

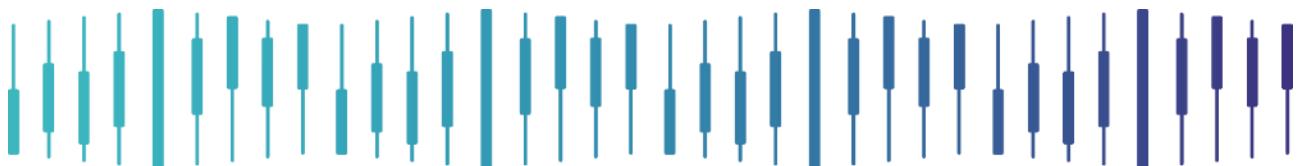
NZ RegCo

NZ'S LISTED
MARKET REGULATOR

28 January 2026

NZ RegCo Decision

South Port New Zealand Limited (**SPN**)
Application for waiver from NZX Listing Rule 6.3.1



Background

1. The information on which this decision is based is set out in Appendix One to this decision. This waiver will not apply if that information is not, or ceases to be, full and accurate in all material respects.
2. The NZX Listing Rules (**Rules**) to which this decision relates are set out in Appendix Two.
3. Capitalised terms that are not defined in this decision have the meanings given to them in the Rules.

Waiver from Listing Rule 6.3.1

Decision

4. Subject to the conditions set out in paragraph 5 below, and on the basis that the information provided by South Port New Zealand Limited (**SPN**) is complete and accurate in all material respects, NZ RegCo grants SPN a waiver from Rule 6.3.1, to the extent that this Rule would otherwise disqualify Southland Regional Council (**Environment Southland**) from voting on director remuneration resolutions put forward by SPN in accordance with Rule 2.11.
5. The waiver in paragraph 4 above is provided on the conditions that:
 - a. This waiver will only apply in circumstances where Environment Southland is solely an Associated Person of an SPN non-independent Director for the purposes of paragraph (e) of the definition of Associated Person in the Rules, being both a Director of SPN and an independent member of the Environment Southland Investment Committee (**Investment Committee**) (together, **Associated Director**);
 - b. This waiver will not apply if for any reason any Associated Director is involved in the consideration and decision making of Environment Southland in relation to voting on director remuneration resolutions in accordance with Rule 2.11;
 - c. Environment Southland does not receive any direct or indirect benefit from the remuneration paid to any Associated Director;
 - d. The SPN People and Performance Committee undertake annual reviews of all components of Directors' remuneration and makes Director remuneration recommendations to the SPN Board (**Board**) in accordance with the SPN Director and Executive Remuneration Policy (**Policy**);
 - e. The Board commissions, in accordance with the Policy, a market review at least every three years, commencing from the date of the last engagement being FY23;
 - f. The Board does not make any distinction between the fees payable to the Associated Director and other SPN Directors based solely on whether or not a Director is an Associated Director;
 - g. The Board confirms in the SPN annual report that the actual or proposed level of Directors' remuneration is consistent with the most recent market review in accordance with the Policy; and
 - h. Details of this waiver, the conditions imposed, and the most recent market review are included in any notice of meeting to be circulated to SPN shareholders in respect of any resolutions voted on by Environment Southland in reliance on this waiver.

Reasons

6. In coming to the decision to provide the waiver set out above, NZ RegCo has considered that:
 - a. the policy behind Rule 6.3.1, as it relates to voting on Director remuneration under Rule 2.11, is to provide a safeguard to non-related shareholders that personal interests or connections will not influence the level of Director remuneration set by a resolution put to shareholders. In this regard, the definition of “Associated Person” as it concerns a Director is an expansive definition with a view to addressing those governance and agency concerns.
 - b. the granting of this waiver will not offend this policy because:
 - i) SPN Director remuneration is reviewed and determined in accordance with the terms of the SPN Board Charter, the Policy and the People and Performance Committee Charter on an arms’ length basis having regard to an external market review;
 - ii) SPN’s People and Performance Committee reviews all components of Directors’ remuneration on an annual basis and makes recommendations to the Board in accordance with the Policy; and
 - iii) The Policy requires the Board engagement with a suitably qualified and experienced external consulting company to review market relativity of Board and committee member fees. Any remuneration adjustment proposed to the SPN shareholders will be consistent with the market review.
 - c. The below conditions imposed by this waiver provide comfort to non-related shareholders of SPN that Environment Southland does not have undue influence on any proposed changes to Director remuneration:
 - i) the market review is to be undertaken at least every three years, ensuring Directors’ remuneration is determined in accordance with recent market intelligence;
 - ii) the Board is required to confirm compliance with the Policy and this waiver to all shareholders in the annual report and notice of meeting (as appropriate); and
 - iii) Directors’ remuneration will not be differentiated solely on the basis that one or more director is an Associated Director.
 - d. There is precedent for this decision.

Appendix One

7. Environment Southland is a majority shareholder of SPN. Any Associated Director is considered by SPN to represent the interests of Environment Southland.
8. The SPN Constitution requires the Board to be governed by a minimum number of six directors. SPN Directors' remuneration is determined in accordance with the SPN Board Charter and related policies and committees including the Policy and People and Performance Committee.
9. The guiding principle for remuneration, as set out in the Policy, is that remuneration will be at market median level, and fair and reasonable in a competitive market for the skills, knowledge and experience required by SPN. To the extent that any remuneration differs, that difference is based on additional roles and responsibilities undertaken within SPN, however there is consistency of treatment in fees payable for equivalent roles.
10. Environment Southland does not have any interest in the receipt of SPN Director remuneration. SPN Director remuneration is paid direct to the SPN Directors personally. For completeness, no SPN Director remuneration received by any Associated Director is passed to Environment Southland.
11. For the purpose of determining the Directors' remuneration, clause 4 of the Policy further provides that a suitably qualified and experienced external consulting company is to be engaged as appropriate to review market relativity of Board and committee member fees.

Application of the Rules

12. Rule 2.11.1 prohibits the payment of remuneration by an Issuer to a Director of that Issuer without prior authorisation by an Ordinary Resolution.
13. Rule 6.3.1 disqualifies Directors intended to receive a payment or benefit in respect of a resolution under Rule 2.11, and any Associated Person of that Director, from voting in favour of any resolution under Rule 2.11.1.
14. Environment Southland can be considered an Associated Person of any SPN non-independent Director as defined under the Rules, because the non-independent Director is also an independent member of the Investment Committee and can be considered for the purpose of definition (e) to be a director of Environment Southland.
15. The Investment Committee provides advice and reports to Environment Southland on its investment portfolio and undertakes related activities to help maximise the returns to Environment Southland.
16. As a result, the Investment Committee controls Environment Southland's shareholding in SPN, and while acting as a member of the Investment Committee any Associated Director acts in a manner akin to a director (were Environment Southland a corporate). Pursuant to Rule 6.3.1, Environment Southland is restricted from voting in respect of a resolution under Rule 2.11 (Directors' Remuneration).

Appendix Two

2.11 Directors' Remuneration

2.11.1 No remuneration may be paid by an Issuer, or its Subsidiaries (unless such Subsidiary is a Listed Issuer of Quoted Equity Securities), to a Director in his or her capacity as a Director without prior authorisation by an Ordinary Resolution. Such resolution must express Directors' remuneration as either a monetary sum per annum payable to:

- (a) all Directors of the Issuer in aggregate, or
- (b) any person who from time to time holds office as a Director of the Issuer.

2.11.2 A resolution for the purposes of Rule 2.11.1:

- (a) must only be approved if notice of the amount of any increase in remuneration has been given in the notice of meeting, and
- (b) may provide that the remuneration may, in whole or in part, be through an issue of Equity Securities, provided the issue is in compliance with Rule 4.7.

2.11.3 If remuneration is expressed in accordance with Rule 2.11.1(a) and there is an increase in the number of Directors from the number of Directors in office at the conclusion of a meeting of Financial Product holders at which the remuneration was approved by an Ordinary Resolution, the Board may, without an Ordinary Resolution, increase the remuneration payable to all Directors of the Issuer in aggregate. The amount of the increase per additional Director may not exceed the amount necessary to enable the additional Director or Directors to be paid the average amount then being paid to each non-Executive Director (other than the chairperson) of the Issuer.

2.11.4 A lump sum payment or pension may be made to a Director or former Director, or to his or her dependents, on retirement or cessation of office provided that the amount of the payment, or the method of calculation, has been authorised by an Ordinary Resolution.

2.11.5 The resolutions referred to in this Rule 2.11 are subject to the voting restrictions in Rule 6.3.

6.3 Voting Restrictions

6.3.1 Notwithstanding anything to the contrary in the Rules, persons identified in column 2 of the table below are unable to Vote in favour of the resolutions listed in Column 1.

Column 1 RESOLUTION	Column 2 DISQUALIFIED PERSON
Resolutions under Rule 2.11	The Director intended to receive a payment or benefit in respect of the matter being the subject of the resolution, and any Associated Person of that Director.

(...)