEO's employment agreement will be disclosed in each annual report.

#### **19. The CFO**

The appointment and removal of the CFO is made on the recommendation of the CEO and must be approved by the Board. The CFO is responsible for ensuring that Board procedures are followed, that the applicable rules and regulations for the conduct of the affairs of the Board are complied with and for all matters associated with the maintenance of the Board or otherwise required for its efficient operation.

All Directors, particularly the Chair, have access to the advice and services of the CFO for the purposes of the Board's affairs and the business.

#### **20. Accountability of the CEO to the Board**

The CEO is accountable to the Board for the achievement of the strategic goals of SPNZ. The CEO is accountable for the observance of the Management Limitations.

At each of its normal meetings, the Board should expect to receive from or through the CEO:

- The operational and other reports and proposals referred to in the 'Board Procedures' section of this Charter; and
- Such assurances as the Board considers necessary to confirm that the Management Limitations are being observed.

#### **21. Management Limitations**

The CEO is expected to:

- Act within all specific authorities delegated to the CEO by the Board;
- Allow only practices, activities or decisions that conform to commonly accepted good business practice and SPNZ's Code of Ethics;
- Adhere to SPNZ's strategic goals in allocating the capital and resources of SPNZ;
- Allow actions only after taking into account the health, safety, environmental and political consequences and their effect on long-term shareholder value;
- Not to cause or permit any action that is likely to result in SPNZ becoming financially embarrassed;
- Adequately maintain and protect the assets of the Company;
- Protect employees and other parties working for SPNZ from being subjected to treatment of conditions that are undignified, inequitable, unfair or unsafe; and
- Allow payments to be made or rewards given only if they are in return for contributions towards the purposes of the business and the net enhancement of the business value, and are proportional to the extent that the contribution in question furthered such purposes and are at fair value.

#### **22. Continuous Disclosure**

The CFO shall be responsible for SPNZ's compliance with statutory and NZX continuous disclosure requirements and the Board shall be advised of, and consider, continuous disclosure issues at each Board meeting as per SPNZ's Continuous Disclosure Policy.

## **PART 3: AUDIT & RISK COMMITTEE CHARTER**

### **1. Policy Statement**

This Charter sets out the role, responsibilities and structure of the Audit and Risk Committee, a Committee established by the Board. It is intended to be read together with the Constitution and SPNZ's other policies.

### **2. Purpose of the Committee**

The primary purpose of the Audit and Risk Committee (the Committee) is to assist the Board of SPNZ in fulfilling its oversight responsibilities for financial management and related reporting processes. This includes the system of internal control and risk management, the audit process, and the company's process for monitoring compliance with laws and regulations and the code of conduct. The Committee's objectives include improving the efficiency of the Board by allowing for the delegated issues to be discussed in sufficient depth.

### **3. Composition**

The membership of the Committee and its Chair shall be appointed by the Board (by formal resolution) from solely the non-executive directors of SPNZ and shall consist of at least three independent members of the Board of Directors. The Committee will at all times have a majority of independent members.

At least one member shall be independent and have an adequate accounting or financial background, including knowledge and understanding of accounting rules and standards. Whether a member has an adequate accounting or financial background will be determined based on the factors discussed in section 3.2.1 of the NZX's Governance Guidance Note (January 2025). Other members should have a working knowledge of finance and accounting practices given the specialised function of the Committee.

The duties and responsibilities of a member of the Committee are in addition to those set out for a member of the Board of Directors.

Members of the Committee will be appointed for a continuous term until otherwise directed by the Board.

The Chair of the Committee will be an independent director appointed by the Board and will not be the Chair of SPNZ. The Chair will not have a long-standing relationship with SPNZ's external auditor.

The CEO may not be a member of the Audit and Risk Committee.

### **4. Secretarial and Procedure**

The secretary of the Committee shall be appointed by the Board.

A quorum of members of the Committee shall be two.

Attending each meeting by standing invitation is the CEO and the CFO. Representatives from the external auditors also have a standing invitation but would normally attend at the request of the Audit and Risk Committee Chair. All directors may attend each meeting by standing invitation also.

The Committee shall meet at least two times a year having regard to SPNZ's reporting and audit cycle. The Committee shall meet with the external auditors present and without the CEO or management being present during these meetings.

The Chair or Committee may meet with the external auditors and management in separate executive sessions to discuss any matters that the Committee or these groups believe should be discussed privately with the Committee.

Employees should only attend Committee meetings at the invitation of the Committee. The Committee may have in attendance such members of management and such other persons including the external auditors, as it considers necessary to provide appropriate information and explanations.

The agenda and Committee papers will be prepared and circulated to all directors including members of the Committee five working days prior to Committee meetings.

Any member of the Committee, the CEO, the CFO or the external auditors may request a meeting at any time if they consider it necessary.

Minutes of all meetings shall be kept and circulated on a timely basis.

The Committee shall maintain direct lines of communication with the external auditors, the CEO, the CFO, and with management generally including those responsible for non-financial risk management.

The CEO and the CFO shall be responsible for drawing to the Committee's immediate attention any material matter that relates to the financial condition of the company, any material breakdown in internal controls, and any event of fraud or malpractice.

The Chair will report back to the Board the recommendations of the Committee at the Board meeting following the Committee meeting. The minutes of all Committee meetings shall be circulated to members of the Board, the CEO, the CFO, the external auditors and to such other persons as the Board directs.

The Committee shall provide sufficient information to the Board to allow the Board to report annually to shareholders and stakeholders on risk identification and management procedures, as well as relevant internal controls of SPNZ.

The Committee shall have no executive powers with regard to its findings and recommendations but will recommend to the Board on matters relative to its primary functions.

Reasonable notice of meetings and the business to be conducted shall be given to the Committee, the CEO and external auditors.

### **5. Responsibilities**

The responsibilities of the Committee are as follows:

### 5.1 Financial Management

The Committee is required to provide advice and oversight of financial management, and recommend actions for Board approval, as appropriate. This includes:

- Consider the effectiveness of the company's internal control system, including information technology security and control.
- Review the scope of the external auditors' review of internal control over financial reporting, and obtain reports on significant findings and recommendations, together with management's responses. Review the adequacy of management's follow up actions and closure of audit findings.
- Review and monitor the overall financial management of SPNZ, specifically management's processes and systems to optimise efficiency and effectiveness of operations and financial return.
- Review the capital expenditure strategy and operational plan. Understand how the strategy supports SPNZ in meeting its strategic objectives. Monitor material items purchased outside of the capital expenditure strategy and operational plan.
- Annual review of the financial and operational budgets, if appropriate recommend to the Board for approval. Review reporting progress against set budgets, understanding deviations from plan and remediation strategies, as appropriate.
- Review SPNZ's capital and funding arrangements, ensuring that this aligns to operational requirements and takes risk factors into consideration. Review and recommend to the Board, if appropriate, new capital and funding arrangements.
- Review the Treasury Policy as required and monitor compliance to the requirements as detailed therein.
- Annually review all of SPNZ's insurance arrangements and recommend Board adoption of arrangements, where appropriate.
- Monitor and regularly review the authorities, delegations and procedures under which SPNZ operates.
- Recommend to the Board, dividends or other distributions to be made to SPNZ's shareholders and the amount of those dividends or distributions.

### 5.2 Financial Reporting

Consider and make recommendations for Board approval, on all major accounting policies and practices, including any proposed changes to SPNZ's accounting policies and practices and their application during the reporting period. Monitor compliance to SPNZ policies.

Review significant accounting and reporting issues, including complex or unusual transactions and highly judgmental areas, and recent professional and regulatory pronouncements, and determine their impact on the financial statements.

Review legal and regulatory matters that may have a material impact on the financial statements.

Review with management and the external auditors the results of the interim and annual financial statements and all other financial information prepared by SPNZ that are to be released to the market.

Review of audit findings, confirming management's response and proposed action. Ensure that all agreed management actions are appropriately completed.

Review the preparation and fair presentation of financial statements prepared by SPNZ and obtain explanations from management and external auditors on whether:

- Financial results varied significantly from budgeted or projected results;
- Significant or unusual events or transactions are adequately disclosed;
- SPNZ's financial and operating controls are appropriately designed and operating effectively;
- All annual and interim financial statements and announcements contain adequate and appropriate disclosures.

Review that the financial statements are prepared in accordance with legal requirements and accepted accounting practice and provide a fair presentation of the financial position and results of SPNZ.

Require annual certification from the CEO and CFO that:

- SPNZ's financial statements present fairly, in all material respects, SPNZ's financial condition and operational results and are in accordance with applicable accounting standards;
- The above statement was based on a sound system of risk management and internal control and compliance which implements the policies adopted by the Board;
- SPNZ is solvent and there are no issues with going concern.

Consider, and recommend for Board approval draft financial statements, reports and company announcements regarding financial matters which must be disclosed to the NZX and any external party.

Review the solvency calculation and basis of valuations which support any intended dividend distribution.

### 5.3 Climate-related External Reporting

Assist the Board with the oversight of SPNZ's climate-related external reporting.

Monitor SPNZ's internal control environment with respect to controls over the quality and integrity of external climate-related reporting.

Review and recommend content of the company's mandatory climate-related disclosures, including but not limited to, estimation of corporate greenhouse gas emission output, assessment of climate-related risks and opportunities, and evaluation of the company's capacity to absorb climate-related risks and exploit opportunities, where applicable.

Ensure consideration is given to climate-related issues when making important business decisions such as approving the annual budget, capital expenditure, and major maintenance, and setting the strategic direction of the company.

Ensure compliance with Aotearoa New Zealand Climate Standards.

#### **5.4 Risk Management**

Review the risk management framework and monitor compliance with that framework.

Review SPNZ's key risks on a regular basis and make changes to the key risks as required.

Monitor SPNZ's risk assessments and the internal controls in place.

Enquire of management and the external auditors about significant risks or exposures and evaluate the steps taken to minimise such risk to SPNZ.

Undertake a regular overview and assessment of the appropriateness of the functions of internal control and internal audit within SPNZ.

The Chair of the Committee is to attend the annual risk management meeting organised by the CFO.

#### **5.5 Compliance**

Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of non-compliance.

Review the findings of any examinations by financial related regulatory agencies, and any auditor observations.

Obtain regular updates from management regarding compliance matters.

Review management's confirmations on compliance.

#### **5.6 External Audit**

Consider and make recommendations to the Board, to be put to shareholders for approval at the Annual General Meeting of SPNZ, in relation to the appointment of SPNZ's external auditors and their compensation.

Review and approve the external auditors' engagement letter which includes the proposed audit scope and approach. Annually review the performance of the external auditors against the terms of agreement and related expectations.

Consult with the external auditors on any significant proposed regulatory, accounting or reporting issues and assess the potential impact on SPNZ's financial and/or climate-related reporting processes.

Review and confirm the independence of the external auditors by obtaining statements from the auditors on relationships between the auditors and SPNZ, provide approval for non-audit services, and discuss the relationships with the auditors.

At least annually, meet separately with the external auditors to discuss any matters that the Committee or auditors believe should be discussed privately.

Approve SPNZ's letter of representation to the auditors.

Ensure that the audit partner is rotated after a maximum of five years such that no person shall be engaged in an audit of SPNZ for more than five consecutive years.

#### **5.7 Reporting Responsibilities**

Regularly report to the Board about Committee activities, issues and related recommendations.

Provide an open avenue of communication between the external auditors and the Board.

Report annually to the shareholders, describing the Committee's composition, responsibilities and how they were discharged, and any other information required by law, including approval of non-audit services.

Review any other reports SPNZ issues that relate to the Committee's responsibilities.

#### **5.8 Other Responsibilities**

Perform other activities related to this Charter as delegated by the Board.

Institute and oversee special investigations or projects as needed.

#### **6. Committees' Powers and Authority**

The Committee is authorised by the Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees will be directed to co-operate with any request made by the Committee.

The Committee will make recommendations to the Board on all matters requiring a decision. The Committee does not have the power or authority to make a decision in the Board's name or on its behalf, unless specifically delegated.

The Committee is authorised by the Board to obtain, at the expense of the company outside legal or other independent professional advice and to arrange for the attendance at meetings, at the expense of the company, of outside parties with relevant experience and expertise if it considers this necessary.

#### **7. Accountability to the Board**

Review and assess the adequacy of the Committee Charter annually, requesting Board approval for proposed changes, and ensure appropriate disclosure as may be required by law or regulation.

Confirm annually that all responsibilities outlined in this Charter have been carried out.

Evaluate the Committee's performance annually.

## PART 4: EXTERNAL AUDITOR RELATIONSHIP FRAMEWORK

### 1. Policy Statement

The objective of this External Auditor Relationship Framework (External Auditor Policy) is to ensure that South Port New Zealand (SPNZ) has external audit independence is maintained both in fact and appearance, and in line with best practice to ensure reliable and credible financial reporting.

This External Auditor Policy has been approved by the Board and is to be reviewed and, if necessary, updated every two years or as required following any significant change to the business.

### 2. Statement of Purpose

This External Auditor Policy defines the services that may or may not normally be performed by SPNZ's external auditors and the responsibilities of both parties. This External Auditor Policy complements the Audit and Risk Committee (ARC) Charter which specifies the relevant ARC responsibilities, including (but not limited to):

- Providing assistance to the Board in exercising due care in relation to the oversight of the integrity of the external financial reporting;
- Overseeing and monitoring the performance of the external auditor;
- Assessing the external auditor's independence and qualifications and ensuring that the external auditor's independence is maintained; and
- Acting as a formal forum for free and open communication between the Board and the external auditors and management.

### 3. Appointment of the External Auditor

All external auditors are appointed by the Office of the Auditor General (OAG). The Board will support the appointment of an external auditor if that audit firm:

- Is registered and its audit partners are licensed in accordance with the Auditor Regulation Act 2011;
- Would be regarded by a reasonable investor, with full knowledge of all the relevant facts and circumstances, as capable of exercising objective and impartial judgement on all issues encompassed within the auditor's engagement;
- Annually confirms their compliance with the professional standards and ethical guidelines of Chartered Accountants Australia and New Zealand (CAANZ), to evidence their competence;
- Ensure that their staff do not work on any reporting engagement for SPNZ during the term, and within two years after work is completed, whether in a temporary, permanent or contract position with SPNZ;
- Monitors its independence and reports to SPNZ's ARC biannually that it has remained independent during the previous six months, in accordance with this External Auditor Policy, its firm's policies and professional requirements;
- Does not allow its audit partners to generate any direct compensation for selling non-audit services to SPNZ; and
- Commits to rotate their senior audit partner and review partner at least every five years, with a suitable cooling down period before coming back to SPNZ, and suitable succession planning to ensure continuity.

### 4. Responsibilities of SPNZ

To ensure audit quality at SPNZ and to allow for an effective audit service by suitably qualified professionals, SPNZ commits to:

- Facilitating a high-quality audit for which payment at fair commercial rates will be made. These fees will be reviewed by the ARC and approved by the Board;
- Providing a report from management to the ARC on an annual basis detailing the level of fees paid to the external auditor differentiating between audit and non-audit services;
- Not hiring any current or former audit partner or audit manager without the explicit approval of the Chair of the ARC;
- Ensuring that no unreasonable restrictions are placed on the external auditors by the Board or SPNZ management. To enable the ARC to monitor this requirement, the external auditors will report to the ARC in writing, at the same time as it reports in respect of its independence, as to whether this requirement has in the external auditor's opinion been satisfied during the previous six months; and
- Providing a formal and transparent procedure for sustaining communication with the external auditors.

### 5. Responsibilities of the External Auditor

The ARC will require the external auditor to confirm annually that it has complied with all professional regulations relating to auditor competency and independence. Explicitly, the external auditor will be required to confirm its commitment to strict procedures as follows:

- The external auditor, its partners and staff do not have any financial interest in SPNZ;
- There are no business relationships between SPNZ and the external auditor, beyond the provision of external audit services or approved services provided in line with this External Auditor Policy;
- There are no immediate family or personal relationships between members of the audit team and SPNZ directors or employees who can exert significant influence over the preparation of the financial statements;
- No fee paid by SPNZ to the external auditor is paid on a contingency basis; and
- Fees for consultancy services provided by the external auditor do not exceed the fees paid for the core audit services at the half year and full year audit (unless explicitly approved by the Chair of the ARC).

### 6. Provision for non-audit services by SPNZ's external auditor

SPNZ has adopted the following guidelines to ensure that related services provided by the external auditors are not perceived as conflicting with the independent role of the auditor. The general principles to be applied in assessing related services are as follows:

- The external auditor may not have any involvement in the production of financial information or preparation of financial statements such that they might be perceived as auditing their own work. This includes valuation services where such valuation forms an input into the financial information;



- The external auditor may not perform any function of management or be responsible for making management decisions;
- The external auditor may not be responsible for the design or implementation of financial information systems; and
- The separation between internal and external audit should be maintained.

#### **7. Services which can be performed by the External Auditor**

Examples of work which can be performed by the external auditor include:

- Financial and IT audits, both of financial statements and existing company systems and processes;
- Audits of regulatory requirements;
- Advice on appropriate accounting standards, policy and the interpretation and application thereof;
- Due diligence services;
- Technical training and best practice updates;
- Other pre-approved services not listed above.

#### **8. Services which cannot be performed by the External Auditor**

No work will be approved in the following areas:

- Undertaking any work in relation to the preparation of the financial statements or accounting records, including any bookkeeping and payroll services;
- Design and implementation of key financial information systems and processes;
- Valuation of assets and liabilities that are material to the financial statements other than as required to complete regulatory audit requirements;
- Corporate finance or investment banking type services;
- Liquidations and receiverships;
- Management functions;
- Serving as a director or officer of SPNZ;
- Secondment of staff;
- Tax computations;
- Tax planning and development advice;
- Internal audit services;
- Assistance in the recruitment of senior management;
- Legal services.

Where not specifically addressed above, or where a variation to this External Auditor Policy is sought, the Chair of the ARC is to be consulted, and the service cannot be provided unless the express permission is subsequently provided by the Chair.

#### **9. Application**

This External Auditor Policy applies to the external audit firm providing audit services to SPNZ.

## PART 5: SECURITIES TRADING POLICY AND GUIDELINES

### 1. Policy Statement

This Securities Trading Policy and Guidelines (Securities Trading Policy) applies to all directors, senior executives (“officers”) and employees of SPNZ and its subsidiaries who intend to trade in SPNZ’s listed securities. In this policy, ‘trade’ includes buying or selling listed securities, or agreeing to do so, whether as principal or agent, in their own name or for their own benefit or by or on behalf of a dependent child, but it does not include subscriptions for, or the issue of, new securities.

In addition to this Securities Trading Policy and guidelines, further more specific and stringent rules also apply to trading in SPNZ securities by directors and certain employees (refer Appendix 1 **Additional Trading Restrictions for Restricted Persons**).

### 2. Introduction and Purpose

This document details SPNZ’s policy on, and rules for dealing in the following securities (**Restricted Securities**):

- South Port New Zealand Limited Ordinary Shares (SPN); and
- Any other listed securities of SPNZ or its subsidiaries, and any listed derivatives (including futures contracts listed on an authorised futures exchange) in respect of SPNZ securities, from time to time.

Unless the context otherwise requires, expressions used in this Securities Trading Policy shall have the meaning given to them in the Financial Markets Conduct Act 2013 or any subsequent legislation.

The requirements imposed by this Securities Trading Policy are separate from, and in addition to, the legal prohibitions on insider trading in New Zealand and any other country where those securities may be listed.

***If you do not understand any part of this Securities Trading Policy, or how it applies to you, you should raise the matter with the CFO or CEO before dealing with any securities covered by this Securities Trading Policy. Any guidance sought from the above will not affect your individual responsibility to comply with the obligations under this Securities Trading Policy.***

### 3. Basic Principles

Officers, particularly directors and the executive leadership team, may purchase SPN shares, but there is a requirement for these securities to be held as a long-term investment.

Officers shall only buy or sell securities in conformity with this Securities Trading Policy and the Additional Trading Restrictions for Restricted Persons.

Officers should not buy or sell securities on considerations of a short-term nature even though dealing may not breach the Act. Generally speaking, a sale within six months of purchase will be regarded as a breach of this requirement. The Board of SPNZ may determine the period which, in any given circumstances, constitutes a short term.

The restrictions on buying and selling contained in this Securities Trading Policy should be regarded as equally applicable to any buying or selling:

- By the officer’s spouse or dependent children;
- By a company where the officer is deemed to hold or have an interest or right in or over the applicable securities;
- By a trust or a managed fund either where the officer has a beneficial interest or is a trustee or manager and can influence the decision of that trust or managed fund in the investment of funds; and
- Anyone else notified by the CFO from time to time.

The prohibitions apply regardless of how you learn of the information, and regardless of why you are trading.

### 4. Short term trading discouraged

Employees and directors should not engage in short term trading (the buying or selling of listed securities within a six-month period), unless there are exceptional circumstances discussed with and approved by the CEO.

Short term trading can be a key indicator of insider trading, particularly if undertaken on a regular basis or in large amounts. Therefore, to reduce the risk of an allegation of insider trading, do not trade listed securities on a short-term basis.

### 5. Fundamental Rule – Insider trading is prohibited at all times

If you have any **material information** in relation to SPNZ, it is illegal for you to:

- trade Restricted Securities;
- advise or encourage another person to trade or hold Restricted Securities;
- advise or encourage a person to advise or encourage another person to trade or hold Restricted Securities; or
- pass on the **material information** to anyone else – including colleagues, family or friends – knowing (or whether you ought to have known) that the other person will use that information to trade, continue to hold, or advise or encourage someone else to trade, or hold, SPNZ’s listed securities.

This offence, called “insider trading”, can subject you to criminal liability including large fines and/or imprisonment, and civil liability, which may include being sued by another party or SPNZ, for any loss suffered as a result of illegal trading. In these circumstances you are likely to fall outside any company insurance or indemnity entitlements.

The prohibitions can also apply to trading (or doing any of the other actions above) in securities of another listed company, such as a company with which SPNZ is negotiating the terms of a material transaction that would be material information for that other company.

### 6. Confidential information

In addition to the above, you also have a duty of confidentiality to SPNZ. You must not reveal any confidential information concerning SPNZ to a third party (unless that third party has

signed a Confidentiality Agreement with SPNZ and you have been authorised to disclose the confidential information), or to use confidential information in any way which may injure or cause loss to SPNZ, or use confidential information to gain an advantage for yourself or others. You should ensure that external advisers keep SPNZ information confidential.

If confidentiality is breached, this may result in SPNZ being required to disclose sensitive information about SPNZ. In some circumstances, a breach of the duty of confidentiality could result in SPNZ breaching the NZX Listing Rules.

#### **7. What is “material information”?**

As outlined in the Financial Markets Conduct Act 2013 section 231(1), “material information”, in relation to a listed issuer, is information that:

- Is not generally available to the market; and
- A reasonable person would expect, if it were generally available to the market, to have a material effect on the price of quoted financial products of SPNZ; and
- Relates to Restricted Securities, or SPNZ, rather than to financial products generally or listed issuers generally.

Information is generally available to the market if it has been released as an NZX announcement, or investors that commonly invest in SPNZ’s listed securities can readily obtain the information (whether by observation, use of expertise, purchase or other means).

It does not matter how you come to know the material information (including whether you learn it in the course of carrying out your responsibilities, or in passing in the corridor, or at a social function).

Information includes rumours, matters of supposition, intentions of a person (including SPNZ), and information, which is insufficiently definite to warrant disclosure to the public.

#### **8. Examples of material information**

The following list is illustrative only. Material information could include information which has not been released to the market concerning:

- The financial performance of SPNZ;
- A possible change in strategic direction of SPNZ;
- The introduction of an important new service;
- A possible acquisition or sale of any material assets or company by SPNZ;
- Entry into or the likely entry into or termination or likely termination of material contracts or other business arrangements which are not publicly known;
- An undisclosed significant change in SPNZ’s market share;
- The status of any major project being undertaken by SPNZ;
- Changes in cargo or shipping trade patterns including new or terminating customers;
- Changes in SPNZ’s actual or anticipated financial condition or business performance;
- Damage or change in condition of a significant asset;
- A possible change in SPNZ’s capital structure, including proposals to raise additional equity or borrowings;
- A change in the historical pattern of dividends;
- Board or senior management changes;

- A possible change in the regulatory environment affecting SPNZ, or any of its subsidiaries;
- A material legal claim by or against SPNZ; or
- Any other unexpected material liability, which has not been released to the market.

#### **9. Exceptions**

This Policy does not apply to:

- Acquisitions and disposals by gift or inheritance; or
- Acquisitions through an issue of new listed securities, such as an issue of new shares on the exercise of options, under a rights issue, or a dividend reinvestment plan.

#### **10. If in doubt, do not trade**

The rules contained in this Securities Trading Policy do not replace your legal obligations. The boundary between what is (and is not) in breach of the law is not always clear. Sometimes behaviour that you consider to be ethical actually may be insider trading. If in doubt, do not trade!

#### **11. Breaches of Policy**

Potentially serious civil and criminal liability arises for breaches of insider trading laws. These laws also apply to individuals outside of SPNZ, such as family members of SPNZ directors, executives (“officers”) and employees, should they become aware of material information.

Strict compliance with this Securities Trading Policy is a condition of employment with SPNZ. Breaches of this Securities Trading Policy will be subject to disciplinary action, which may include termination of employment or a contract for services. For directors, breaches may result in removal from the Board.

Any breach of this Securities Trading Policy must be promptly reported to the CFO and Chair.

#### **12. Monitoring of trading**

SPNZ monitors the trading of shares by directors and employees as part of the administration of this Securities Trading Policy.

#### **13. Application of Policy**

The Board of SPNZ has approved this Securities Trading Policy. The Board may approve updates, amendments to, and exemptions to this Securities Trading Policy from time to time, which may be implemented by written notice to you or posting on SPNZ’s website.

To the extent of any inconsistency with any previous policy or rules relating to this subject matter, this Securities Trading Policy prevails over them.

## APPENDIX 1 - ADDITIONAL TRADING RESTRICTIONS FOR RESTRICTED PERSONS

These rules are in addition to New Zealand legislative requirements and apply to Restricted Persons (defined below). These additional restrictions also apply to any spouse and dependent of a Restricted Person.

### Persons covered by Restricted Securities Trading Restrictions

The additional trading restrictions set out below apply to:

- all Directors of SPNZ; and
- the CEO and all senior officers (including the Executive Assistant) of SPNZ and any subsidiary (all CEO direct reports); and
- trading by their dependent children; and
- trusts and companies controlled by such persons; and
- any other employee, secondee, consultant, adviser or contractor in possession of material non-public information; and
- anyone else notified by the CEO from time to time.

Persons covered by these additional restrictions are called “**Restricted Persons**”. Employees and directors will be considered responsible for the actions of trusts and companies controlled by them. In this respect, “control” is not to be construed in a technical way but by looking at how decisions are made in practice.

A person will continue to be a Restricted Person for six months following the date on which that person ceases to occupy the role that caused them to be a Restricted Person.

### Identity of holder

Securities shall only be sold or purchased in the officer’s own name or in the name, or on behalf, of the officer’s spouse or child or in the name of a company where notice of the existence of that company and the officer’s beneficial interest therein has been given to the Board of SPNZ.

Securities registered in a name other than those referred to above nevertheless come within this Securities Trading Policy.

### Registered dealings periods

Securities in SPNZ must not be sold or purchased by directors or officers of SPNZ unless:

- notice of the intended sale or purchase in the form set out as Appendix 2 has been given to SPNZ; and
- The proposed sale or purchase has been authorised by the Board of SPNZ or by an authorised officer of SPNZ for and on behalf of SPNZ; and
- Notice of that authorisation has been given to all directors of SPNZ prior to the next Board meeting of SPNZ.

### Additional trading restrictions for Restricted Persons (trading window)

- Restricted Persons are prohibited from trading in any Restricted Securities during the following specific “black-out” periods:

- 30 days prior to SPNZ’s interim balance date (i.e. 30 days prior to 31 December), until the first trading day after the half-year results are released to NZX (mid-February); and
- 30 days prior to SPNZ’s year-end balance date (i.e. 30 days prior to 30 June), until the first trading day after the full-year results are released to NZX (late August); and
- During changes to the company’s capital structure – from the date there is management commitment to seek approval for the funds raising until the first day after the market is informed, or from 30 days prior to the release of a prospectus until the first day after public release; and
- During any significant corporate activity, acquisition or divestment – from the day that there is a realistic prospect of a transaction arising until after full public disclosure is generally available to the market.

In addition, the CFO or CEO may notify Restricted Persons of additional “black-out” periods from time to time (without the need for explanation to those affected).

Restricted Persons are not permitted to trade any Restricted Securities during a “black-out period” unless SPNZ’s Board provides a specific exemption (refer Appendix 2). The Board may consider granting a specific exemption in cases of severe financial hardship (that cannot be satisfied otherwise than by trading Restricted Securities) or other exceptional circumstances, and any such exemptions shall be in the Board’s absolute discretion.

***Please note that if you hold material information you must not trade Restricted Securities at any time – regardless of these periods.***

### Requirements before trading

Before trading in Restricted Securities, at any time, Restricted Persons (including spouses and dependents) must, in writing:

- Notify SPNZ’s CFO or CEO of their intention to trade in securities, and seek consent to do so (using the [Request for Consent to Trade in Listed Securities](#) form attached as Appendix 2); and
- Confirm they do not hold material information; and
- Confirm that there is no known reason to prohibit trading in any Restricted Securities.

The officer shall be provided with a written acknowledgement consenting to or declining the proposed transaction.

In the case of a proposed trade in SPN Securities by a Director or the CEO, the Request for Consent form must be signed or approved by the Chair of the Board or, in his or her absence, or in the case of proposed trading by the Chair of the Board, by the Chair of the Audit and Risk Committee.

A consent is only valid for a period of 10 trading days after notification. A consent may be given or declined without providing any reasons for doing so. A consent is automatically deemed to be withdrawn if the person becomes aware of material information prior to trading.

### **Requirements after trading**

A Restricted Person must advise the CFO promptly following completion of any trade, and the Restricted Person must comply with any disclosure obligations they have at law, including under the SPNZ Continuous Disclosure Policy, and under the Financial Markets Conduct Act 2013.

In respect of any trades by Restricted Persons, once notified by the relevant Restricted Person, the CFO must file the necessary disclosures required pursuant to the Financial Markets Conduct Act 2013 and the NZX Listing Rules (if applicable to the relevant Restricted Person), which require certain Restricted Persons to disclose details of the subscription or trade via NZX within five trading days (or 20 working days in limited circumstances), of the date of the subscription or trade.

The CFO will email a copy of the disclosure notice being submitted to NZX to the relevant Director or Officer, as confirmation the disclosure has been made. If confirmation is not received within two working days, the relevant Director or Officer should enquire as to why the trade has not yet been disclosed. The CFO will also place a copy of the disclosure notice in SPNZ's interests register.

An Officer's Dealing Register shall be maintained by the CFO. There shall be recorded the time of receipt of particulars of each notification received from a director or officer; any circumstances SPNZ or a director considers appropriate to record; the decision and the time it was notified.

For the avoidance of doubt, nothing in this Securities Trading Policy will apply to the trading of securities in respect of a takeover made under the Takeovers Code Approval Order 2000 or any court approved scheme of arrangement under Part 15 of the Companies Act 1993.

## APPENDIX 2 - REQUEST FOR CONSENT TO TRADE IN LISTED SECURITIES

**To: Chief Financial Officer or Chief Executive, South Port NZ Ltd**

In accordance with South Port NZ Ltd's Securities Trading Policy and Guidelines, Additional Trading Restrictions for Restricted Persons, I request South Port NZ Ltd's consent be given to the following proposed transaction to be undertaken either by me or persons associated with me, within 10 trading days of approval being given. I acknowledge South Port NZ Ltd is not advising or encouraging me to trade or hold securities and does not provide any securities recommendations and that I remain responsible for my own compliance with the Financial Markets Conduct Act 2013 in relation to any transaction in SPNZ's securities.

**Name:**

**Name of registered holder**

**Transacting** (if different):

**Address:**

**Position:**

**Description and number of securities:**

**Type of proposed transaction:**

Purchase / Sale / Other (*specify*)

**To be transacted:**

On NZX / Off-Market Trade / Other (*specify*)

**Likely date of transaction:**

(on or about)

**Reason for proposed transaction:**

(if transaction is to occur outside of an "open period")

I declare that I do not hold information which:

- Is not generally available to the market; and
- Would have a material effect on the price of SPNZ's listed securities if it were generally available to the market; and
- That I do not intend to sell any securities so purchased within a period of six months following the above transaction; and
- That I believe the transaction will be at a fair value for the securities being transacted; and
- That I request SPNZ to consent to the transaction as set out above.

I know of no reason to prohibit me from trading in South Port NZ Ltd's listed securities and certify that the details given above are complete, true and correct.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

South Port NZ Ltd hereby **consents / does not consent** to the proposed transaction described above. Any consent is conditional on the proposed transaction being completed within 10 trading days of the date of this consent, and in compliance with South Port NZ Ltd's Securities Trading Policy and Guidelines and Additional Trading Restrictions for Restricted Persons.

\_\_\_\_\_  
Name:  
On behalf of South Port NZ Ltd

\_\_\_\_\_  
Date

## **PART 6: DIVERSITY AND INCLUSION POLICY**

### **1. Policy Statement**

At SPNZ we recognise and believe that building a diverse and inclusive workforce provides significant opportunity to leverage engagement, innovation, productivity and improved service to our customers.

We are committed to providing a work environment where we recognise and value different skills, ability and experiences and where people are treated fairly in order to attract and retain talented people who will contribute to the achievement of SPNZ's commercial success.

We are committed to upholding the principles of the Treaty of Waitangi, which are partnership, participation and protection.

### **2. Scope**

This Diversity and Inclusion Policy (D&I Policy) applies to the Board, senior management and all employees of SPNZ. The requirements imposed by this D&I Policy are separate from, and in addition to, all legal obligations.

### **3. Background**

Diversity and Inclusion is a commitment to recognising and appreciating the variety of characteristics that make individuals unique in an atmosphere that promotes and celebrates individual and collective achievement. Examples of these characteristics are gender, age, race, ethnicity, culture, disability (mental, learning, physical), economic background, education, geographic background, marital/partnered status, physical appearance, religious beliefs and gender identity, sex or sexual orientation.

### **4. Policy**

SPNZ is committed to:

- Encouraging a work environment in which individual diversity is recognised and where equal employment opportunities are offered to all potential and existing team members on the basis of relevant merit;
- Eliminating barriers to ensure that all potential team members are treated fairly, including being considered for the employment of their choice and having the chance to perform to their maximum potential;
- Providing an environment where all employees feel free to bring their whole selves to work. This means feeling comfortable that their unique background and characteristics will be accepted by their work colleagues and valued by SPNZ;
- Establishing and monitoring recruitment, selection and promotion processes to ensure this D&I Policy is being adhered to;

- Encouraging business goals and key decisions to be reviewed by a diverse range of staff to ensure diverse thinking is factored into decision making.

### **5. Diversity Measurable Objectives**

The SPNZ Board sets and reviews measurable objectives (covering at least gender diversity) each year designed to adhere to this D&I Policy. The Board will assess annually both the measurable objectives and SPNZ's progress towards achieving them and will ensure the appropriate disclosures are made in the Annual Report.

### **6. Roles and Responsibilities**

The responsibilities of specific groups are as follows:

#### **6.1 Board**

Responsible for approving the measurable objectives developed by management and conducting an annual assessment of this D&I policy (or as otherwise required or necessary), the objectives and the progress made toward achieving them.

#### **6.2 CEO**

Responsible for developing and, once approved by the Board, implementing the measurable objectives for achieving diversity and inclusion.

#### **6.3 Leadership Team / Managers**

Responsible for ensuring SPNZ staff are committed to this D&I policy, their obligations under any applicable diversity and inclusion strategy or initiatives, SPNZ's obligations under the Employment Relations Act 2000 and the Human Rights Act 1993 (or any subsequent legislation) and SPNZ's commitment to diversity and inclusion in the workforce.

#### **6.4 All Staff**

Awareness of SPNZ's commitment to diversity and inclusion in its workforce and adherence to this D&I Policy.

### **7. Ongoing Review**

The Board is responsible for the promotion of diversity and inclusion within the SPNZ workforce.

This D&I Policy and SPNZ's performance against this D&I Policy, will be reviewed annually to allow the Board to assess SPNZ's alignment to its diversity and inclusion values and its measurement and reporting of such values. Following such assessment, the Board may review this D&I Policy as appropriate.

## PART 7: CONTINUOUS DISCLOSURE POLICY

### 1. Purpose

SPNZ is listed on the NZX Main Board and must comply with the continuous disclosure provisions set out in the NZX Listing Rules.

To ensure that SPNZ complies with its disclosure obligations in a way that allows all interested parties equal opportunity to access **material information** concerning SPNZ in a timely manner.

### 2. Scope

This Continuous Disclosure Policy applies to all SPNZ employees, directors, contractors and those employed on a fixed term or casual basis.

### 3. Continuous Disclosure Obligations

Section 3 of the New Zealand Stock Exchange (NZX) Listing Rules requires that, subject to certain limited exceptions, all **material information** regarding SPNZ must be made to the public through an NZX announcement immediately following SPNZ being made aware of that information.

“Material information” means any information that a reasonable person would expect, if it were generally available to the market, to have a material effect on the price of SPNZ’s quoted financial products. The information must relate to particular financial products, a particular issuer or particular issuers, rather than to financial products or issuers generally.

Material information must not be disclosed to a third party until SPNZ has received confirmation that the material information has been disclosed to the market, unless an exception to disclosure applies.

An illustrative list of information that could comprise material information is set out in Appendix 1.

### 4. Exceptions to disclosure

Disclosure is not required where:

- (a) one or more of the following applies:
  - (i) release of the information would be a breach of law;
  - (ii) the information concerns an incomplete proposal or negotiation;
  - (iii) the information comprises matters of supposition or is insufficiently definite to warrant disclosure;
  - (iv) the information is generated for SPNZ’s internal management purposes; or
  - (v) the information is a trade secret;
- (b) the information is confidential, and its confidentiality is maintained; and
- (c) a reasonable person would not expect the information to be disclosed.

In order to rely on the exceptions, SPNZ must be able to demonstrate that all three limbs apply. The information must be confidential and of a type that a reasonable person would not expect to be disclosed and one of the tests in (a) must also apply.

The decision as to whether an exception applies to the requirement to disclose material information to the NZX is part

of the decision-making process of the CEO, who may take advice as they deem necessary.

### 5. False market

SPNZ will disclose material information to the market promptly and without delay to the extent necessary to prevent the development or subsistence of a false market for its quoted financial products which is materially influenced by false or misleading information emanating from either SPNZ (or associated persons of SPNZ) or another person in circumstances which the information is of a reasonably specific in nature, and in which would give the information substantial credibility.

Notwithstanding the above, SPNZ will generally only respond to market speculation or rumours where:

- (a) SPNZ considers that it is obliged at that time to make a statement to the market about a particular matter;
- (b) SPNZ considers it prudent in order to prevent or correct a false market occurring in its quoted financial products; or
- (c) NZX asks for information to clarify market speculation or rumours.

### 6. Key Principles

Any person that becomes aware of potential material information that is not already available to the public must follow the procedure set out in this Continuous Disclosure Policy;

No employee or associated employee (consultants, advisors etc.) should comment publicly on any material information concerning SPNZ or any information that is confidential to SPNZ;

Other than subject to strict confidentiality arrangements approved by senior management, material information must not be disclosed to any person prior to being disclosed to the NZX, or generally becoming available to the market;

SPNZ will immediately notify NZX of any material information it becomes aware of that is not the subject of an exception under the NZX Listing Rules;

All disclosures of material information must be approved by the CEO and Board Chair of SPNZ prior to release to NZX or the Market. In the absence of the Board Chair, approval by the CEO and one director is required.

### 7. Procedure

#### 7.1 Identify Material Information

It is the responsibility of the Directors and relevant managers to identify, and report matters that might need to be disclosed to the NZX. Disclosure of potential material information will, at a minimum, be discussed at every Board of Directors (Board) and Executive Meeting.



### 7.2 Report Material Information

Any information that is or may be material information must immediately be disclosed to the CFO of SPNZ. The CFO will discuss the matter with the CEO and/or the Board.

### 7.3 Approval

The following matters are to be referred to and approved by the Board before disclosing to NZX:

- Announcements in relation to the full year / half year results;
- Statements relating to the future performance of SPNZ;
- Statements regarding any other significant matter.

### 7.4 Board Decision

Material information may arise because of a decision of the Board (i.e. decision taken at a meeting giving rise to material information coming into existence). Unless an exception applies, the obligation to disclose will generally arise once the Board has decided on the relevant matter. This will usually be anticipated, and a release can be prepared in advance.

### 7.5 Disclosure Decision

The CFO and CEO will coordinate all NZX communications, upload the material information to NZX and approve disclosures to the public (via SPNZ's website). NZX confirmation must be received before an **Authorised Spokesperson** may talk publicly about the material information.

A copy of the announcement will be promptly circulated to the Board, Executive, and other relevant personnel after it has been released.

### 8. Further Information

For further information please refer to the CFO.

## Appendix 1: Definitions/Guidance

**Authorised Spokesperson:** A person authorised to communicate with interested parties on behalf of SPNZ. The Spokesperson must ensure that all proposed public comments are within the bounds of information that is either already in the public domain (or is not material). Such authorised persons are:

- (a) Chair of the Board of Directors;
- (b) CEO;
- (c) Any other person authorised by the above.

**Market:** Forum for the purchase and sale of securities of SPNZ (New Zealand Stock Exchange - NZX).

**Material Effect:** Material effect is defined in the NZX rules, e.g. price movement could constitute a material effect if the price movement is 10% or more of a quoted security.

**Material Information:** As defined in the Financial Markets Conduct Act 2013, material information, in relation to a listed issuer, is information that a reasonable person would expect, if it were generally available to the market, to have a material effect on the price of quoted financial products of the listed issuer (in this case SPNZ). Material Information could include the following:

- (a) Financial performance or change in the financial performance (including forecast expectations);
- (b) Change in the dividend policy;
- (c) Change in the capital structure;
- (d) Inability to pay interest or debt and repay principal on maturity;
- (e) Change in credit rating;
- (f) Change in the strategic direction of SPNZ;
- (g) Material sale or purchase of assets;
- (h) Joint Ventures;
- (i) Decisions by regulatory bodies on significant issues affecting SPNZ;
- (j) Material legal claims brought by or against SPNZ;
- (k) Confidential information that has been disclosed or leaked;
- (l) An event that may result in significant reputational harm to SPNZ.

## PART 8: PROTECTED DISCLOSURES / WHISTLEBLOWING POLICY

### 1. Policy Statement

The Protected Disclosures (Protection of Whistleblowers) Act 2022 facilitates the disclosure and investigation of serious wrongdoing in an organisation and protects employees who disclose the information in accordance with the procedures set out in this Protected Disclosures / Whistleblowing Policy (Whistleblowing Policy).

Disclosure of serious wrongdoing is strongly encouraged by SPNZ as a means of managing risk, promoting openness and transparency and protecting the reputation of SPNZ. SPNZ will endeavour to provide all possible support to employees who, in good faith, disclose such wrongdoing. By adopting this Whistleblowing Policy, SPNZ is supporting the protection of employees who chose to follow the procedures established by this Whistleblowing Policy.

### 2. Purpose

The purpose of this Whistleblowing Policy is to establish a policy that:

- Facilitates the disclosure and investigation of serious wrongdoing in or by SPNZ and/or a subsidiary company;
- Sets out the protections for employees who make disclosures of information about serious wrongdoing in or by SPNZ in accordance with this policy;
- Sets out an internal procedure for receiving and dealing with information about serious wrongdoing in or by SPNZ which is intended to assist employees who believe they have discovered serious wrongdoings.

This Whistleblowing Policy is for specific purposes of whistleblowing and not to provide a mechanism through which employees can question SPNZ's regular financial, business or other decisions, nor to revisit matters that have already been addressed under prescribed processes for dealing with harassment, employment relations, discipline or other staff matters.

It is important for employees to be aware that the protections afforded by this Whistleblowing Policy only apply to those employees who follow the procedures set out in this Whistleblowing Policy. Whilst employees are encouraged to use these procedures to avail themselves of these protections, employees should also be aware of the overriding obligation to report breaches, or suspected breaches, of the Code of Ethics in accordance with that code, regardless of whether they choose to follow the procedures in this Whistleblowing Policy.

### 3. Definitions

"Employee" includes:

- A current or former SPNZ employee;
- A person seconded to SPNZ;
- An individual who is engaged or contracted under a contract for services to do work for SPNZ;
- A person concerned in the management of SPNZ.

"Serious Wrongdoing" includes, but is not limited to:

- An unlawful, corrupt or irregular use of funds or resources;
- or

- An act, omission, or course of conduct that constitutes a serious risk to health or safety or the environment; or
- An act, omission, or course of conduct that constitutes an offence or breach of any law, rule or regulation; or
- An act, omission, or course of conduct by an official that is oppressive, improperly discriminatory, or grossly negligent, or that constitutes gross mismanagement; or
- Conduct damaging the reputation of SPNZ.

The wrongdoing can have occurred before the commencement of the Protected Disclosures (Protection of Whistleblowers) Act or the adoption of this Whistleblowing Policy.

### 4. Protections

An employee who makes a protected disclosure in accordance with the Protected Disclosures (Protection of Whistleblowers) Act 2022 and only in respect to that act of disclosure:

- Is immune from civil or criminal proceedings, and
- Is immune from disciplinary proceedings, and
- Has a personal grievance if his or her employer (or ex-employer) takes retaliatory action.

A disclosure will be considered to be a protected disclosure if the procedures outlined in this Whistleblowing Policy are followed.

It is unlawful under the Human Rights Act to treat a person differently because they have made or intend to make a protected disclosure. SPNZ has an important responsibility concerning the welfare of any Whistleblower and must refrain from any activity that is, or could be perceived to be, victimisation or harassment of a Whistleblower.

The Act does not authorise a person to disclose information protected by legal privilege.

### 5. Procedure for Making a Protected Disclosure

Prior to making the disclosure the employee must have information about a serious wrongdoing and:

- Believe that the information is true or likely to be true; and
- Want that information investigated; and
- Wish any disclosure of that information to be protected under the Protected Disclosures (Protection of Whistleblowers) Act 2022.

Disclosure about a serious wrongdoing must be made to the CEO except where it is believed the CEO may be involved, then disclosure must be made to the Chair of the Audit and Risk Committee. If it is believed that the Board is involved, then the disclosure should be made to SPNZ's external auditors.

In order to receive the protections afforded by the Protected Disclosures (Protection of Whistleblowers) Act, employees are required to make disclosures internally within SPNZ rather than going public. Protection is lost if an employee discloses information publicly or through the media.

Information to be provided at the time of disclosure - the employee will be expected to:

- Identify themselves; and
- Identify the person(s) they believe is/are involved in the serious wrongdoing; and
- Specify the nature of the serious wrongdoing.

#### **6. Designated Person's Responsibility and Authority**

The designated person (i.e. CEO, Chair of the Audit & Risk Committee or SPNZ's external auditors) will consider the information made available and decide on the form of investigation to be undertaken, following the guidance outlined in the Protected Disclosures (Protection of Whistleblowers) Act 2022. This may involve one of the following options:

- Establishing an independent enquiry;
- Referring the matter to the Police.

The designated person has the authority to take all necessary steps to protect evidential information and SPNZ's assets when undertaking the investigation.

The designated person to whom a protected disclosure is made will inform the Chair of the Board of SPNZ that a protected disclosure has been made and, at the appropriate time, the outcome.

The person to whom a protected disclosure is made will, in the course of the investigation, use his or her best endeavours not to disclose information that might identify the person who made the disclosure (in accordance with the Privacy Act 2020), unless: that person consents in writing to the disclosure of that information; or

the person who has acquired the knowledge of the protected disclosure reasonably believes that disclosure of identifying information is essential:

- to the effective investigation of the allegations in the protected disclosure;
- to prevent serious risk to public health or public safety or the environment;
- having regard to the principles of natural justice, which include:
  - the person investigating the allegation must be unbiased and impartial;
  - a decision must only be made once all parties involved (or alleged to be involved) in any allegation have been given the opportunity to be heard;
  - all parties involved (or alleged to be involved) in any allegation must be given reasonable notice of any interview;
  - all parties involved (or alleged to be involved) in any allegation must be advised that he/she may be represented at any interview;
  - all parties involved (or alleged to be involved) in any allegation must be given a reasonable opportunity and period of time to respond to the allegation.

Action or recommended action must be taken or made within 20 working days of the date on which the disclosure was made. This includes meeting the requirements set out in this section of the Whistleblowing Policy above.

The person investigating the allegation must produce a report in writing setting out the nature of the allegation, any responses to the allegation, a copy of any supporting evidence and an assessment of the allegation with recommendations. This report must be presented to the Chair of the Board.

#### **7. Process if No Action Taken**

If no action is taken within 20 working days, or there is urgency, or the employee believes the CEO may be involved in the serious wrongdoing, then the employee may inform the Chair of the Board or the Chair of the Audit & Risk Committee.

#### **8. Related Policies**

The Code of Ethics provides guidance to all SPNZ staff on the standards of conduct required. Any alleged breaches to these codes will be investigated. Failure to comply can result in disciplinary action including, where appropriate, dismissal.

#### **9. Contact Details**

In writing in an envelope marked "Confidential Addressee Only". By email to the address listed.

##### **Chief Executive Officer**

Nigel Gear  
South Port NZ Ltd  
PO Box 1, Buff 9842  
Email – [ngear@southport.co.nz](mailto:ngear@southport.co.nz)

##### **Chair of the Board**

Philip Cory-Wright  
c/- South Port NZ Ltd  
PO Box 1, Bluff 9842  
Email - [Philip@cory-wright.co.nz](mailto:Philip@cory-wright.co.nz)

##### **Chair of the Audit & Risk Committee**

Nicola Greer  
c/- South Port NZ Ltd  
PO Box 1, Bluff 9842  
Email – [nicola@gshl.co.nz](mailto:nicola@gshl.co.nz)