



Notice of Annual Meeting

Tuesday 31 October 2023

Notice is hereby given that the 35th Annual Shareholders' Meeting of South Port New Zealand Limited (NZBN 9429039452528) will be held in the South Port Board Room, Administration Building, Island Harbour, Bluff on Tuesday, 31 October 2023 commencing at 11:00am (NZST).

Port Security

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

Important Dates

27 OCTOBER 2023 **5:00pm, Friday (NZST)**

Record date for voting entitlements for the Annual Shareholders' Meeting

27 OCTOBER 2023 **11:00am, Friday (NZST)**

Latest time for receipt of postal votes and proxies

31 OCTOBER 2023 **11:00am, Tuesday (NZST)**

Annual Shareholders' Meeting

Business

A. CHAIR'S ADDRESS

B. CHIEF EXECUTIVE'S REVIEW

C. FINANCIAL STATEMENTS

To receive and consider the Directors' Report, the Financial Statements and the Auditor's Report for the year ended 30 June 2023 as contained in the Company's 2023 Annual Report.

D. RESOLUTIONS

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

RE-ELECTION OF DIRECTORS

Mr P Cory-Wright will retire this year despite his three-year rotation not being due until 2025. This is to ensure the Company adheres to the Board rotation requirements outlined in its Constitution.

1. Mr Cory-Wright, being eligible, now offers himself for re-election to the Board of Directors.

Mr R Chapman has elected to retire from the Board of Directors.

2. The Company, in accordance with Clause 25 of the Constitution and NZX Listing Rule 2.3.1, has received a valid nomination from Ms Cassandra Crowley. Ms Crowley now offers herself for election to the Board of Directors.

(See Explanatory Note 1)

AUDITOR'S REMUNERATION

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

(See Explanatory Note 2)

DIRECTORS' REMUNERATION

4. That the maximum aggregate sum available for payment to non-Executive Directors for each financial year commencing 1 July, be increased from \$400,000 to \$532,000, an increase of \$132,000 such sum to be divided between the non-Executive Directors as they determine.

(See Explanatory Note 3)

General Business

QUESTIONS FROM SHAREHOLDERS AT THE ANNUAL MEETING

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



By order of the Board

LARA STEVENS
Chief Financial Officer

Dated at Bluff this 22nd day of September 2023

Procedural Notes

PERSONS ENTITLED TO VOTE

The persons who will be entitled to vote on the resolutions at the Annual Shareholders' Meeting are those persons who will be the shareholders of the Company at 11:00am on Friday, 27 October 2023 (NZST).

CASTING A VOTE

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

MEETING ATTENDANCE

Attending in person:

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

Attending online:

To attend the meeting online, please use the following link: <https://bit.ly/SPAnnualMeeting2023>

Shareholders attending online will not be able to vote online, however will be able to ask questions virtually during the Annual Shareholders' Meeting.

The meeting will be recorded and the recording made available on our website at the conclusion of the meeting: www.southport.co.nz

POSTAL VOTING PRIOR TO THE MEETING

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

The vote must reach Link Market Services Limited not later than two working days before the time of the holding of the meeting (i.e. before 11:00am, Friday, 27 October 2023 (NZST)). The Board has authorised Link Market Services Limited to receive and count postal votes.

PROXY

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

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

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

A proxy will vote as directed in the Proxy Form or, if voting is left to the proxy's discretion, then the proxy will decide how to vote on the resolutions (subject to the comments under "Voting Restrictions" below). If the Chair is appointed as proxy and the voting is left to his discretion, the Chair intends to vote in favour of each of Resolutions (1)-(3). The Chair will not be able to vote on any discretionary proxies in respect of Resolution (4).

To appoint a proxy, complete and lodge the enclosed voting form with the share registrar, Link Market Services Limited, in accordance with the instructions set out on the form. The proxy must be received not later than two working days before the time of the holding of the meeting (i.e. before 11:00am on Friday, 27 October 2023 (NZST)).

VOTING RESTRICTIONS

The Company will disregard any votes cast in favour of Resolution (4) by any Director of the Company and any of his or her associated persons (in each case the term "associated persons" is as defined in the NZX Listing Rules).

The Company need not disregard a vote cast in favour of Resolution (4) if it is cast by Rex Chapman as proxy for a person who is entitled to vote, in accordance with an express direction on the proxy form.

RESOLUTIONS

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

Directors Profiles



Philip Cory-Wright
Independent Director

BCA, LLB (Hons), CFInstD

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



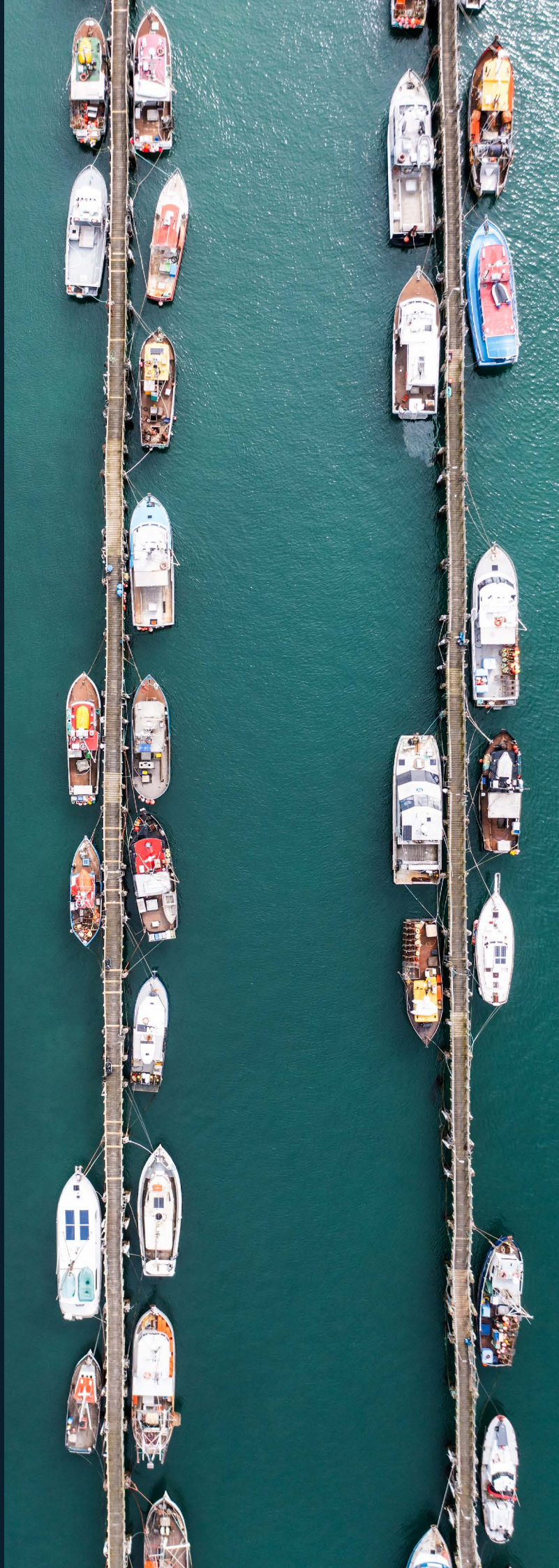
Cassandra Crowley
Independent Director

LLB, BCA, GradDipProfAccy, MInstD

Cassandra is a Chartered Accountant (Fellow) and Barrister and Solicitor who focuses on commercial advisory and governance roles.

In addition to her commercial advisory work, she currently holds non-executive directorships with Silver Fern Farms, Aratu Forests and Ngāti Manawa. She Chairs Southern Cross Travel Insurance and KLC and is the Deputy Chair of Waka Kotahi NZ Transport Agency. Cassandra is also appointed as an independent member of the Auckland Council Audit & Risk Committee.

She is a past president of Chartered Accountants Australia and New Zealand and has been recognised for her leadership and governance contributions through a number of awards.



Explanatory Notes

EXPLANATORY NOTE 1 RE-ELECTION OF DIRECTORS

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

Mr P Cory-Wright, being eligible, offers himself for re-election and does so with the support of the Board, having considered the tenure, contribution to the Board, attendance, experience, other commitments and positions, and performance generally.

Mr R Chapman has elected to retire from the Board of Directors.

The Company, in accordance with Clause 25 of the Constitution and NZX Listing Rule 2.31, has received a valid nomination from Ms Cassandra Crowley. Ms Crowley now offers herself for election to the Board of Directors.

EXPLANATORY NOTE 2 AUDITOR'S REMUNERATION

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

EXPLANATORY NOTE 3 DIRECTORS' REMUNERATION

The Company is seeking shareholder approval for an increase in Directors' remuneration effective from 1 July 2023 to a total remuneration pool of \$532,000. In support of this request, the following explanation is provided to shareholders.

The current fee pool is \$400,000 which is paid as follows:

Chair	\$100,000
Directors	\$60,000 each

The proposed increase to \$532,000 per annum is an increase of 33%.

The setting of Directors' remuneration is guided by the Company's Director and Executive Remuneration Policy. Clause 3 of the Policy sets out the Guiding Principles for remuneration of Directors and Executives. Clause 3.1 states:

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

As reported to shareholders last year, adjustments over recent years have been insufficient to maintain the fee pool at market median level. The reasons for this include the fact that the Company has historically sought more moderate increases to the pool which have been less than required to adjust to market median and in 2020 due to the uncertainty faced by Covid-19, a proposed re-set to market levels did not occur.

To support last year's increase in fees, the Board engaged PricewaterhouseCoopers (PwC) to undertake independent remuneration benchmarking and to provide advice as to the market median for a peer comparator group of 11 companies, with comparable market capitalisation, as determined by the South Port Board. A summary of the 2022 PwC report is available on the Company's website: <https://southport.co.nz/page/?FrTIYE>

This year, the Board engaged PwC to update the market data utilising the same peer comparator group of 11 NZX listed companies. A copy of the updated 2023 PwC summary report is also available on the Company's website: <https://southport.co.nz/page/?OzahnX>

PwC has assessed the market median approved pool fee of the peer comparator group now at \$600,000. The current fee pool of \$400,000 is only 67% of that market median.

The proposed increase to the fee pool of \$532,000 is still below the market median at 89%. However, the Board considers that a fee pool of \$532,000 will represent at present, a fair and reasonable remuneration for the various Board roles as now explained.

Position	Market Median	South Port's proposed Policy fee ¹	Comparison to the market median
Board Chair ²	130,000	140,000	108%
Non-Executive Director (NED) ³	70,000	70,000	100%
Chair of Audit & Risk Committee ⁴	15,000	15,000	100%
Member of Audit & Risk Committee ⁵	6,000	6,000	100%
'Other' Committee ⁶	-	15,000	-
Total approved pool fee ⁷	600,000	532,000	89%

¹ Proposed director policy fees as provided by South Port.

² Analysis of the 9 companies in the sample which had a non-executive Board Chair domiciled in NZ. The majority of Chair roles receive no committee fees, with the base fee recompensing all Board contribution/roles held. Where additional fees are paid, this data is included in the market analysis above.

³ Analysis of base NED fees for all 11 companies in the comparator group.

⁴ Analysis of each of the 10 companies that had this committee/paid separate fees for this committee.

⁵ Only 5 companies paid additional fees for this role.

⁶ No comparator for 'Other' Committee – see further comments below in point 3.

⁷ Analysis of each of the 11 companies where a pool fee is set/disclosed.

The Board has considered appropriate market-based fees for the various Board roles as outlined in the table above. The proposed fees are compared to the market median for the various Board roles as taken from the updated PwC report. The total fee pool, if approved, would still be only 89% of the market median for the 2022 peer comparator group.

While the increase proposed is greater than historical increases, the following factors are noted:

1. The current approved fee pool has been insufficient to allow the Chair to be remunerated at twice that of Directors which is the norm.
2. The Company is required to have an Audit & Risk Committee, which comprises three members of the Board. It is the norm that the Chair and members of this Committee are separately remunerated. The current fee pool has been insufficient to allow any remuneration to be paid for these roles previously and that is neither fair nor sustainable. The workload of this committee is significant and now includes responsibility for reviewing and monitoring the Company's compliance with the now mandatory Climate Related Disclosures.
3. Included in the proposed fee pool is an allowance of \$15,000 for 'other Committee'. The Board will develop Terms of Reference for Committee(s) based on the governance needs of the Company. One focus area being considered by the Board is remuneration. Having an allowance in the current fee pool would allow this \$15,000 to be used for this purpose. Until such Committee is established, the allowance that is built into the proposed fee pool would not be allocated and paid, however PwC have noted in footnote 6, page 3 of the 2023 summary report that the median Chair and member fee for remuneration committees in the sample is \$15,000 and \$5,500 respectively.

The Company has been fortunate in the past to have been able to retain and recruit quality directors, both in terms of experience and capability. In order to continue to be able to do so, the Company must be able to offer fees that are competitive, reasonably reflect the market and fairly compensate Directors for the role.

Last year, the Company signalled that it was likely further increases in Directors' fees would need to be considered to ensure that Directors' remuneration met these objectives. The increase sought this year will reduce the gap which currently exists.

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

Additional Note

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

