

# New Zealand King Salmon Investments Limited

## Corporate Governance Code

19 June 2019

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## NEW ZEALAND KING SALMON INVESTMENTS LIMITED CORPORATE GOVERNANCE CODE

The Board of New Zealand King Salmon Investments Limited (the Company) has adopted the following Corporate Governance Code (the Code) on 29 June 2018 which comprises the Board Charter, Board Committee charters and other governance policies. The Board aims to achieve the highest standards of governance. The Code has been established to promote a culture that ensures commitment to and compliance with essential governance principles is at the heart of the Company's business practices.

The Company is listed on NZX's Main Board and on ASX as a Foreign Exempt Listing. The Foreign Exempt Listing status requires the Company to comply with the NZX Listing Rules (the NZX Rules), and only a small number of ASX's Listing Rules. This Code only includes requirements relating to the NZX Rules.

This Board Charter (Charter) sets out the role, responsibilities, composition, structure and approach of the Board. The Board is legally responsible for the affairs and activities of the Company. The Charter provides guidance for the effective oversight of the Company by the Board on behalf of its shareholders, employees and other material stakeholders.

The Charter should be read in conjunction with the Constitution which is available in the Governance section of the Company's website.

### 1 CORPORATE GOVERNANCE PRINCIPLES

#### 1.1 Role of the Board

The Board is responsible for setting the Company's strategic direction, directing the Company and enhancing its value for shareholders in accordance with good corporate governance principles.

#### 1.2 Chairman

The Board elects a Chairman whose primary responsibility is the efficient functioning of the Board.

#### 1.3 CEO

The Board appoints a Chief Executive Officer (CEO) who is responsible for the day to day management of the Company in accordance with the strategies and delegations approved by the Board. It is expected that the CEO will sub-delegate a number of functions to his or her direct reports.

#### 1.4 Separation of Roles

The Board endorses the separation of the roles of Chairman and CEO.

#### 1.5 Link with Performance

The Board recognises that the quality with which it performs its functions is an integral part of the performance of the Company and that there is a strong link between good governance and performance.

#### 1.6 Annual Review

This Code outlines the corporate governance principles and guidelines in place to assist the Board in achieving its objective for the Company. The Board annually reviews the Code and reports to shareholders on implementation of the principles and guidelines of the Code and on any significant departures from the principles and guidelines.

#### 1.7 Code of Ethics

The Board recognises that high ethical standards and behaviours are central to good corporate governance and it is committed to implementing, reviewing and monitoring observance to a written Code of Ethics for the Company. The Code of Ethics is subject to biennial review by the Board. The Code is attached as Appendix A.

#### 1.8 Information to New Directors

To enable a new director to effectively discharge his or her duties and add value to the Company on their appointment to the Board they will be given a copy of this Code, all appropriate papers, policies and documents and an appointment letter covering the role of the Board, the Board's expectations of the director and any particular terms of his or her appointment. The director will be offered an induction training determined by the Board as to the responsibilities of the directors and to enable the director to become familiar with the Company's executive, operations, sites and the industries within which it operates.

## 2 ROLE OF THE BOARD

### 2.1 Company's Objective

The objective of the Company is to generate growth and corporate profit, and shareholder gain.

### 2.2 Direction of Company

In pursuing this objective, the role of the Board is to assume accountability for the success of the Company by taking overall responsibility for the direction and management of the Company.

### 2.3 Main Functions of the Board

The main functions of the Board are to:

- (a) review and approve the strategic, business and financial plans prepared by management and to develop a depth of knowledge of the Company's business so as to understand and question the assumptions upon which such plans are based and to reach an independent judgment on the probability that such plans can be achieved;
- (b) ensure that the Company has adequate management and resources to achieve its objectives and to support the CEO and that a satisfactory plan for management succession is in place;
- (c) review and approve individual investment and divestment decisions which the Board has determined should be referred to it before implementation;
- (d) approve, and from time to time review, the Company's values statement;
- (e) select and (if necessary) replace the CEO;
- (f) set delegated authority levels for management and review and approve material transactions not in the ordinary course of the Company's business;
- (g) approve the appointments by, or at the request of, the Company (including its affiliates) to the Boards of Directors of subsidiary and associate companies;
- (h) monitor the Company's performance against its approved strategic, business and financial plans and to oversee the Company's operating results on a regular basis so as to evaluate whether the business is being properly managed;
- (i) ensure ethical behaviour by the Company, the Board and management, including compliance with the Company's Constitution, the relevant laws, NZX Rules, and the relevant auditing and accounting principles;
- (j) implement, monitor and from time to time review the Company's Code of Ethics, foster high standards of ethical conduct and personal behaviour and hold accountable those directors, managers or other employees who engage in unethical behaviours;
- (k) ensure the quality and independence of the Company's external audit process;
- (l) assess from time to time its own effectiveness in carrying out these functions and the other responsibilities of the Board;
- (m) set the dividend policy;
- (n) ensure the Company's health and safety and environmental practices and culture comply with legal requirements, reflect best practice and are recognised by employees and contractors as key priorities for the Company; and
- (o) Adoption of and review of this Code, Board committee charters and other corporate governance documents and policies.

### 2.4 Board Relationship with CEO

The Board acknowledges that its most important role is to provide high level counsel to the CEO, to constantly monitor the performance of the CEO against the Board's requirements and expectations and to take timely action if the objectives of the Company are not being achieved.

## 3 COMPOSITION OF THE BOARD

### 3.1 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 the Company.

### 3.2 Appointments to the Board

Every new appointment to the Board is considered and decided by the Board as a whole taking into account the range of relevant skills and experience a potential new director may offer the Board and his or her ability to fully commit the time needed to be effective as a director of the Company. A non-executive director appointed by the Board must submit himself or herself for reappointment by

shareholders at the next annual meeting following his or her appointment. Procedures in the Nomination and Remuneration Committee Charter will be adopted when appointing new directors, and key information will be provided to shareholders to assist their decision-making regarding whether to elect or re-elect a candidate.

### 3.3 Board Membership

The Board has adopted the following principles:

- (a) the Board shall have a minimum of three directors and a maximum of 8 directors. At least two directors must be ordinarily resident in New Zealand.
- (b) . A majority of the Board should be Independent Directors. The Board must identify which Directors it has determined, in its view, to be Independent Directors;
- (c) a Board member should not have any significant conflict of interest that is potentially detrimental to the Company, including:
  - i. affiliations with competitors of the Company; and
  - ii. affiliations with parties that are likely to be a regular counter-party to a transaction with the Company. 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 3.5;
- (d) the Board should have an appropriate balance of executive and non-executive directors;
- (e) control rights of shareholders (Board representation) should, where possible, be aligned to cash flow rights (share ownership). Therefore, significant shareholders or shareholder groups should be represented on the Board. Nevertheless, the Board should also contain some directors not related to or affiliated with any shareholder or shareholder group in order to ensure that the interests of all shareholders are represented;
- (f) the Board seeks diversity in the skills, attributes and experience of its members across a broad range of criteria, as recognised by the Company's Diversity Policy, so as to represent the diversity of shareholders, business types and regions in which the Company operates;
- (g) A director must not hold office (without re-election by shareholders) past the third annual meeting following the director's appointment or 3 years, whichever is longer. However, a director appointed by the Board must not hold office (without re-election by shareholders) past the next annual meeting following the director's appointment.
- (h) the Board elects a Chairman who can be replaced by it at any time. The Chairman should be independent. If the chair is not independent, the chair and the CEO should be different people.

### 3.4 Independence Definition

A director is regarded as having a relationship that may compromise his or her ability to act independently from management who has a Disqualifying Relationship as defined in the NZX Rules or:

- (a) being currently, or within the last three years, employed in an executive role by the Company, any of its subsidiaries, and there has not been a period of at least three years between ceasing such employment and serving on the board;
- (b) currently, or within the last 12 months, holding a senior role in a provider of material professional services to the Company or any of its subsidiaries;
- (c) a current, or within the last three years, material business relationship (e.g. as a supplier or customer) with the Company or any of its subsidiaries;
- (d) a substantial product holder of the Company, or a senior manager of, or person otherwise associated with, a substantial product holder of the Company;
- (e) a current, or within the last three years, material contractual relationship with the Company or any of its subsidiaries, other than as a director;
- (f) having close family ties with anyone in the categories listed above;
- (g) having been a director of the Company for a length of time that may compromise independence

### 3.5 Conflicts

A director must declare to the Board any relationship that might compromise his or her ability to act independently from management (see 3.4) or any conflicts of interest that are potentially detrimental to the Company (see 3.3(b)). 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. The conflict will be recorded in the interests register.

### **3.6 Business Relationships to be Disclosed**

Before accepting appointment to the Board, and thereafter as they occur, a director is required to disclose to the Board all of his or her business relationships. A director will discuss any proposed new appointments with the Chairman before accepting the role.

### **3.7 Openness to Review**

In considering new appointments to the Board, the Board shall take such steps as may be appropriate to ensure that the Board maintains an openness to new ideas and a willingness to critically examine its performance.

### **3.8 Annual Report**

The Company's annual report will include information about each director, including a profile of experience, the length of each director's service, whether or not that director is independent and each director's ownership interests and include information on the Board's appointment, training and evaluation processes.

## **4 ROLE OF THE CHAIRMAN**

### **4.1 Chairman's Responsibilities**

The Chairman is responsible for co-ordinating the activities of the Board and has the following specific responsibilities:

- (a) to conduct meetings of the Board and of shareholders;
- (b) to schedule Board meetings in a manner that enables the Board and its Committees to perform their duties responsibly while not interfering with the flow of the Company's business;
- (c) to prepare, in consultation with the CEO, other directors and Committee Chairmen's, the agendas for the Board and Committee meetings;
- (d) to define the quality, quantity and timeliness of the flow of information between management and the Board;
- (e) to ensure that issues raised, or information requested, by any director are responded to promptly and as fully as possible;
- (f) to approve, in consultation with the Board, the retention of consultants who report directly to the Board;
- (g) to foster a constructive governance culture and assist the Board and management in assuring compliance with and implementation of this Code and to be principally responsible for recommending revisions thereto;
- (h) to promote and maintain the independence of the Board from management;
- (i) to be principally responsible for evaluating the CEO's performance and to meet with the CEO to discuss the Board's requirements and expectations and the evaluation of the CEO's performance by the Board;
- (j) to ensure that rigorous, formal processes for evaluating the performance of the Board, Board Committees and individual directors are in place and lead these processes; and
- (k) to lead an annual work plan that ensures the Board addresses matters for which it is responsible in relation to strategy, performance monitoring, remuneration, executive performance, financial reporting and budgets, capital management and dividends, audit, risk and governance.

### **4.2 Meetings of the Board**

The Chairman 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 Chairman takes particular responsibility for leading the Board and setting the tone for the conduct of its meetings and the way in which issues are debated. The Chairman is responsible for ensuring that adequate minutes of the proceedings of meetings of the Board are taken.

Proceedings of all meetings will be in accordance with the Constitution and otherwise as determined by the Chairman of the Board or the relevant Board committee Chair.

The Chairman may require any director or other attendee to leave a meeting at any time.

The Board appoints a Board Secretary who is responsible for co-ordination of all Board business, including the annual work programme, meeting scheduling, agendas, papers, minutes and lodgement of documents with regulatory agencies.

#### **4.3 Relationship with CEO**

The Chairman is responsible for establishing a close working relationship with the CEO and acting as his or her mentor.

## **5 DIRECTOR EMPOWERMENT ASSURANCE**

### **5.1 Empowerment**

The Board recognises that the way in which it functions impacts on how well the Board performs its role as steward of the Company. Accordingly, the Board has in place procedures to ensure that the Board meets regularly, conducts its meetings in an efficient and effective manner and that each director is fully empowered to perform his or her duties as a director of the Company and to fully participate in meetings of the Board.

### **5.2 Meetings without CEO or management**

The Board meets without the CEO at least once a year when the performance, evaluation and remuneration of the CEO and management are reviewed. The Board regularly meets with the CEO in attendance but without other senior management present.

### **5.3 Attendance at Meetings**

Directors are expected to attend all Board meetings and when this is not possible directors can join the meeting by means of audio communication. In circumstances where a Board member is unable to attend, apologies must be given to the Chairman.

### **5.4 Convening of Meetings**

Board meetings are normally convened by the Chairman. There are at least eight Board meetings a year. Any director may request the Chairman or the Board Secretary to convene a meeting. Notice of a meeting must be given to all directors.

### **5.5 Agenda for Meetings**

The agenda for normal Board meetings is determined by the Chairman and the Board Secretary. Where a director has requested a meeting the agenda will be as specified by that director. Board members are encouraged to submit items for inclusion in the agenda. In addition each Board meeting has a general business item under which directors may raise issues.

The standing items for each full meeting will include:

- approval of minutes of the previous meeting;
- matters arising;
- updating of the register of Directors' interests;
- a report from the Chief Executive, including a health and safety update;
- a report from the Chief Financial Officer;
- specific papers or proposals requiring Board approval as required by the Delegations Policy; and
- matters requiring public disclosure.

### **5.6 Information to Directors**

The Board recognises that appropriate information, provided on a timely basis, is essential to the effective discharge of its duties. The Chairman and the CEO are responsible for ensuring appropriate Board papers (including any financial reports), that identify and fairly address the key issues concerning the Company, are prepared and distributed to Board members in a format and at a time that allows directors to be fully informed on the affairs of the Company and to properly prepare for discussion at Board meetings.

### **5.7 Availability of Management**

The Chairman, in consultation with the Board Secretary, is responsible to ensure the availability of the CEO and management when required by the Board.

### **5.8 Passing of Resolutions**

A resolution of the Board is passed at a Board meeting by the agreement of a majority of the votes cast on it. In the case of an equality of votes the Chairman does not have a casting vote.

## **5.9 Evaluation of Information**

The Board evaluates the format of the information it receives at least annually.

## **5.10 Performance Criteria**

The Board establishes and reviews from time to time performance criteria for itself and reviews its performance against those criteria at least annually. The Chairman is responsible for ensuring these reviews are conducted.

## **5.11 Relationship with Management**

The Board recognises that all directors should have access to the CEO and senior management. Each director acknowledges that the division of responsibility between Board and management must be respected and will inform the Chairman of interactions with senior management. The Board reviews its relationship with management annually.

## **5.12 Independent Advice**

A director may obtain independent advice at the expense of the Company on issues related to the fulfilment of his or her duties as a director, subject to obtaining the approval of the Audit and Finance Committee Chairman prior to the incurrence of any advisory fees.

## **5.13 Indemnities by Company**

The Company indemnifies a director upon joining the Board to the extent provided in section 162 of the Companies Act 1993 (the Act) and it also indemnifies persons who undertake directorships of other companies at the request of the Company.

## **5.14 Insurance by Company**

The Company effects director and officers' liability insurance cover for the benefit of directors and management.

## **5.15 Remuneration**

Directors receive a fee for their services to the company. The fee pool is approved by shareholders. Reasonable costs associated with attending Board meetings and undertaking company-related business will be reimbursed.

All directors are expected to continuously educate themselves, according to their individual needs, to ensure that they appropriately and effectively perform their duties. The Company may contribute to the costs of director training.

# **6 DIRECTOR RESPONSIBILITIES**

## **6.1 Directors Principal Duties**

The directors are committed to the proper and responsible fulfilment of their duties to the Company and to the shareholders. In particular, the directors are mindful of their duties contained in the Act, the Company's Constitution and Code of Ethics, and the NZX Rules which include the following:

- (a) a director, when exercising powers or performing duties, must act in good faith and in what the director believes to be the best interests of the Company;
- (b) a director must exercise a power for a proper purpose;
- (c) a director must not act, or agree to the Company acting, in a manner that contravenes the law or the Constitution;
- (d) a director must not:
  - i. agree to the business of the Company being carried on in a manner likely to create a substantial risk of serious loss to the Company's creditors; or
  - ii. cause or allow the business of the Company to be carried on in a manner likely to create a substantial risk of serious loss to the Company's creditors;
- (e) a director must not agree to the Company incurring an obligation unless the director believes at that time, on reasonable grounds, that the company will be able to perform the obligation when it is required to do so; and
- (f) 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 taking into account, but without limitation:
  - i. the nature of the Company;

- ii. the nature of the decision; and
- iii. the position of the director and the nature of the responsibilities undertaken by him or her.

## **6.2 Delegation by the Board**

The Board may delegate any of its powers (other than certain powers specified in the Act). However, whenever the Board delegates a power the Board remains responsible for the exercise of the power by the delegate, unless the Board:

- (a) believed on reasonable grounds that the delegate would exercise the power in conformity with the duties imposed on directors by the Act and the Constitution; and
- (b) has monitored, by means of reasonable methods properly used, the exercise of the power by the delegate.

## **6.3 Reliance on Information**

A director may rely on information, financial data and professional or expert advice given by any of the following:

- (a) an employee of the Company whom the director believes on reasonable grounds to be reliable and competent in relation to the matters concerned;
- (b) a professional advisor or expert in relation to matters which the director believes on reasonable grounds to be within the person's competence; or
- (c) any other director or committee of directors upon which the director did not serve in relation to matters within the director's or committee's delegated authority.

A director may only rely on others, as described above, if the director:

- (a) acts in good faith;
- (b) makes proper enquiry where the need for enquiry is indicated by the circumstances; and
- (c) has no knowledge that such reliance is unwarranted.

## **6.4 Confidentiality of Company Information**

A director who has confidential information in his or her capacity as a director must not disclose that information to any person, make use of or act on that information, except:

- (a) for the purposes of the Company;
- (b) as required or permitted by law; and
- (c) in complying with the director's obligation to disclose his or her interest in a transaction with the Company.

## **6.5 Authorised Disclosure of Information**

A director may disclose information to a person whose interests the director represents, and may disclose, make use of, or act on information, subject to the provisions of section 6.7 below, if:

- (a) particulars of the disclosure, use, or act are entered in the Interests Register (see 6.8); and
- (b) the disclosure, use, or act will not be likely to prejudice the Company.
- (c) the disclosure is permitted under a confidentiality agreement between the Company and the party whose interests the director represents.

## **6.6 Securities Trading Policy and Guidelines**

The Board of the Company has implemented a formal procedure to handle the trading in the Company's quoted securities by directors and employees and advisers of the Company and any subsidiaries. All directors, officers, employees, contractors and advisers of the Company and any subsidiaries must comply with the procedures set out in the Securities Trading Policy and Guidelines attached as Appendix B.

## **6.7 Inside Information**

If a director has inside information on the Company (or another public issuer) he or she must not trade in, or tip others to trade in, the securities of the Company (or another public issuer).

## **6.8 Resigning Director**

A director who resigns before the expiry of his or her term will identify to the Board his or her reasons for the resignation.

## **7 CONFLICTS OF INTEREST**

### **7.1 General Conflicts**

A director should not have any significant conflict of interest that is potentially detrimental to the Company, including:

- (a) material affiliations with competitors (or key customers or suppliers of competitors) of the Company;
- (b) material affiliations with parties that are likely to be a regular counterparty to a transaction with the Company;

If either of these events occur a director should consider their ongoing role on the Board.

### **7.2 Disclosure of Interest**

A director who is interested in a transaction with the Company must immediately disclose to the Board the nature, monetary value and extent of the interest.

### **7.3 Participation at Meetings**

A director who is interested in a transaction with the Company may attend and participate at a Board meeting at which the transaction is discussed. However, such a director is not counted in the quorum and may not vote in respect of the transaction, unless it is one in respect of which directors are expressly required by the Act to sign a certificate.

### **7.4 Interests Register**

The Board maintains an Interests Register in which are entered the required disclosures made by directors in respect of matters relating to the Company. Entries in the Interests Register are disclosed in the next annual report.

### **7.5 Acting at Arms-length**

A director who, either directly or indirectly, provides goods or services to the Company or an affiliate of the Company must act on an arms-length basis and not use his or her position as a director to influence commercial decisions by the Company or the affiliate.

## **8 COMMITTEES OF THE BOARD**

### **8.1 Purpose of Committees**

The use of Committees allows issues requiring detailed consideration to be dealt with separately by members of the Board with specialist knowledge and experience, thereby enhancing the efficiency and effectiveness of the Board. However the Board retains ultimate responsibility for the functions of its Committees and determines their responsibilities.

### **8.2 Exclusive Board Matters**

Issues relating to the Company's mission, appointments to the Board, strategy, business and financial plans, expenditure outside delegated authority levels and CEO performance are dealt with directly by the Board.

### **8.3 Committees of the Board**

The Board has constituted three standing Committees, being the Audit and Finance Committee; the Nominations and Remuneration Committee; and the Health, Safety and Risk Committee. From time to time the Board may constitute an ad hoc Committee to deal with a particular issue facing it which requires specialist knowledge and experience.

### **8.4 Composition of Committees**

Each standing Committee comprises at least two directors except that the Audit and Finance Committee must comprise at least three directors. The CEO may not be a member of the Audit and Finance Committee. Only directors may be members of a Committee, but the alternate of a director may take the place of that director where required.

### **8.5 Chairman of Committees**

Each standing Committee must be chaired by a director other than the Chairman.

#### **8.6 Attendance at Meetings**

In order to be fully informed on the matters for consideration a Committee member may require the attendance of any of the CEO, management, the Company's auditors and advisers.

#### **8.7 Review of Committees by Board**

The Board will regularly review the performance of the Committees in accordance with their charters.

#### **8.8 Publication of Committee members**

The Board will identify the members of the Committees in the Company's annual report.

#### **8.9 The primary functions of the Audit and Finance Committee are:**

- (a) To oversee the financial reporting and continuous disclosure processes to ensure that the interests of shareholders are properly protected in relation to financial reporting and internal control and disclosure maintains integrity, transparency and adequacy.
- (b) To provide the Board with an independent assessment of the Company's financial position and accounting affairs.
- (c) To oversee the Company's capital and treasury risk management.

#### **8.10 Audit and Finance Committee Charter**

The Audit and Finance Committee shall produce a written charter that outlines the Audit and Finance Committee's authority, duties, responsibilities and relationship with the Board. The Audit and Finance Committee charter shall be readily available to shareholders. The Audit and Finance Committee charter is set out as Appendix C.

#### **8.11 The primary functions of the Nominations and Remuneration Committee are:**

- (a) To establish a clear framework for oversight and management of the Company's remuneration structure, policies, procedures and practices to ensure the Company remuneration is fair and reasonable.
- (b) Defining the roles and responsibilities of the Board and senior management.
- (c) Reviewing and making recommendations on Board composition and succession.

#### **8.12 Nominations and Remuneration Committee Charter**

The Nominations and Remuneration Committee shall produce a written charter that outlines the Nominations and Remuneration Committee's authority, duties, responsibilities and relationship with the Board. The Nominations and Remuneration Committee charter shall be readily available to shareholders. The Nominations and Remuneration Committee charter is set out as Appendix D.

#### **8.13 The primary functions of the Health, Safety and Risk Committee are:**

- (a) To assist the Board to provide leadership and policy for health and safety.
- (b) To assist the Board to fulfil its responsibilities and to ensure compliance with all legislative and regulatory requirements in relation to the health and safety practices of the Company as those activities affect employees and contractors.
- (c) To support the ongoing improvement of health and safety in the workplace
- (d) Ensure and overview the identification of risk to the company's operations, financial and non-financial, plus mitigation measures in place and such further measures to be enacted so as risk is managed to as satisfactory level as practical

#### **8.14 Health, Safety and Risk Committee Charter**

The Health, Safety and Risk Committee shall produce a written charter that outlines the Health, Safety and Risk Committee's authority, duties, responsibilities and relationship with the Board. The Health, Safety and Risk Committee charter shall be readily available to shareholders. The Health, Safety and Risk Committee charter is set out as Appendix E

#### **8.15 Minutes**

Minutes of the proceedings of every Committee meeting shall be taken and circulated to each member of the Board.

### **9 EXTERNAL AUDITOR INDEPENDENCE**

The Audit and Finance Committee has adopted an External Auditor Independence Policy to ensure that audit independence is maintained. The policy is set out as Appendix I.

## **10 REMUNERATION POLICY**

### **10.1 Alignment of Interests with Shareholders**

The Board promotes the alignment of the interests of the directors, the CEO and management with the long term interests of shareholders.

### **10.2 Review Process**

The Board shall annually review and recommend changes to remuneration structure and policy within the Company. The Board shall annually review the remuneration packages of the CEO and senior management, and shall review the remuneration packages of directors at least every second year.

### **10.3 External Advisers**

In reviewing the remuneration proposed for directors, the CEO and management, the Board may seek external advice from a recognised and competent source, including an evaluation against comparable peer groups.

### **10.4 Remuneration levels**

The Board has a policy that executives, executive directors and non-executive directors should receive remuneration that is fair and reasonable in a competitive market for the skills, knowledge and experience required by the Company.

### **10.5 Executive and Non-Executive remuneration**

The Board recognises that it is desirable that executive (including executive director) remuneration should include an element dependent upon the performance of both the Company and the individual, and should be clearly differentiated from non-executive director remuneration. The terms of the remuneration package including short term incentives and long term incentives will be reported in the annual report.

### **10.6 Retiring Director Remuneration**

No special remuneration will be paid to a retiring director without the authority of an ordinary resolution of shareholders.

### **10.7 Annual Report**

Directors and the CEO's remuneration will be disclosed in each annual report.

## **11 THE CHIEF EXECUTIVE OFFICER**

### **11.1 Responsibilities of CEO**

The CEO is the senior executive of the Company and is responsible for:

- (a) formulating the vision for the Company;
- (b) recommending policy and the strategic direction of the Company for approval by the Board;
- (c) providing management of the day to day operations of the Company; and
- (d) acting as a spokesperson of the Company.

### **11.2 No Appointment as Chairman**

The CEO is not eligible to be appointed as the Chairman. A Chairman may, however, assume the post of CEO concurrently on a temporary basis when the post of CEO is vacant, for a period not longer than six months. After the initial period of six months, if a CEO has not been appointed, the Board may extend the Chairman's CEO post for another maximum period of six months.

### **11.3 Independence of the Board**

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

### **11.4 Other Boards**

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

### **11.5 Disclosure**

If applicable, the period of the CEO's employment contract will be disclosed in each annual report.

## **12 SHAREHOLDER PARTICIPATION**

### **12.1 Constitution**

The rights of shareholders are contained, or referred to, in the Company's Constitution which is available to all shareholders and in the Act and the NZX Rules.

### **12.2 Board Accountable to Shareholders**

The Board is appointed by, and accountable to, shareholders.

### **12.3 Reports to Shareholders**

The Board values the opportunity to give comprehensive yet accessible interim results and full year reports to shareholders and to meet with them annually.

### **12.4 Annual Meeting**

The Board recognises that the annual meeting is an important forum at which shareholders can meet with the Board and it encourages shareholders to use the forum to ask questions and make comments on the performance of the Company.

### **12.5 Directors Attendance**

In usual circumstances all directors will attend the annual meeting.

### **12.6 Questions from Shareholders**

The Board welcomes input from shareholders and encourages shareholders to submit questions in writing prior to the annual meeting so that an informed answer can be given at the meeting. The Board will ensure that the Company's external auditors are available for questioning by shareholders at the annual meeting.

### **12.7 Questions not fully answered**

Questions which are not fully answered at a meeting will be replied to in writing as soon as practicable after the meeting subject to the Company's confidentiality obligations to third parties.

### **12.8 Company website**

The Board recognises that maintaining an up-to-date website is an important way in which shareholders can readily access key information (including annual reports) about the Company.

## **13 REPORTING AND DISCLOSURE**

### **13.1 Annual Report**

In addition to all information required by law, the Board acknowledges that the Company's annual report should include sufficient meaningful information to enable shareholders and stakeholders to be well informed on the affairs of the Company, including all information recommended for disclosure in the NZX Corporate Governance Code.

### **13.2 Continuous Disclosure**

The CEO and Chief Financial Officer (CFO) shall be responsible for the Company's compliance with statutory and NZX continuous disclosure requirements in accordance with its Shareholder Communications and Market Disclosure Policy and the Board shall be advised of, and consider, continuous disclosure issues at each Board meeting.

#### **Document Review:**

Final approved	19 June 2019
Effective date	30 June 2019
Owner	Board of Directors
Next review date	30 June 2020
Policy owner	Chief Financial Officer

## APPENDIX A: NEW ZEALAND KING SALMON INVESTMENTS LIMITED CODE OF ETHICS

The Code of Ethics is the framework of standards by which the directors, employees, contractors for personal services and advisers of New Zealand King Salmon Investments Limited (the *Company*) and its subsidiaries (together, the *Group*) are expected to conduct their professional lives and has been approved by the Board. This Code 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 the Company's values, business goals and legal and policy obligations, thereby enhancing performance outcomes. Group employees must familiarise themselves with the Company's values, as they govern their behaviour while they are employed by the Group.

Directors, senior managers and other employees who are proven to have breached 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.

The Company's directors and senior 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 become aware of a breach of a legal obligation or a Group Policy, let the Chairman of the Board know as soon as possible. If this is not appropriate, contact the Chairman of the Audit and Finance Committee. (Please refer to Article 10, Reporting Concerns, for more information.)

### 1 Conflicts of Interest

A conflict of interest occurs when an individual's interests interfere, or appear to interfere, with the Company's interests. The Company expects the Group's people to act in the Company's interests at all times.

The Group's employees will not without the prior consent of a manager duly authorised within the Group:

- (a) engage in any other business or commercial activities which would conflict with their ability to perform their duties to the Group;
- (b) support a political party or organisation other than in a personal capacity; and
- (c) engage in any other activity which could conflict with the Group's interests.

Where a conflict of interest arises which may conflict with an employee's or director's ability to act in accordance with the Group's interests, that conflict should be promptly declared (to a manager in the case of an employee, and to the Chair in the case of a director).

### 2 Gifts

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

The Group's 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 the Group.

### 3 Corporate Opportunities

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

The Group's employees will not:

- (a) take for themselves any opportunity discovered through the use of Group property, information or position;
- (b) use Group property (including company names), information or position for personal gain;
- (c) compete with the Group; and
- (d) trade in shares of the Company, or any other kind of property, based on information that comes from their roles within the Group if that information has not been reported publicly (please refer to the Code of Conduct for Financial Products Trading for more information).

#### **4 Confidentiality**

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

The Group's employees will maintain and protect the confidentiality of information entrusted to the Group about work colleagues, stakeholders and the Group's business and financial affairs, except where disclosure is allowed by the Group or is required by law.

#### **5 Behaviours**

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

The Group's employees will:

- (a) undertake their duties in accordance with the Company's values;
- (b) conduct themselves in a way that demonstrates that their honesty and integrity is beyond question and will not behave in a manner that has the potential to bring the Group's image into disrepute;
- (c) deal honestly with the Group's other staff, professional advisors and stakeholders;
- (d) not enter into transactions or make promises on behalf of the Group that the Group cannot or does not intend to honour;
- (e) undertake their duties with care and diligence and in the best interests of the Group and the Company's shareholders;
- (f) ensure that any personal opinions they express are clearly identified as their own and are not represented to be the views of the Group;
- (g) value individuals' differences and treat people in the workplace with respect in accordance with the Group's philosophies of equal employment opportunities, and anti-harassment and discrimination policies;
- (h) to the best of their ability, use reasonable endeavours to ensure that the Group's records and documents, including financial reports, are true, correct and conform to the Group's reporting standards and internal controls; and
- (i) not accept or offer bribes or improper inducements to or from anyone.

#### **6 Proper use of Group Assets and Information**

The Group's employees have a duty to protect Group assets from loss, damage, misuse, waste and theft. Group assets include systems, information, intellectual property and networks.

The Group's employees will:

- (a) only use Group assets for lawful business purposes authorised by a member of the Group; and
- (b) only create, and only retain, information and communications required for business needs or to meet legal obligations.

#### **7 Compliance with Laws and Policies**

The Group's employees will:

- (a) familiarise themselves with and comply with Group policies, frameworks and processes at all times (including those relating to equal employment opportunities and health and safety);
- (b) abide by the laws, rules and regulations of New Zealand and other jurisdictions in which the Group operates;
- (c) undertake training on legal obligations and policies as required by management from time to time; and
- (d) comply with all statutory and internal disclosure requirements on a timely basis.

#### **8 Delegated Authority**

The Board delegates the responsibility of managing the business and affairs of the Group to the CEO ("CEO"). The CEO in turn delegates to other levels of management certain rights to make operational and financial decisions within defined limits.

The Group's employees will:

- (a) only act within the delegated authority framework and any authority that may be specifically given to them as a delegated authority holder; and
- (b) ask their manager if they are uncertain as to their level of delegated authority or whether they have delegated authority to make any decision.

## 9 Additional Director Responsibilities

Directors are required to:

- (a) remain current on how to best perform their duties as directors of the Company;
- (b) give proper attention to all matters put before them;
- (c) have an understanding of the regulatory, legal, fiduciary and ethical requirements affecting directors;
- (d) be familiar with up to date business management techniques and related ethics; and
- (e) have an awareness of special strategic, industry, cultural and other issues that may impact on the Group's business.

## 10 Reporting Concerns and "Whistleblower" Protection

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

- (a) Chairman of the Board; or
- (b) Chairman of the Audit and Finance Committee.

The Group will stand behind any employee who, acting in good faith, reports a breach, serious problem or wrongdoing. If employees make a report, their identity will be kept confidential where possible – there may be situations however where the proper investigation of the matter inadvertently identifies their identity or requires their identification.

The Group requires all Directors, senior managers 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:

- (a) the behaviour alleged in the report is thoroughly investigated;
- (b) the rules of natural justice are observed in that investigation; and
- (c) 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 employees should advise your manager and the delegated authority holder whose responsibility it should have been to approve the transaction, as soon as possible.

## 11 Review

The Code of Ethics is subject to review by the Board from time to time. If employees have feedback on the Code of Ethics please contact the Chairman of the Board.

### Document Review:

Final approved	19 June 2019
Effective date	30 June 2019
Owner	Board of Directors
Next review date	30 June 2020
Policy owner	Chief Financial Officer

## APPENDIX B: FINANCIAL PRODUCTS TRADING POLICY AND GUIDELINES

This policy applies to all Directors, officers, employees, contractors and advisers (restricted persons) of New Zealand King Salmon Investments Limited (the Company) and its subsidiaries who intend to trade in the Company's quoted financial products. In this policy 'trade' includes acquiring or disposing of quoted financial products, or agreeing to do so, whether as principal or agent.

In addition to this Policy and Guidelines, further more specific and stringent rules also apply to trading in the Company's quoted financial products by Directors and certain employees (see [Additional Trading Restrictions for Restricted Persons](#)).

***Insider trading is illegal in New Zealand. Restricted Persons must comply with New Zealand law and with this Policy.***

In this Policy "trade" is a broad concept and includes buying or selling securities or agreeing to do so, and granting lenders rights over quoted or unquoted securities, or agreeing to do so, whether as principal or agent.

Trading may only be undertaken at certain times of the year – see Trading windows.

### Introduction and purpose

This document details the Company's policy on, and rules for dealing in the following financial products (**Restricted Financial Products**):

- (a) the Company's ordinary shares (NZX trading code "NZK");
- (b) any other quoted financial products of the Company or its subsidiaries from time to time; and
- (c) any derivatives in respect of such quoted financial products, from time to time.

The requirements imposed by the policy are separate from, and in addition to, the legal prohibitions on insider trading in New Zealand and any other country where those financial products may be listed.

**If Restricted Persons do not understand any part of this policy, or how it applies to them, Restricted Persons should raise the matter with the Company Secretary before dealing with any financial products covered by this policy.**

### Application of this policy to other persons

The rules contained in this Policy apply to Group employees and also to:

- (a) a Group employee's spouse or dependent children;
- (b) a company in which a Group employee has a material interest, or is a director, and can influence the decision of that company in the investment of funds;
- (c) a trust or a managed fund when either the Group employee 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
- (d) anyone else notified by the Chief Financial Officer (CFO) from time to time.

Additional trading restrictions apply to all Directors and employees of the Group and its subsidiary companies; and trusts and companies controlled by such persons. **See Additional trading restrictions for Restricted Persons.**

The prohibitions apply regardless of how Restricted Persons learn of the information, and regardless of why they are trading.

The prohibition on insider trading applies not only to information concerning the Company's financial products. If a person has material information in relation to quoted securities of another issuer (including futures contracts listed on an authorised futures exchange) over quoted securities, that person must not trade in those securities, advise or encourage others to trade or hold those securities or pass on the information to others.

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

If Restricted Persons have any **material information**, it is illegal for them to:

- (a) trade the Company's Restricted Securities;
- (b) advise or encourage another person to trade or hold the Company's Restricted Securities;
- (c) advise or encourage a person to advise or encourage another person to trade or hold the Company's Restricted Securities; or

- (d) pass on the **material information** to anyone else – including colleagues, family or friends – knowing (or where Restricted Persons ought to have known) that the other person will use that information to trade or advise or encourage someone else to trade, or hold, the Company's Restricted Securities.

**This offence, called “insider trading”, can subject Restricted Persons to criminal liability including large fines and/or imprisonment, and civil liability, which may include being sued by another party or the Company, for any loss suffered as a result of illegal trading.**

### **Confidential information**

In addition to the above, Restricted Persons also have a duty of confidentiality to the Company. Restricted Persons must not reveal any confidential information concerning the Company to a third party (unless that third party has signed a confidentiality agreement with the Company and they have been authorised to disclose the confidential information), or to use confidential information in any way which may injure or cause loss to the Company, or use confidential information to gain an advantage for them. Restricted Persons should ensure that external advisers keep Company information confidential.

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

“Material information” is information that:

- (a) is not generally available to the market;
- (b) a reasonable person would expect, if it were generally available to the market, to have a material effect on the price of the Company's quoted financial products; and
- (c) relates to particular financial products, a particular listed issuer, or particular listed issuers, 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 or ASX announcement, or investors that commonly invest in financial products of a kind the price of which might reasonably be expected to be affected by the information (such as the Company's quoted financial products) can readily obtain the information (whether by observation, use of expertise, purchase or other means).

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

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

In order to minimise the risk of insider trading, the Company must immediately disclose to the market Material Information that is not otherwise excluded from disclosure, as set out in the Company's Shareholder Communications and Market Disclosure Policy.

### **What are some examples of material information?**

The following list is illustrative only. Material information could include information concerning:

- (a) the financial performance of the Company;
- (b) a possible change in the strategic direction of the Company;
- (c) the introduction of an important new product or service;
- (d) a possible acquisition or sale of any assets or company by the Company;
- (e) entry into or the likely entry into or termination or likely termination of material contracts or other business arrangements which are not publicly known;
- (f) a possible change in the Company's capital structure;
- (g) a change in the historical pattern of dividends;
- (h) senior management changes;
- (i) a material legal claim by or against the Company; or
- (j) any other unexpected liability,

which has not been released to the market.

The range of possible Material Information is very wide, so if Restricted Persons are planning to buy or sell any of the Company's Restricted Securities and they have any doubts regarding whether information may be Material Information, they should discuss it confidentially with the CFO.

## Exceptions to this policy

This policy does not apply to:

- (a) acquisitions and disposals by gift or inheritance;
- (b) acquisitions through an issue of new quoted financial products, such as an issue of new shares on the exercise of options, under a rights issue, a dividend reinvestment plan or a share purchase plan; or
- (c) trading of quoted financial products where the trading results in no change to the beneficial interest in those quoted financial products.

Group employees must notify the CFO prior to transferring Restricted Securities under any of these exceptions and, if requested, provide documentation to support the transfer.

## Short term trading discouraged

Restricted Persons should not engage in short term trading (the buying or selling of quoted securities within a 6 month period), unless there are exceptional circumstances discussed with and approved by the Company Secretary.

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 Restricted Financial Products on a short-term basis.

## If in doubt, don't trade.

The rules contained in this policy do not replace Restricted Persons legal obligations. The boundary between what is (and is not) in breach of the law is not always clear. Sometimes behaviour that Restricted Persons consider to be ethical actually may be insider trading. If in doubt, don't trade!

## Consent requirements before trading

Before trading in Restricted Securities, at any time, Group employees must, in writing:

- (a) notify the Company's CFO of their intention to trade in Restricted Securities, and seek consent to do so (using the **Request for Consent to Trade in Securities** form attached);
- (b) confirm that they do not hold material information; and
- (c) confirm that there is no known reason to prohibit trading in any Restricted Securities.

A consent is only valid for a period of 10 trading days after notification by the CFO that the application has been approved. A consent is automatically deemed to be withdrawn if the applicant becomes aware of Material Information prior to trading.

Do not undertake a trade before the consent is received.

## Requirements after trading

A Group employee must:

- (a) advise the CFO promptly following completion of any trade, confirm the trade has occurred and provide a copy of the contract note (or other transaction documentation, in the case of an off-market trade) within 10 working days; and
- (b) comply with any disclosure obligations he or she has under the Financial Markets Conduct Act or Financial Markets Conduct Regulations.

## Additional trading restrictions for Directors and senior managers

The additional trading restrictions set out below apply to:

- (a) all Directors and senior managers of the Company and its subsidiary companies; and
- (b) trusts and companies controlled by such persons.

Persons covered by these additional restrictions are called "Insiders". 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.

### **Additional trading restrictions for Insiders (black-out period)**

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

- (a) from the Company’s half-year balance date, until the first trading day after the half-year results are released to NZX; and
- (b) from the Company’s year-end balance date, until the first trading day after the full-year results are released to NZX.

Insiders are not permitted to trade any Restricted Securities during a black-out period unless the Company’s Board provides a specific exemption. Periods that are not a black-out period are called a Trading Window.

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

### **Requirements before trading for Insiders**

Before trading in Restricted Securities, at any time, Restricted Persons must, in writing:

- (a) notify the Company’s CFO of their intention to trade in securities, and seek consent to do so (using the Request for Consent to Trade in Quoted Securities form attached);
- (b) confirm that they do not hold material information; and
- (c) confirm that there is no known reason to prohibit trading in any Restricted Securities.

A consent is only valid for a period of 15 trading days after notification. A consent is automatically deemed to be withdrawn if the person becomes aware of material information prior to trading.

### **Requirements after trading for Insiders**

An Insider must advise the Company’s CFO promptly following completion of any trading in any Restricted Securities, and the Insider must comply with any disclosure obligations it has under Subpart 6 of Part 5 of the Financial Markets Conduct Act 2013 and Subpart 3 of Part 5 of the Financial Market Conduct Regulations 2014.

These obligations continue for a six month period following a Director, the CEO and all senior officers (all CEO direct reports) ceasing to hold an office or employment with the Company.

Reports of all trades carried out by Insiders are provided to the Board at each meeting.

### **Breaches of policy**

Strict compliance with this policy is a condition of employment and of engagement of advisers. Breaches of this policy will be subject to disciplinary action, which may include termination of employment or a contract for services.

### **Monitoring of trading**

The Company may monitor the trading of directors, employees and advisers as part of the administration of this policy.

The Financial Markets Authority, NZX and governance advisers take an interest in whether the Company is complying with its Securities Trading Policy and how it ensures it does so.

### **Application of policy**

The Board of the Company has approved this policy. The Board may approve updates, amendments to and exemptions to this policy from time to time, which may be implemented by written notice to restricted persons and Insiders.

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

This Policy is not intended to be legal advice and is not a substitute for legal advice. If a Team Member has any doubt about whether they may trade in Restricted Securities they should consult a legal adviser.

**REVIEW**

This Policy will be reviewed at least every two years to ensure it meets best practice standards and meets the needs of the Company.

**Document Review:**

Final approved	19 June 2019
Effective date	30 June 2019
Owner	Board of Directors
Next review date	30 June 2020
Policy owner	Chief Financial Officer

**NEW ZEALAND KING SALMON INVESTMENTS LIMITED  
REQUEST FOR CONSENT TO TRADE IN QUOTED SECURITIES**

To: The Chief Financial Officer, New Zealand King Salmon Investments Limited

In accordance with the Company's Securities Trading Policy and Guidelines, I request the Company 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 the Company is not advising or encouraging me to trade or hold securities and does not provide any securities recommendation.

Name:

Name of registered holder transacting (if different):

Postal address:

Email 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):

*NB: A copy of the contract note (or other transaction documentation, in the case of an off-market trade) must be provided to the CFO within 5 working days of the trade being completed.*

I declare that I do not hold information which:

- is not generally available to the market;
- would have a material effect on the price of the Company's quoted securities if it were generally available to the market; or
- if it were generally available, would, or would be likely to, influence persons who normally invest in securities in deciding whether to acquire or dispose of the relevant securities

I know of no reason to prohibit me from trading in the Company's quoted securities and certify that the details given above are complete, true and correct.

**I UNDERSTAND THAT CONSENT IS AUTOMATICALLY DEEMED TO BE WITHDRAWN IF I BECOME AWARE OF MATERIAL INFORMATION PRIOR TO THE TRADE BEING COMPLETED.**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

The Company 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 the Company's Securities Trading Policy and Guidelines and Additional Trading Restrictions for Restricted Persons.

\_\_\_\_\_  
Name:

\_\_\_\_\_  
Date on behalf of the Company

## APPENDIX C: AUDIT AND FINANCE COMMITTEE CHARTER

### 1 Constitution

1.1 The Audit and Finance Committee shall be a committee of the Board of New Zealand King Salmon Investments Limited (the *Company*).

### 2 Purpose

2.1 The purpose of the Audit and Finance Committee is to:

- (a) assist the Board in fulfilling its responsibilities for Company financial statements and external financial reporting;
- (b) assist the Board in ensuring the quality and independence of the Company's external audit process;
- (c) assist the Board in discharging its responsibility to exercise due care, diligence and skill in relation to oversight of:
  - (i) the integrity of external financial reporting;
  - (ii) the application of accounting policies;
  - (iii) financial management;
  - (iv) internal control systems;
  - (v) related party transactions;
  - (vi) protection of the company's assets; and
  - (vii) compliance with applicable laws, regulations, standards and best practice guidelines as they relate to financial disclosure, including continuous disclosure;
- (d) review managements' letters of representation;
- (e) facilitating the continuing independence of the external auditor in line with industry professional standards and ethical guidelines including receiving annual confirmation from the auditor of their independence in the previous 12 months;
- (f) assessing the external auditor's independence and qualifications;
- (g) oversee the rotation of the senior audit partner at least every five years;
- (h) where non-audit services are provided by the external auditor the fees for the services should not exceed the fees for core audit services unless approved by the Audit and Finance Committee;
- (i) maintaining the quality, credibility and objectivity of the accounting process (including financial reporting);
- (j) overseeing and monitoring the performance of the internal and external auditors;
- (k) providing a structured reporting line for internal audit and facilitating the maintenance of the objectivity of the internal auditor; and
- (l) providing a formal forum for communication between the Board and senior financial management.
- (m) to oversee the Company's capital and treasury risk management, and continuous disclosure processes to ensure their integrity, transparency and adequacy, and that they are in accordance with Company policies. In addition, the Committee will oversee takeover protocols and will act as the Takeovers Committee with additional director secondees.

### 3 Duties and Responsibilities

3.1 The Audit and Finance Committee does not take actions or make decisions on behalf of the Board. The Board has delegated certain functions to the Audit and Finance Committee which is responsible for:

- (a) Treasury Risk Management:
  - (i) ensuring that management has in place and is implementing an effective treasury management policy that effectively minimises and manages treasury risk;
  - (ii) seeing that the Company is operating within its banking and debt covenants, and managing and monitoring exceptions;
  - (iii) seeing that the Company has appropriate processes and systems for identifying, assessing and managing all treasury risk in a manner consistent with the Company's

- risk appetite, and ensuring that management regularly monitors and reports on all material aspects to the Committee.
- (iv) understanding the internal control systems implemented by management for the approval of transactions (including derivatives and other hedging instruments);
  - (v) reviewing and evaluating the effectiveness of the Company's treasury risk management framework and reporting including management of interest rate risk, foreign exchange risk, liquidity risk, credit and counterparty risks and derivatives risk at least annually, and provide a summary of that evaluation to the Board.
- (b) Capital Management:
- (i) ensuring that management has in place capital structure and management policies appropriate for the Company.
  - (ii) regularly reviewing the Company's dividend policy.
  - (iii) reviewing distribution proposals, including dividends, for compliance with policy.
  - (iv) reviewing and evaluating capital proposals in relation to acquisitions and divestments.
- (c) Continuous Disclosure
- (i) ensuring that management has in place an appropriate continuous disclosure policy.
  - (ii) reviewing any non-routine statements to be issued by the Company, including announcements to NZX Limited (NZX) concerning results.
- (d) Takeovers
- (i) ensuring that appropriate protocols are established that set out the procedure to be followed if there is a takeover offer for the Company
  - (ii) establishing a Takeover Committee. Seconding additional directors to the Takeover Committee if required. The Takeover Committee shall only consist of independent directors.
- (e) monitoring all aspects of the external audit of the Group's affairs including:
- (i) considering the appointment, independence and removal of the auditors (including ensuring that the external auditor or key audit partner is changed at least every five years), the audit fee and any issues on their resignation or dismissal;
  - (ii) discussing with the auditors, before the commencement of each audit, the nature and scope of their audit;
  - (iii) reviewing the auditors service delivery plan;
  - (iv) reviewing the Group's letter of representation to the auditors; and
  - (v) discussing with the auditors any problems, reservations, or issues arising from the audit and referring matters of a material or serious nature to the Board;
- (f) reviewing the half year and annual financial statements, and any other financial statements to be released by the Group, before submission to the Board, focusing particularly on:
- (i) any change in accounting policies and practices;
  - (ii) major judgmental areas;
  - (iii) significant adjustments;
  - (iv) the solvency of the Group;
  - (v) the going concern assumption;
  - (vi) compliance with accounting standards; and
  - (vii) compliance with legal stock exchange and other regulatory requirements;
- (g) reviewing any non-routine statements of a financial or business performance nature to be issued by the Company, including announcements to NZX Limited (NZX) concerning results;
- (h) regularly reviewing the Group's internal controls and systems;
- (i) monitoring and regularly reviewing the authorities, delegations and procedures under which the Group may be committed;
- (j) considering the findings of any internal investigations and management's response thereto;
- (k) monitoring compliance by the Company with its Constitution, applicable laws and regulations and stock exchange requirements;
- (l) promoting integrity in all aspects of the Group's financial reporting; and
- (m) ensuring that processes are in place so that the Board is properly and regularly informed about significant financial matters relating to the Group.
- 3.2 The Audit and Finance Committee shall:
- (a) provide sufficient information to the Board to allow the Board to report annually to shareholders and stakeholders on risk identification and management procedures and relevant internal controls of the Group; and
  - (c) attend to any other matter put to the Audit and Finance Committee for consideration by the Board.
- 3.3 The auditor shall have direct access to the Board on any matter if required.

- 3.4 Members of the Company's senior management team have a right of access to the Chairman of the Audit and Finance Committee in relation to any matters of material concern that have been raised through the normal management process but have not been raised with the Audit and Finance Committee.
- 3.5 The Committee will have access to, and the authority of the Board to seek any information it requires from any officers, employees, consultants or advisers to fulfil its function, duties and responsibilities. All employees will be directed to co-operate with any request made by the Committee.
- 3.6 No former Company employee will be engaged in an external audit role for the Company within two years of leaving the Company. Former audit partners or audit managers will not be employed by the Company without prior approval of the Committee.

#### **4 Membership**

- 4.1 The Committee will have at least three members who are all Directors of the Company and shall comprise a majority of independent directors and at least one director with an accounting or financial background.
- 4.2 The Committee will be structured to ensure that, as a collective group, it has the skills, experience and knowledge to fulfil its role and responsibilities. The Committee may, from time to time, co-opt external experts if the Committee believes this would assist the Committee to discharge its responsibilities.
- 4.3 The Board shall appoint a Chairman from among the independent non-executive members of the Committee, who must not be the Chairman of the Board. Without limiting the requirement that the Chairman of the Committee shall be an independent, non-executive Director, the Chairman of the Committee must also not otherwise have a long-standing association with the company's external audit firm as a current, or retired, audit partner or senior manager at the firm. The Chairman of the Committee will generally be perceived to be independent for this purpose if there has been a period of at least 3 years between previously being employed by the external audit firm and serving as Chairman of the Committee
- 4.4 The appointment and removal of the Committee members shall be the responsibility of the Board.
- 4.5 The Company shall identify the members of the Committee on its website and each year in its annual report.

#### **5 Secretarial and Meetings**

- 5.1 The secretary of the Audit and Finance Committee shall be appointed by the Board. The secretary is responsible, in conjunction with the Committee Chair, for co-ordination of all Committee business including meeting scheduling, agendas, papers, minutes, Charter and policy reviews and communication with the Board and auditors.
- 5.2 A quorum of members of the Audit and Finance Committee shall be a majority of members.
- 5.3 The Audit and Finance Committee may have in attendance such members of management and such other persons including external advisers, as it considers necessary to provide appropriate information and advice.
- 5.4 All directors who are not members of the Audit and Finance Committee and employees shall only be entitled to attend meetings of the Audit and Finance Committee at the invitation of the Audit and Finance Committee.
- 5.5 Any person may be asked to leave the meeting at the Chair's discretion.
- 5.6 Reasonable notice of meetings and the business to be conducted shall be given to the members of the Committee and all other members of the Board.

Meetings shall be held at least once per year without the CEO or management being present. Any member of the Committee may request a meeting at any time if they consider it necessary.

- 5.7 The Committee will convene a meeting if the auditors so request.
- 5.8 Proceedings of all meetings will be in accordance with the Constitution and otherwise as determined by the Chairman of the Committee.
- 5.9 Meeting agendas and minutes will be distributed to all Board members regardless of whether they are members of the Committee.
- 5.10 Minutes of all meetings shall be kept.

## 6 **Authorities**

- 6.1 The Audit and Finance Committee will make recommendations to the Board on all matters requiring its decision. The Audit and Finance Committee does not have the power or authority to make a decision in the Board's name or on its behalf.
- 6.2 The Audit and Finance Committee is authorised by the Board, at the Group's expense, to obtain such outside legal or other independent information and advice including market surveys and reports, and to consult with such management and executive search consultants and other outside advisers with relevant experience and expertise, as it thinks necessary for carrying out its responsibilities.

## 7 **Review of the Audit and Finance Committee**

- 7.1 The Audit and Finance Committee will undertake an annual self-review of its objectives and responsibilities. Such objectives and responsibilities will also be reviewed (as against the Audit and Finance Committee Charter) by the Board, the CEO and any other person the Board considers appropriate.

## 8 **Reporting Procedures**

- 8.1 As soon as practicable after each Audit and Finance Committee meeting the Audit and Finance Committee will communicate its findings and recommendations to the Chairman.
- 8.2 The minutes of all Audit and Finance Committee meetings will be circulated to members of the Board. Extracts from the minutes will be made available to such other persons as the Board directs, as may be necessary to enable them to properly carry out their functions.

## 9 **Accountability to the Board**

- 9.1 This Charter has been approved by the Audit and Finance Committee and the Board. The Audit and Finance Committee reviews the Charter annually and recommends any proposed changes to the Board for approval.

### **Document Review:**

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Policy owner	Chief Financial Officer

## APPENDIX D: NOMINATIONS AND REMUNERATION COMMITTEE CHARTER

### 1 Constitution

- 1.1 The Nominations and Remuneration Committee shall be a committee of the Board of New Zealand King Salmon Investments Limited (the Company).

### 2 Purpose

- 2.1 The purpose of the Nominations and Remuneration Committee is to:

- (a) regularly review, and recommend changes to directors' remuneration to ensure that it is at an appropriate level, and effectively managed, to best advance the business objectives of the Company and its subsidiaries (together, the Group);
- (b) assist the Board in the establishment of remuneration policies and practices for, and in discharging the Board's responsibilities relative to remuneration- setting and performance review of, the Group's CEO, other senior managers and directors (both non-executive and executive);
- (c) undertake the annual performance review of the CEO and set key performance indicators;
- (d) annually review the Diversity Policy, the diversity objectives and achievement against the objectives
- (e) ensure that the Company has a formal and transparent method for the nomination and appointment of directors to the Board;
- (f) oversee an annual review of board, committee and director performance and, when appropriate, recommend changes to the composition of the Board to ensure that the Company has, and maintains, the right composition of Directors to effectively govern and provide guidance to the business; and
- (g) identify and recommend to the Board individuals for nomination as members of the Board and its Committees (taking into account such factors as it deems appropriate, including experience, qualifications, judgement and the ability to work with other directors).

### 3 Duties and Responsibilities

- 3.1 The Nominations and Remuneration Committee does not take actions or make decisions on behalf of the Board. The Board has delegated certain functions to the Nominations and Remuneration Committee which is responsible for matters including:

- (a) setting and reviewing the Group's remuneration policies and practices for consideration by the Board;
- (b) setting and reviewing, in accordance with the Group's remuneration policies and practices, all components of the remuneration of the CEO, executive and non-executive directors as the Board may from time to time determine. The components shall include base salary, reimbursable expenses, bonuses, entitlements under employee incentive plans, company share schemes and company option schemes, and all other entitlements and benefits arising from such directorships;
- (c) setting and reviewing, as appropriate, the terms of employment contracts for the Group's CEO and other senior managers;

- (d) setting and reviewing the terms of the Group's short and long term incentive plans including any share and option schemes for employees and/or directors for consideration by the Board;
- (e) setting and reviewing the terms of the Group's superannuation and/or pension schemes for consideration by the Board;
- (f) making recommendations to the Board as to its size;
- (g) reviewing from time to time as required, the composition of the Board to ensure that the Company has access to the most appropriate balance of skills, qualifications, experience and background to effectively govern the Group;
- (h) considering whether any changes to the Board are necessary and/or desirable to enhance the performance of the Board, and recommend any changes to the Board;
- (i) reviewing Board succession plans to maintain an appropriate balance of skills, experience and expertise on the Board;
- (j) reviewing from time to time the criteria for determining suitability of potential directors in terms of balance of the Board, qualities, qualifications, skills and experience and recommending to the Board any necessary alterations;
- (k) making a recommendation to the Board regarding the reappointment of a Director whose term is expiring and who is available for re-election;
- (l) in the event of any vacancies on the Board, including any casual vacancy, considering any person(s) nominated, either by directors or shareholders, and making recommendations to the Board in respect of such nominations. The Nominations and Remuneration Committee can also make recommendations for removal of particular directors from the Board;
- (m) ensuring that potential candidates understand the role of the Board and the time commitment involved when acting as a member of the Board;
- (n) ensuring there is an appropriate induction programme in place for all new directors;
- (o) attending to any other matter put to the Nominations and Remuneration Committee for consideration by the Board and, as appropriate, the management of the Group;
- (p) developing and recommending to the Board for its approval an annual evaluation process for the Board and its committees;
- (q) preparing for the Board's consideration the letter of appointment for new directors; and
- (r) ensuring that Director and Executive remuneration disclosure in annual reports complies with regulatory requirements and good governance practices.

3.2 The Nominations and Remuneration Committee shall:

- (a) at least annually, and in sufficient time to commission any study, survey and/or advice, review directors' fees and determine whether those fees are appropriate and make recommendations to the Board to put forward any proposed increases to be considered by shareholders at the next annual meeting;
- (b) consider and make recommendations to the Board on any payment proposed to be made to a retiring Director, subject to compliance with the Constitution and the Listing Rules. However, a member of the Nominations and Remuneration Committee should not participate in any discussions with respect to a payment to that member and that the Board shall nominate another director as an alternative for such discussions; and
- (c) attend to any other matter put to the Nominations and Remuneration Committee for consideration by the Board and as appropriate, by any senior manager of the Group.

3.3 When nominating or recommending a director to the board for appointment, the Nominations and Remuneration Committee will ensure:

- (a) proper checks are completed (e.g. as to the person's character, experience, education, criminal record and record and bankruptcy history);
- (b) key information about a candidate is provided to shareholders to assist their decision as to whether or not to elect or re-elect the candidate; and
- (c) if the candidate is standing for the first time, any material adverse information revealed by the checks the entity has performed is provided to the Board; or

- (d) if the candidate is being re-elected information about the term of office served by the director is provided to the Board and shareholders.
- 3.3 The Nominations and Remuneration Committee may commission any study, survey and/or advice that it sees fit to assist in its consideration of any matter.
- 4 Membership**
- 4.1 Members of the Nominations and Remuneration Committee shall comprise members of the Board appointed by the Board, a majority of whom, shall, wherever possible, be independent directors.
- 4.2 The Committee will be structured to ensure that, as a collective group, it has the skills, experience and knowledge to fulfil its role and responsibilities. The Committee may, from time to time, co-opt external experts if the Committee believes this would assist the Committee to discharge its responsibilities.
- 4.2 The Board shall appoint a Chairman from members of the Nominations and Remuneration Committee.
- 4.3 The appointment and removal of the Nominations and Remuneration Committee members shall be the responsibility of the Board.
- 4.4 The Company shall identify the members of the Nominations and Remuneration Committee on its website and each year in its annual report.
- 5 Attendance**
- 5.1 The Nominations and Remuneration Committee may invite an adviser (or advisers) to attend meetings of the Nominations and Remuneration Committee to provide information and assistance to the Nominations and Remuneration Committee as required.
- 6 Secretarial and Meetings**
- 6.1 The secretary is responsible, in conjunction with the Committee Chairman, for co-ordination of all Committee business including meeting scheduling, agendas, papers, minutes, Charter and policy reviews and communication with the Board and auditors.
- 6.2 A quorum of members of the Nominations and Remuneration Committee shall be a majority of members.
- 6.3 The Nominations and Remuneration Committee may have in attendance such members of management and such other persons including external advisers, as it considers necessary to provide appropriate information and advice.
- 6.4 All directors shall be entitled to attend meetings of the Nominations and Remuneration Committee by standing invitation provided that executive directors, including the CEO, shall not be entitled to attend meetings where they are conflicted for personal reasons. Employees shall only be entitled to attend meetings of the Nominations and Remuneration Committee at the invitation of the Nominations and Remuneration Committee.
- 6.5 Any person may be asked to leave the meeting at the Chair's discretion.
- 6.6 Reasonable notice of meetings and the business to be conducted shall be given to the members of the Nominations and Remuneration Committee and all other members of the Board and to such other persons as the Board directs.

- 6.7 From time to time the Chairman of the Nominations and Remuneration Committee shall be entitled to request that the Nominations and Remuneration Committee meet without the presence of a particular Director.
- 6.8 The agenda and Committee papers will be prepared and circulated to all Directors including members of the Nominations and Remuneration Committee prior to the meetings.
- 6.9 Meetings shall be held at least once per year having regard to when director and executive remuneration is due for review in terms of the Group's remuneration policies. Any member of the Nominations and Remuneration Committee including the CEO may request a meeting at any time if they consider it necessary.
- 6.10 Proceedings of all meetings will be in accordance with the Constitution and otherwise as determined by the Chairman of the committee
- 6.11 Minutes of all meetings shall be kept.

## **7 Authorities**

- 7.1 The Nominations and Remuneration Committee will make recommendations to the Board on all matters requiring its decision. The Nominations and Remuneration Committee does not have the power or authority to make a decision in the Board's name or on its behalf. The Board will consider the Nominations and Remuneration Committee's recommendations in formulating its recommendations regarding director remuneration packages to shareholders.
- 7.2 In accordance with Section 3 above, the Nominations and Remuneration Committee is authorised by the Board, at the Group's expense, to obtain such outside legal or other independent information and advice including market surveys and reports, and to consult with such management and executive search consultants and other outside advisers with relevant experience and expertise, as it thinks necessary for carrying out its responsibilities.
- 7.3 The Nominations and Remuneration Committee may delegate any of its responsibilities to the Chairman of the Nominations and Remuneration Committee from time to time and on such conditions as the Nominations and Remuneration Committee considers appropriate.
- 7.4 The Nominations and Remuneration Committee is authorised by the Board to investigate any activity covered by its role.
- 7.5 The Nominations and Remuneration Committee members may communicate with any Company employee to seek any information they require in order for the Nominations and Remuneration Committee to carry out its role.

## **8 Review of the Nominations and Remuneration Committee**

- 8.1 The Nominations and Remuneration Committee will undertake an annual self-review of its objectives and responsibilities. Such objectives and responsibilities will also be reviewed (as against the Nominations and Remuneration Committee Charter) by the Board, the CEO and any other person the Board considers appropriate.

## **9 Reporting Procedures**

- 9.1 After each Nominations and Remuneration Committee meeting the Chairman will report the Nominations and Remuneration Committee's findings and recommendations to the Board.
- 9.2 The minutes of all Nominations and Remuneration Committee meetings will be circulated to members of the Board. Extracts from the minutes will be made available to such other persons as the Board directs, as may be necessary to enable them to properly carry out their functions.

9.3 The Chairman will present an annual report to the Board summarising the Nominations and Remuneration Committee's activities during the year and any related significant results and findings.

10 **Accountability to the Board**

10.1 This Charter has been approved by the Nominations and Remuneration Committee and the Board. The Nominations and Remuneration Committee reviews the Charter annually and recommends any proposed changes to the Board for approval.

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Policy owner	Chief Financial Officer

## APPENDIX E: HEALTH, SAFETY AND RISK COMMITTEE CHARTER

### 1 Constitution

The Health, Safety and Risk Committee (the Committee) shall be a committee of the Board of New Zealand King Salmon Investments Limited (the Company).

### 2 Purpose

2.1 The purpose of the Health, Safety and Risk Committee is to:

- (a) assist the Board to provide leadership and policy for health and safety;
- (b) assist the Board to fulfil its responsibilities and to ensure compliance with all legislative and regulatory requirements in relation to the health and safety practises of the Company as those activities affect employees and contractors;
- (c) support the ongoing improvement of health and safety in the workplace; and
- (d) Ensure and overview the identification of risk to the company's operations, financial and non-financial, plus mitigation measures in place and such further measures to be enacted so as risk is managed to as satisfactory level as practical.

### 3 Duties and Responsibilities

3.1 The Committee does not take actions or make decisions on behalf of the Board. The Board has delegated certain functions to the Committee which is responsible for, among other things:

- a) reviewing and, if necessary, amending the health and safety policies of the Company;
- b) monitoring the Company's compliance with health and safety legislation and regulatory requirements and the reporting of accidents, incidents and issues;
- c) setting health and safety targets in consultation with the Board and assessing performance against those targets;
- d) seeking assurance that the Company is effectively structured to manage health and safety related risks, including having competent staff, adequate communication procedures and proper documentation;
- e) reporting to the Board quarterly on health and safety matters affecting the Company and at other times as determined by the Health, Safety and Risk Committee or as directed by the Board;
- (f) reviewing all health and safety incidents that meet the definition of serious harm under the Health and Safety at Work Act 2015 occurring across the Company and considering appropriate action and recommendations to be made to the Board to minimise the risk of recurrence;
- (g) setting a risk management and reporting framework for the Company that outlines the process in place to identify and manage risks;
- (h) ensuring that the employees and assets of the Company are protected by appropriate health and safety equipment;
- (i) receiving from Management a six monthly report in relation to the operation of the risk management framework and on all risks identified both internally and by external experts;

- (j) the report shall set out the likelihood of occurrence for each risk and rating the consequence should such a risk occur. The report should also advise on the mitigations in place, those additional mitigations identified and the sensibility, cost and time recommended for implementation and how these risks are being managed under the risk management framework.
- (j) the Committee will report to the full Board on the changes to the risk profile for the Group and will include detail on two of the top 10 risks (on a consecutive basis) for Board consideration.
- (k) reviewing the adequacy of the Group's insurance covers and ensuring that the Group is appropriately insured for potential risks;
- (l) identifying other situations or circumstances in which the Group may be materially risk and initiating appropriate action through the Board or the CEO.
- (m) regularly report to the Board on the operation of the Group's risk management and internal control processes;

#### **4 Membership**

- 4.1 The Committee will have at least two members of whom at least one must be independent.
- 4.2 The Committee will be structured to ensure that, as a collective group, it has the skills, experience and knowledge to fulfil its role and responsibilities. The Committee may, from time to time, co-opt external experts if the Committee believes this would assist the Committee to discharge its responsibilities.
- 4.3 The Board shall appoint a Chairman from among the members of the Committee. The Chairman is to be an independent director.
- 4.4 The appointment and removal of the Committee members shall be the responsibility of the Board.
- 4.5 The Company shall identify the members of the Committee on its website and each year in its annual report.

#### **5 Secretarial and Meetings**

- 5.1 The secretary of the Health, Safety and Risk Committee shall be appointed by the Board. The secretary is responsible, in conjunction with the Committee Chair, for co-ordination of all Committee business including meeting scheduling, agendas, papers, minutes, Charter and policy reviews and communication with the Board and auditors.
- 5.2 A quorum of members of the Health, Safety and Risk Committee shall be a majority of members.
- 5.3 The Health, Safety and Risk Committee may have in attendance such members of management and such other persons including external advisers, as it considers necessary to provide appropriate information and advice.
- 5.4 All directors who are not members of the Health, Safety and Risk Committee and employees shall only be entitled to attend meetings of the Health, Safety and Risk Committee at the invitation of the Health, Safety and Risk Committee.
- 5.5 Any person may be asked to leave the meeting at the Chair's discretion.

- 5.6 Reasonable notice of meetings and the business to be conducted shall be given to the members of the Health, Safety and Risk Committee and all other members of the Board.

Meetings shall be held at least once per year without the CEO or management being present.

Any member of the Health, Safety and Risk Committee may request a meeting at any time if they consider it necessary.

- 5.7 The Health, Safety and Risk Committee will convene a meeting if the auditor so requests.
- 5.8 Proceedings of all meetings will be in accordance with the Constitution and otherwise as determined by the Chairman of the Committee.
- 5.9 Meeting agendas and minutes will be distributed to all Board members regardless of whether they are members of the Committee.
- 5.10 Minutes of all meetings shall be kept

## 6 Authorities

- 6.1 The Committee will make recommendations to the Board on all matters requiring its decision. The Committee does not have the power or authority to make a decision in the Board's Company Name or on its behalf.
- 6.2 The Committee is authorised by the Board, at the Company's expense, to obtain such outside legal or other independent information, and to consult with such management and outside advisers with relevant experience and expertise, as it thinks necessary for carrying out its responsibilities.

## 7 Review of the Health, Safety and Risk Committee

- 7.1 The Committee will undertake an annual self-review of its objectives and responsibilities. Such objectives and responsibilities will also be reviewed (as against the Committee Charter) by the Board and any other person the Board considers appropriate.

## 8 Reporting Procedures

- 8.1 As soon as practicable after each Committee meeting the Committee will communicate its findings and recommendations to the Chairman of the Board.
- 8.2 The minutes of all Committee meetings will be circulated to members of the Board. Extracts from the minutes will be made available to such other persons as the Board directs, as may be necessary to enable them to properly carry out their functions.

## 9 Accountability to the Board

- 9.1 This Charter has been approved by the Committee and the Board. The Committee reviews the Charter annually and recommends any proposed changes to the Board for approval.

### Document Review:

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Next review date	30 June 2020
Policy owner	Chief Financial Officer

## APPENDIX F: DIVERSITY POLICY

### 1 POLICY STATEMENT

New Zealand King Salmon Investments Limited and its subsidiaries (NZKS, the Company) have and seeks a diverse workforce. The Company strives to ensure that the contribution of every individual is maximised in order to create a dynamic and high performing workforce.

Legislatively it is incumbent on us, as an employer, to ensure that our team members are not discriminated against on the grounds of their diversity. From a business perspective, we understand that by focusing our practices on the recruitment and retention of team members based on their capabilities and skills sets, we broaden our talent pool. This enables us to achieve a competitive advantage through a diversity of thinking and decision making, and a better understanding our broad-ranging customers and stake-holders.

By recognising and valuing the different skills, experiences and perspectives our team members bring to our organisation, we can ensure everyone has the opportunity to contribute to the success of NZKS. This policy outlines NZKS's commitment to developing a culture of inclusion across our whole organisation, which embraces the diversity of our team members.

### 2 OBJECTIVES

This policy aims to ensure initiatives within our business, which drive a culture of inclusion, form the basis of the way we work. This is achieved through

- (a) the identification of barriers which perpetuate inequality, and the removal of these through initiatives within our policies and practices
- (b) a commitment to equal opportunities by ensuring access to development and advancement is merit based
- (c) attaining diversity within our teams at board and senior management levels
- (d) ensuring all team members understand the importance of the Way we Work, and incorporate these behaviours of value and respect into their daily actions
- (e) the setting of measurable objectives by the Board to be implemented by Management through monitoring, reporting, and reviewing our practices to ensure we keep up to date with current legislation, and that we are following best practice in this area.

### 3 DEFINITIONS

The following definitions are applied for the purposes of this policy

Diversity – Individual differences in relation to, but not limited to, gender, age, ethnicity, cultural identification, sexual orientation, family status

Culture of Inclusion – An organisational culture in which all individuals are valued and respected, have equal opportunities, and can contribute fully to the success of the organisation

Discrimination – conduct which is likely to result in less favourable treatment, or create a less favourable environment, for any person/group than for another under similar circumstances by any of the following prohibited grounds (under the Human Rights Act 1993)

1. Sex (including pregnancy and childbirth)
2. Marital status
3. Religious belief
4. Ethical belief
5. Colour
6. Race
7. Ethnic or national origins
8. Disability

9. Age
10. Political opinion
11. Employment status
12. Family status
13. Sexual orientation

#### **4 RESPONSIBILITIES**

This policy applies to members of the Board, all team members of NZKS, and any individual who undertakes voluntary work with NZKS, and contractors within our business.

##### **NZKS Board Members**

Review this policy annually, along with related objectives and initiatives.

##### **Senior Leadership Team (SLT)**

Provide leadership to the wider organisation on NZKS's approach to diversity and inclusion.

##### **Managers**

Understand the objectives of this policy, and the approach to diversity and inclusion set out within it. Lead by example to ensure integration of inclusive culture across the business.

##### **Human Resources Team**

Monitor, and review practices and initiatives around diversity. In conjunction with SLT, set measurable objectives and initiatives, and report to the Board annually on progress being made.

##### **Team Members**

Understand the objectives of this policy, the importance of diversity and inclusion, and how to integrate this into daily actions.

#### **5 DIVERSITY AND INCLUSION IN PRACTISE**

##### **Recruitment**

NZKS has a robust recruitment policy which ensures we are drawing candidates from the widest talent pool, to attract the right people to the right positions within our organisation. All candidates are evaluated against a detailed Job Description which clearly outlines the tasks involved, and the skills, attributes and qualifications required. This aims to reduce unconscious bias during the recruitment process, by providing a merit-based structure to follow.

##### **Performance Appraisal**

Our annual performance review cycle provides an opportunity for team members to focus on key achievements, and in conjunction with their Managers set Key Performance Indicators which align to our company strategy. This allows unbiased feedback on individual performance, mitigating the risk of unconscious bias through our review process.

In addition to required skills and measurable outcomes, we also place a high importance on the behaviours of our team members. We encourage and reward those exhibiting with the behaviours outlined by our Way we Work philosophy, which places emphasis on value and respect for all.

##### **Development**

Our commitment to the continuous development of our team ensures NZKS has individuals with the right skills in the right role. This also provides an equitable opportunity for career advancement to all team members.

##### **Remuneration**

NZKS uses the Strategic Pay 10 factor system to evaluate all salaried positions. This provides an objective structure for salary banding which focuses on key components of roles within our organisation. From this a salary range is established, which allows movement within each band on a merit-based system.

### **Harassment and Discrimination Policy**

Our Harassment and Discrimination Policy outlines our commitment to providing a safe, inclusive environment. The aim is to ensure all team members understand the impact words and actions can have on others, that they feel free from harassment or discrimination while at work, and also are comfortable and supported raising issues of this nature should they arise.

### **Flexible Working**

Recognising the changing face of our workforce means also looking at how we can move from traditional work patterns to those which accommodate our diverse team. Amendments to the Employment Relations Act (2007) outline the requirements of employers to consider all requests for flexible working arrangements. From a business perspective. Offering flexible work arrangements can assist with retention of key team members when personal circumstances change. NZKS understands how this can increase staff morale and engagement, and where possible, offers flexible working arrangement such as job splits, part-time work, and remote working.

### **Measurable objectives**

The objectives set by the Board are available on the Company's website. The Board will report on its progress to achieving the objectives each year in the annual report to shareholders.]

## **6 MONITORING AND REVIEWING**

This policy outlines the commitment of NZKS to creating an inclusive culture throughout the organisation, and the benefits this creates for our diverse workforce. To maintain and build on what has already been achieved, the Human Resources team will undertake annual reviews of our policies and practices in relation to diversity and inclusion, and report to the Board on the progress being made, and areas for improvement. Following on from this the Board may review this policy, and related objectives and initiatives as appropriate.

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Policy owner	Chief Financial Officer

## APPENDIX G: SHAREHOLDER COMMUNICATIONS AND MARKET DISCLOSURE POLICY

New Zealand King Salmon Investments Limited (the Company) is committed to providing a high standard of communication to its shareholders and other stakeholders. The Company believes effective communication is achieved by providing equal access to timely, accurate and complete information.

The Company is listed on NZX's Main Board and on ASX as a Foreign Exempt Listing. The Foreign Exempt Listing status requires the Company to comply with the NZX Listing Rules (the NZX Rules), and only a small number of ASX's Listing Rules.

In addition to fully meeting these reporting obligations, the Company is also committed to providing comprehensive information to shareholders and other stakeholders to ensure they have available all information they reasonably require in order to make informed assessments of the Company's value and prospects.

### 1 COMMUNICATION

To ensure shareholders and other stakeholders have access to relevant information the Company will:

- Ensure shareholders are appropriately informed on the Company's results, operations and other material information;
- Produce an annual report that includes all information required by law, and also includes sufficient meaningful information to enable shareholders and stakeholders to be well informed on the affairs of the Company;
- Make available to shareholders a copy of the Company's annual report and interim results at no charge whether they choose to receive these documents electronically or in printed form; and
- Maintain a website ([www.kingsalmon.co.nz](http://www.kingsalmon.co.nz)), ensuring it contains up-to-date and complete information, including:
  - A comprehensive set of investor-related information and data including NZX and media releases, interim results and annual reports, investor presentations and webcasts, share price information, dividend histories, shareholder meeting materials and such other material as demonstrates best practice in investor communications; and
  - Governance related material including the Company's major policies and director and management information.

Shareholders who have provided the Company with an email address will be sent an annual report and interim results electronically unless they expressly opt to receive hard copy reports. Email will be used for a range of other communications that will enable shareholders to keep up to date on the Company's announcements and performance.

The Company will also have an ongoing programme aimed at building understanding and appropriate measurement of the Company's performance among investors and analysts through:

- Dialogue with management;
- Briefings for results and announcements that allow analysts to ask questions of management;
- Visits to operations; and
- Opportunities to meet with directors.

### 2 SHAREHOLDER MEETINGS

The Board values the opportunity to give comprehensive yet accessible interim results and full year reports to shareholders and to meet with them annually. Shareholder meetings are an important opportunity for the Company to inform shareholders of company information and for shareholders to express their views to the Board and senior management.

Shareholder meetings will be held in New Zealand at a time and location which will aim to maximise participation by shareholders.

The format for annual meetings will generally include:

- The use of audio/visual media to support presentations;
- Adequate opportunity to ask questions during the meeting;
- The presence of senior management, legal advisors and external auditors to assist in answering questions raised by shareholders; and
- An opportunity at the conclusion of the meeting for shareholders to meet with directors and senior management to informally discuss matters of interest.

### **3 MARKET DISCLOSURE**

The Company is committed to ensuring compliance with the general and continuous disclosure obligations contained in the NZX Listing Rules (the NZX Rules). The Company's procedures are designed to ensure disclosure of material information is made to ensure that:

- A fully informed market is maintained through effective communication with NZX, shareholders, investors, analysts, media and other stakeholders; and
- All stakeholders have equal and timely access to information about the Company that is factual and presented in an accurate, balanced, meaningful and consistent way.

The Company will notify the market of any material information related to its business other than where an announcement is not required under the exclusions provided in the NZX Rules and the Company chooses not to disclose the 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 the Company's securities. The information must relate to particular securities, a particular issuer, or particular issuers, rather than to securities generally or issuers generally.

Accountability for compliance with disclosure obligations is with the CEO and CFO, together the Disclosure Committee (the Committee). The Committee assesses information materiality based on its knowledge of the business, against measures appropriate to the business and with regard to the guidance provided by NZX and ASX.

The Committee may refer any matter which it considers may be material information to the Chair of the Audit and Finance Committee for consideration as to whether disclosure is required. The Committee may also seek external advice.

In order to ensure that the Committee is made aware of all potentially material information as soon as possible, the Company will establish escalation principles, together with supporting practices to embed those escalation principles throughout the business. The Company will regularly review and, if necessary, amend its escalation principles and supporting practices to ensure the objective of timely notification of material information is achieved.

Where information is considered for disclosure and a decision is made not to disclose, the reasons for that decision will be documented.

Significant market announcements, including the preliminary announcement of the half year and full year results, the financial statements for those periods, dividends, the acquisition or divestment of assets and any advice of a change in earnings forecast are required to be approved by the Board.

Directors consider at each Board meeting whether there is any material information which should be disclosed to the market.

The CFO is responsible for all communication with NZX and ASX. Once a release is approved by the Board the CFO shall lodge the release with NZX and ASX. The release will be sent to the Company's investor contacts only once released by NZX.

The CFO will arrange any training for the officers and employees to assist with their understanding of the Company's and their own obligations relating to identifying material information, the protocols for its disclosure and ensuring compliance with this policy. **4 AUTHORISED SPOKESPERSONS**

The Company has authorised spokespersons to speak on behalf of the Company in order to ensure consistent information is released. These authorised persons are:

- Chairman of the Board
- CEO
- Chief Financial Officer

The authorised persons are the only points of contact for investors and media. No other employee, contractor or adviser should be approached for comment by media, analysts or any other person. The CFO is to be advised of any such requests.

The Chairman or the CEO may authorise other spokespersons on specific matters. A written authority and guidelines for appropriate communication will be provided.

Other than approved spokespersons, no employee, contractor or adviser is permitted to comment publicly on undisclosed material information. Any information that is not public should be treated by employees, contractors and advisers as confidential.

## **5 ANNOUNCEMENTS**

Once the requirement to disclose information has been confirmed, the release will be issued by the CFO (or his or her nominee) promptly and without delay. The disclosure will first be lodged with NZX and ASX. Only after it has been released will the information be publicly distributed and published on the Company's website.

If an announcement is undertaken jointly with another party, the Company will ensure the other party has the opportunity to review and comment on the release and fully understands the requirement for an agreed and managed process for the release of the announcement to ensure the Company is able to meet its disclosure obligations.

## **6 MEDIA SPECULATION AND USE OF SOCIAL MEDIA**

Media is considered to be all forms of media, including news services, social media and internet sites.

The Committee, are responsible for the Company's obligations to release material information to the NZX and ASX necessary to prevent development or subsistence of a market for its quoted securities which is materially influenced by false or misleading information from the Company or other persons or circumstances which would give such information substantial credibility.

Except as required above, the Company will generally not comment on media speculation and rumours. Should NZX or another regulator require a formal response from the Company or should the Committee determine that previously undisclosed confidential information is no longer confidential, a statement may be released.

The Company's employees, contractors and advisers must not participate in unauthorised social media discussions of any form where the subject matter relates to the Company. Where use of social media is sanctioned by the Company and is part of a business function or marketing activity an authority to participate will be provided by the CEO or CFO together with appropriate use guidelines.

## **7 TRADING HALTS**

If considered necessary to ensure trading is conducted in an orderly manner, the Committee will request a trading halt from NZX and ASX in order to manage disclosure matters.

## **8 INVESTOR AND MEDIA RELATIONS PROGRAMME**

The Company recognises that a robust investor and media relations programme is a core component of the framework it applies to meet its disclosure obligations. The programme is based on the practices of timely, consistent and even-handed communication.

Reasonable requests from stakeholders will be responded to on a timely basis.

Material information will not be disclosed to any party prior to its release to NZX and ASX. Should non-public information be inadvertently disclosed, the Committee will be advised and consider whether a disclosure should be released.

Key events such as results briefings, the annual shareholder meeting and investor presentations will either be webcast or recorded. The webcast, recording or a transcript will be available on the Company's website for a period of three years. Notes will be kept of all investor meetings and briefings that are not webcast or recorded or where a transcript is not available. Events that are to be webcasts or recorded will be advised to the market to allow interested parties to participate. Presentation materials for these events will be lodged with NZX and ASX and will be made available on the Company's website.

## **9 RESULTS REPORTING**

The Company will hold a conference call when interim and annual results are released to the market. Meetings with investors will generally be held within a week of results being released.

The time between the end of the first half of the financial year or the end of the financial year and the release of the results is considered a blackout period. During a blackout period the Company may hold investor meetings to discuss its strategy and publicly available information relating to its operations however there will be no discussion with any third party regarding the Company's financial performance, any financial results-related information or broker forecasts or forecast ranges for that period.

## **10 COMPANY WEBSITE**

The Company's website provides an important channel for communicating with its stakeholders. The investor section of the website will contain information relevant to investors and other stakeholders including:

- Annual report and interim results releases
- Annual meeting materials
- NZX and ASX releases
- Governance-related information
- Investor presentations
- Company profile information
- Share price and dividend history

The website content will be reviewed twice yearly to ensure it remains current. A policy of archiving or removing material more than three years old will be applied.

## **11 ANALYSTS FORECASTS**

The Company will monitor analyst forecasts in order to inform the Board of the market's expectations for financial and operational performance.

The Company will generally not comment on individual or the average of analysts' forecasts or expectations. Any comment to individual analysts on their financial or non-financial forecasts will be restricted to reiterating public information or correcting factual errors.

If the Company becomes aware that the market's expectations of financial performance is materially different from its own, the Board may choose to issue earnings guidance or make a public statement.

## **12 BREACHES OF POLICY**

Any breach of this policy must be immediately reported to the Chief Financial Officer or the Chair of the Audit and Finance Committee.

## **13 REVIEW**

The Audit and Finance Committee will review this policy at least every two years and recommend any proposed changes to the Board for approval.

### **Document Review:**

Final approved	19 June 2019
Effective date	30 June 2019
Owner	Board of Directors
Next review date	30 June 2020
Policy owner	Chief Financial Officer

## APPENDIX H: DIRECTOR'S LETTER OF APPOINTMENT

### New Zealand King Salmon Investments Limited Director's Letter of Appointment

[DATE]  
[DIRECTOR]  
[ADDRESS]

Dear

I am pleased to confirm an invitation to you for an appointment as a non-executive director ("Director") to the Board of New Zealand King Salmon Investments Limited (the Company).

For your benefit I have detailed below the formal terms and conditions that apply to the position of Director.

#### 1. Term of appointment

The term of appointment commences on the date of your consent to act as a Director. Continuation of your contract of appointment is contingent on ongoing satisfactory director performance and re-election at the next Annual Shareholders' Meetings which will be held on [DATE] at [VENUE].

The first Board meeting which you will be required to attend will be held at the Company's offices at 93 Beatty St, Nelson on [ ] commencing at XX at XX. You will receive the Board papers for that meeting on [ ].

#### 2. Board committees

The Board has three constituted committees:

- Audit & Finance Committee
- Nominations and Remuneration Committee
- Health, Safety and Risk Committee

From time to time the Board may request you to participate in, or remove you from, the Board committees. Participation is subject to your agreement. I propose to recommend to the Board you are appointed to the [ ] Committee.

#### 3. Time commitment envisaged

Overall I anticipate an ongoing time commitment of two days per month. This will include attendance at a minimum of XXX Board meetings, the Annual Shareholders' Meeting, at least two to three strategy days, and, where appropriate, visits of an educational nature to the Company's locations. Your membership of a Board committee will also require your participation at those meetings. In addition, you will be expected to spend appropriate preparation time ahead of each meeting.

By accepting this appointment, you have confirmed that you are able to allocate sufficient time to meet the expectations of your role. Additional outside commitments should be discussed with the Chair prior to acceptance to avoid any potential conflicts arising that might affect the time you are able to devote to your role as a non-executive director of the Company.

#### 4. Powers and duties of Directors

The management and control of the business of the Company is vested in the Board by the Companies Act 1993. The Board's duties include, among other things, setting the Company's strategy, the appointment of the CEO, approval of financial statements, approval of the business plan and the budget, approval of financial policies, review of operating results, oversight of risk management, ensuring the effectiveness of governance practices, succession planning and approving significant capital expenditure.

As a Director of the Company, you will be expected to participate and contribute to these matters.

The Board has delegated responsibility for the management of the Company through the CEO to his or her direct reports.

As a Director of the Company you are required to comply with the Company's Constitution and all relevant legislation and regulations in New Zealand as applicable from time to time.

## **5. Remuneration and other benefits**

The level of remuneration payable to you will be in accordance with the fees schedule set by the

Board based on a fee pool approved by shareholders. At present the base non-executive director's gross fee is NZ\$[ ] per annum. Additional fees are payable for participation on committees. Members of the [ ] Committee receive an additional gross fee of [ ] per annum.

Fees (less any applicable New Zealand withholding tax) are paid monthly. In the event that you hold office for part of a year, fees will be pro-rated accordingly.

The Company does not provide superannuation arrangement or retirement allowances to non-executive directors.

The Company will reimburse you for all reasonable and properly documented expenses you incur in performing the duties of your office.

## **6. Outside interests**

It is accepted and acknowledged that you have business interests other than those of the Company and must declare any conflicts that are apparent at present. In the event that you become aware of any potential conflicts of interest these should be disclosed to the Chair as soon as apparent.

## **7. Confidentiality**

All information acquired during your appointment is confidential to the Company and should not be released, either during your appointment or following termination (by whatever means), to third parties without prior clearance from me.

Your attention is also drawn to the requirements under New Zealand legislation and regulations as to the disclosure of price sensitive information together with Company policy regarding authorised spokespeople. Consequently you should avoid making any statements that might risk a breach of these requirements without prior clearance from me.

## **8. Induction**

The Company will provide a comprehensive, formal and tailored induction that will include:

- (a) meetings with the CEO;
- (b) one-on-one meetings with key members of management; and
- (c) site visits.

The Chief Financial Officer will also provide you with an induction pack of information concerning the Company. You should feel free to request any further information which you require either from me, or from the Chief Financial Officer, at any time.

## **9. Review process and continuing education**

The performance of individual directors, the whole Board and its committees is evaluated regularly. If there are any matters which cause you concern about your role you should discuss them with the Chair as soon as is appropriate.

You agree that you will participate in continuous improvement programmes from time to time determined by the Board as being appropriate for Directors, at the expense of the Company.

## **10. Other support**

Occasions may arise when you consider that you need professional advice in furtherance of your duties as a Director. Circumstances may occur when it will be appropriate for you to seek advice from independent advisors at the Company's expenses. Copies of this advice will be made available to, and for the benefit of,

all Board members, unless the Chair agrees otherwise. The Board's agreed procedure under which Directors may obtain such independent advice is outlined in 'Board policy on independent professional advice.'

### **11. Notification of personal interests and independence**

NZX Listing Rules and ASX Listing Rules (Exchange Rules) require the Company to disclose certain information about you. Filings concerning you must also be made with various Government authorities. You agree that you will provide to the Chief Financial Officer promptly (and within required timeframes for filing that information) all information about you which may be required for this purpose.

I understand you to meet the definition set out in the Board Charter and the Exchange Rules of an independent director. The Board will conduct a regular review of the independence of each of the Directors, based on information provided to it by the Directors however should your status change you must immediately notify the Chief Financial Officer.

### **12. Trading in the Company's securities**

It is important that you understand that you will be a Restricted Person [or Insider] as defined in the Securities Trading Policy and will be required to obtain the consent of the Chair before dealing in the Company's securities. You must not, in any circumstances, deal in the Company's securities while you possess "inside information" as defined in the Financial Markets Conduct Act 2013 or "Material Information" as defined in the NZX Listing Rules.

A copy of the Securities Trading Policy is included in the Corporate Governance Code that will be provided to you.

### **13. Indemnity and insurance**

The Chief Financial Officer will provide you with a copy of the Directors' Deed of Indemnity. By agreeing to be appointed as a Director you will agree to be bound by the terms of the Deed of Indemnity.

The Chief Financial Officer will also provide you with a copy of the Directors' and Officers' insurance policy. This policy will be extended to you from the date of your appointment.

### **14. Code of Ethics**

The Company has developed a Code of Ethics. Please sign the attached Code and return.

### **15. Disclosure and compliance**

You must disclose to the Company all information required to enable the Company to comply with the requirements of NZX Listing Rules, the Companies Act 1993 and any other relevant legislation or regulation. On an ongoing basis you are required to promptly provide the Company with details of any securities that you, your spouse, minor children and entities associated with you or any of them have in the Company. You may only trade in Company securities in accordance with the Company's Securities Trading Policy. The obligations in respect of Company securities continue for a six-month period following your ceasing to be a Director.

### **16. Vacation of office**

You may cease to hold office as a Director:

(a) at any time that you resign by written notice. It is desirable that you give the Chair reasonable forewarning of any intention to resign or to not seek re-election where that is possible so that the Company can plan for succession of skills and experience;

(b) in accordance with the law or the Company's Constitution.

### 17. Announcement of your appointment

I will seek your clearance of an announcement to NZX and ASX and media of your appointment to the Board. This announcement will be made as soon as our Chief Financial Officer receives a signed copy of this letter and the other director consent forms from you.

The Company' governance pack, which includes the Constitution, charters and policies, will be provided to you.

Please direct any enquiries to the Chief Financial Officer but also feel free to call me if you would like clarification on any general matters.

I look forward to welcoming you to the Board.

Yours sincerely  
[ ]

Chair

I have read and accept the terms of appointment as set out in this letter

Signed: \_\_\_\_\_

Name: [ ]

Date: [ ]

## APPENDIX I: EXTERNAL AUDITOR INDEPENDENCE POLICY

### 1. Introduction

This is a Board approved governance policy. The approach to corporate governance in New Zealand King Salmon Investments Limited (“the Company”) is set out in the Board and Board Committee charters and related documents.

### 2. Policy statement

The objective of this policy is to ensure that audit independence is maintained, both in fact and appearance, such that the Company’s external financial reporting is viewed as being highly reliable and credible.

### 3. Background

Oversight of the Company’s external audit arrangements is the responsibility of the Company’s Audit and Finance Committee. Ensuring that external audit independence is maintained is one of the key aspects in discharging this responsibility. This formal External Auditor Independence Policy has been adopted by the Committee to meet this requirement.

- The policy covers the following areas
- Approval of external auditor;
- Provision of other assurance services by the Company’s external auditors;
- Pre-approval process;
- External auditor rotation;
- The hiring of staff from the external audit firm; and
- Relationships between the external auditor and the Company.

### 4. Approval of external auditor

The Audit and Finance Committee shall only recommend to the Board an external audit firm if that firm:

- would be regarded by a reasonable investor with full knowledge of all relevant facts and circumstances as capable of exercising objective and impartial judgement on all issues encompassed within the auditor’s engagement;
- has not, within two years prior to the commencement of the audit, had as a member of its audit engagement team the Company’s Chief Executive Officer, Chief Financial Officer, or any member of the Company’s management who act in a financial oversight role;
- does not allow the direct compensation of its audit partners for selling non-audit services to the Company.

### 5. Provision of other assurance services by the Company’s external auditors

The guidelines that follow are designed to ensure that related assurance and other services provided by the Company’s auditors are not perceived as conflicting with the independent role of the auditor.

The general principles to be applied in assessing the acceptability of related assurance and other services are as follows:

- The external auditor should 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 the provision of valuation services where such valuation forms an input into audited financial information; it also includes the design or implementation of financial information systems;

- The external auditor should not perform any function of management, nor be responsible for making management decisions. This includes responsibility for the performance of internal audit functions;
- The external auditor should not be an advocate of the company. This includes being a promoter of the Company's shares or legal advocacy.

### **Services permitted to be performed**

The Audit and Finance Committee must pre-approve all audit and related assurance services provided by the external auditor, except those for less than \$10,000 total fee, which can be approved by the CEO or Chief Financial Officer and then reported to the Committee at its next meeting.

Audit Services including:

- Statutory audits of the financial statements of the company and any subsidiary or affiliate required to be audited for the auditors to render an opinion with respect to the audit of the consolidated financial statements of the company;
- Limited reviews of the half year results and financial position of the company;
- Consultations with management as part of the annual audit as to the accounting or disclosure treatment of transactions or events and/or the actual or potential impact of final or proposed rules, standards or interpretations by regulatory or standard setting bodies (including International Financial Reporting Standards);
- Procedures required to be performed by an independent auditor to be able to form an opinion on the consolidated financial statements;
- Engagements on internal controls for financial reporting and information systems reviews, performed in connection with the audit.

Audit-Related Services:

- General assistance with understanding auditing standards and applicable regulatory rules;
- Any procedures in relation to the annual Shareholders' meeting or any special meeting of shareholders;
- Consultations and recommendations in connection with internal control reporting requirements;
- Assessment of risk management controls;
- Information systems review not performed in connection with the audit and that will not be subject to audit procedures;
- Opening balance sheet audits of significant acquisitions which will be accounted for as a purchase transaction in the group financial statements;
- To the extent required as part of any restructuring of the company, any audit and/or review of carve out financial statements relating to acquisition or disposals in connection with the audit of the consolidated financial statements of the company;
- Assurance services with respect to specific requests or legal requirements such as compliance with banking covenants and/or review of employee and executive bonus entitlements (including agreed upon procedures in relation to banking covenant compliance);
- Due diligence review of prospective and other financial information as requested by the Board in connection with a public filing;
- Other audit-related services where the general principles outlined above are complied with and there is a clear cost/benefit advantage of using the incumbent audit firm through existing company knowledge and/or expertise.

Other Services. Consistent with the general principles as outlined above these include:

- Tax services:
  - Assistance with tax compliance assignments (direct and indirect taxation), where indirect taxes include GST, FBT, NRWT and payroll taxes;
  - Review of annual tax returns;
  - Assistance with IRD queries, requests for information, investigations and audits.

- Other services where the general principles outlined above are complied with and there is a clear cost/benefit advantage of using the incumbent audit firm through existing company knowledge and/or expertise.

### **Services not permitted**

It is not considered appropriate for the Company's auditors to provide:

- Book keeping/other services related to accounting records or financial statements;
- The design of financial information systems;
- Appraisal/valuation services/opinions as to fairness;
- Internal audit services;
- Legal services (these are services that could only be provided by a person who is qualified in law);
- Consultation with respect to tax structuring for acquisitions, divestitures, and financing arrangements;
- Tax planning advice;
- Management functions;
- Broker/dealer/investment adviser/investment banking services;
- Services of an expert as an advocate;
- Actuarial services;
- Assistance in the recruitment of senior management.
- Financial due diligence on prospective acquisitions or transactions that the company undertakes or may consider undertaking.

### **6. Billing Arrangements**

The billing arrangements for services provided by the Company's external auditors should not include any contingent fees (e.g. where a success fee is paid depending upon whether a transaction proceeds or not).

### **7. Other Procedural Requirements**

Regardless of the Company's policies, it is expected that the auditors will rigorously comply with their own internal policies on independence and all relevant professional guidance (including independence rules and guidance issues by the NZICA, NZX and ASX and the Securities and Exchange Commission).

While this policy does not prescribe any particular ratio of "other service" fees to audit fees, this ratio will be monitored by the Audit and Finance Committee. Accordingly, the nature of services provided by the Company's auditors and the level of fees incurred should be reported to the Audit and Finance Committee in detail at least annually to enable the Committee to perform its oversight role.

### **8. Pre-approval and disclosure of services**

All audit related and other services to be performed by the auditors require the specific preapproval of the Audit and Finance Committee.

Services permitted to be performed under this policy involving a total fee of less than \$10,000 can be approved by the Chief Executive or Chief Financial Officer. All such matters relating to approvals by the Chief Executive or Chief Financial Officer are to be reported at the subsequent Audit and Finance Committee meeting.

In providing approval the Audit and Finance Committee should ensure:

- The service does not give rise to any self-review or familiarity threat taking into account the safeguards in place.
- That all management decision making is retained by the Company.
- The service does not involve the auditor being an advocate of the company.

**Disclosure**

The Audit and Finance Committee should ensure transparency in reporting of all fees paid to the external auditors. As a minimum, fees should be disclosed under three categories of audit services, taxation and other, with further breakdown to be considered based on materiality as determined by the Audit and Finance Committee.

**9. External auditor rotation**

The recommendation of the continued appointment of the Company's external auditors is to be recommended annually by the Audit and Finance Committee to the Board prior to the Annual Meeting of Shareholders. A policy of regular rotation of the audit firm is not mandated.

Rotation of the Engagement and Quality Review audit partners of the Company will be required every five years.

Those partners will be subject to a cooling-off period following rotation of no less than two years.

All other audit partners will be required to rotate every seven years and will be subject to a cooling-off period of no less than two years.

**10. Hiring of staff from the external audit firm**

The hiring of any former audit partner or audit manager by the Company must first be approved by the Audit and Finance Committee. There are no other restrictions on the hiring of other staff from the audit firm.

**11. Relationship between the external auditor and the Company**

The auditors are required to confirm their independence and advise the amount of audit and non-audit fees to the Audit and Finance Committee annually.

**Document Review:**

Final approved	19 June 2019
Effective date	30 June 2019
Owner	Board of Directors
Next review date	30 June 2020
Policy owner	Chief Financial Officer