

Statement of Corporate Intent

Report to the shareholders of
CentrePort Limited for the Financial
Years Ended 30 June 2025 to 2027

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1 Introduction

This Statement of Corporate Intent (SCI) sets out the Board’s objectives for CentrePort and its subsidiaries (the CentrePort Group) for the year commencing 1 July 2024 and the following two financial years.

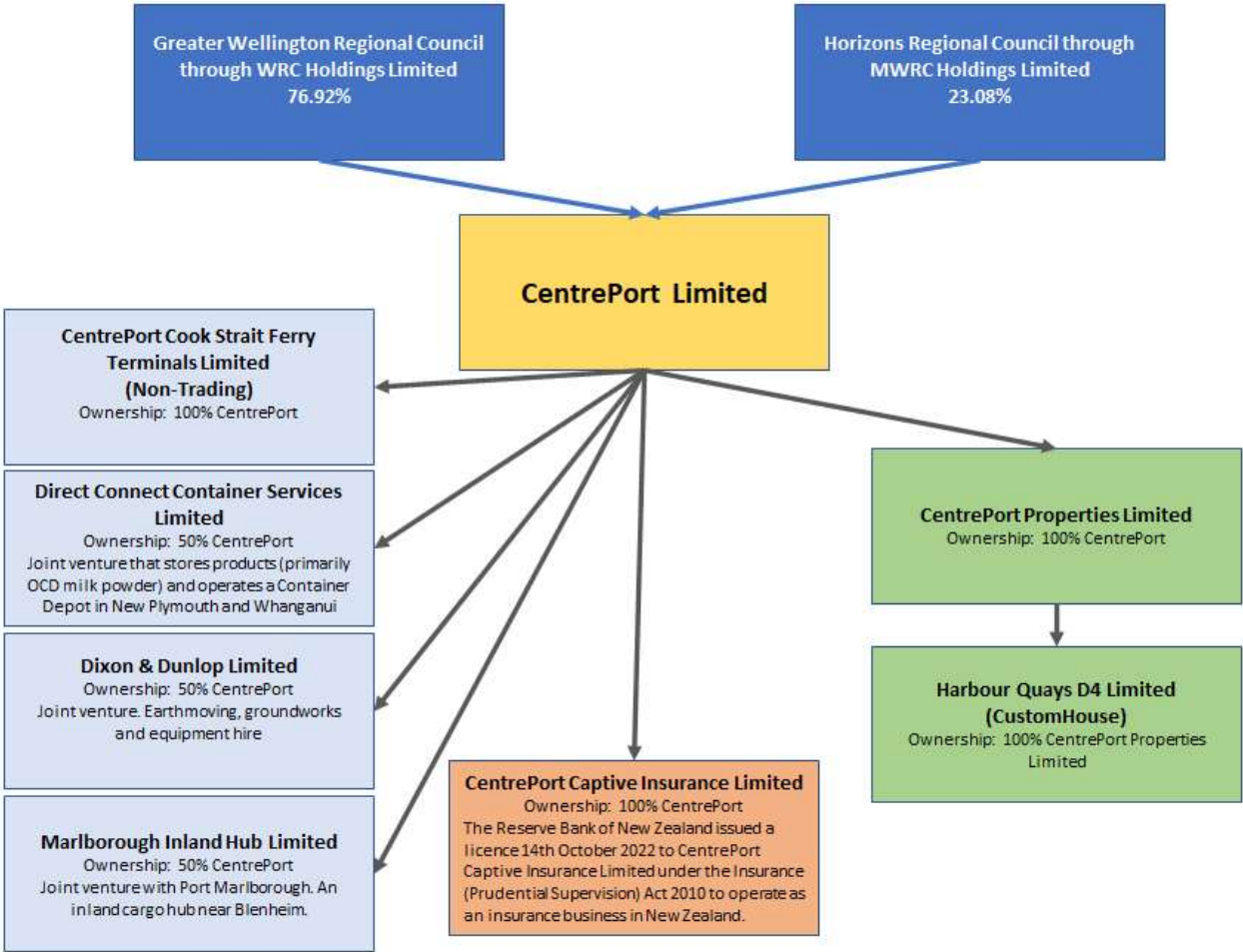
The SCI reflects the expectations set out by our Shareholder(s), notably our accountability to shareholders and associated KPIs.

About CentrePort

CentrePort Limited (CentrePort or the Company) is a port company that operates under the Port Companies Act 1988 and incorporated under the Companies Act 1993. This SCI has been prepared in accordance with the requirements of section 9 of the Port Companies Act 1988.

CentrePort Limited is 76.92 percent owned by Greater Wellington Regional Council (via WRC Holdings Limited) and 23.08 percent by Horizons Regional Council (via MWRC Holdings Limited).

The structure of CentrePort Group as at 30 June 2024 is as follows:



2 Purpose

CentrePort's purpose is to be "at the heart of connecting New Zealand's supply chain and transport system". Being at the heart we:

- are New Zealand's busiest port where we provide an intergenerational and resilient supply chain connection for all of New Zealand, and from New Zealand to the world;
- identify the needs of our people, our environments, our communities, and our customers to make investments that ensure our long-term sustainability as an essential lifeline;
- enable the prosperity of our regions by securing port development to facilitate economic growth and trade throughout the central region of New Zealand; and
- are focused on partnerships to enable our purpose and engage constructively with stakeholders.

We represent resilient, low emission, and efficient capacity in the New Zealand supply chain with the attitude and ability to adapt and grow to ensure we remain at the heart of connecting New Zealand's supply chain and transport system.

3 Nature and Scope of Activities

CentrePort provides the following services:

- CentreConnect multimodal services (road, rail and coastal) where we connect cargo owners to CentrePort via freight hubs in central New Zealand
- Marine services including pilotage and towage
- Container handling services, including a container repair and storage depot
- Break bulk and bulk cargo handling services
- Services and infrastructure to enable the supply of bulk fuel to the lower North Island
- Provision of infrastructure to support Cook Strait ferries
- Services to support the cruise industry
- Other port related services required to manage and operate a safe, secure and efficient port

4 Accountability

CentrePort will continue to target best practice governance standards (eight elements of effective governance), maintain robust processes to identify and manage risks including monitoring of legislative compliance and conflicts of interest, and operate on a "no surprises" basis by proactively reporting to shareholders. This will also be complimented through independent performance reviews of the Board and individual directors, including the Board Chair.

CentrePort will continue its open and collaborative approach with shareholders on Board recruitment and we will continue to proactively and constructively enhance our engagement with stakeholders in relation to strategic initiatives such as the Regional Economic Development Plan, the Multi-User Ferry Precinct, and the Inner Harbour Precinct.

5 Strategic Objectives

CentrePort's has four key strategic objectives, which focus on long-term resilience being embedded within the business and maintaining a culture of safety and efficiency. This aims to ensure CentrePort has capacity and capability for future growth as a critical part of New Zealand's supply chain and as a regionally strategic asset for the communities and customers of central New Zealand.

CentrePort's strategic objectives are:

1. Strengthening relationships and partnerships
2. Building a long-term sustainable and resilient business
3. Growing a safe and efficient freight capacity
4. Optimising land use and enabling city and regional integration.

6 Strategic Relationships

The Board and Management of CentrePort will continue to grow its relationships with mana whenua consistent with the principles of the shareholders' Māori Outcomes Framework, which includes partnering for prosperous Māori communities and engaging for equitable outcomes.

We are maintaining a strong relationship with Victoria University Masters students, which supports our commitment to protecting and enhancing the biodiversity of Wellington Harbour as these students focus on marine research. This relationship, alongside Greater Wellington Regional Council, will be a key part of a wider programme to build our collective knowledge, and that of the local community, of our marine environment and how we can support enhancement initiatives. CentrePort will also proactively collaborate with GWRC, local authorities, WellingtonNZ, and other stakeholders on the implementation of port and harbour related aspects of the Regional Economic Development Plan and the development of the Inner Harbour Precinct, along with seeking the continuation of the Future Ports Forum and its relationship to any ferry terminal development.

Following on from establishing initial partnerships with customers and stakeholders, CentrePort will continue to actively lead and seek partners to develop opportunities for green infrastructure to enable our customers to reduce their greenhouse gas emissions.

We will also seek medium and long-term commercial partnerships related to the port and freight sector, particularly those that are mutually beneficial and create efficiency and improved profitability. This will include continued investment in our wider regional relationships linked to our CentreConnect services and inland hubs and relationships which connect with relevant regional initiatives such as the Wellington Economic Development Plan.

7 CentrePort's Capitals

The opportunity to regenerate CentrePort following the 2016 Kaikoura earthquake with the people and port development is well advanced. CentrePort continues to focus on continuous improvement and is transitioning to six Capitals for the purpose of moving towards Integrated Reporting, including our four original Regeneration Pillars, the foundations of our Regeneration.

The six capitals underpin CentrePort's strategic objectives, supporting the organisation's economic and social wellbeing. They are:

- Our Community
- Our People
- Our Customers
- Our Environment
- Our Infrastructure
- Our Finances

Our Statement of Corporate Intent is structured around these capitals, with the Statement of Intent continuing to transition to broader resilience and sustainability areas.



CentrePort recognises it is part of the wider region and has a leadership role in working proactively with stakeholders and the community. Our priority areas will be:

Relationships and engagement

- Actively partner with mana whenua, strengthening knowledge sharing, proactive collaboration and engagement to help achieve the best outcomes for Māori across our region
- Collaborate with GWRC, local authorities and WellingtonNZ on the implementation of port and harbour related aspects of the Regional Economic Development Plan
- Collaborate with GWRC, the Ministry of Transport and other key freight partners on the refinement and implementation of the National Freight and Supply Chain Strategy and any initiatives the Government establishes to support better supply chain links or productivity.
- Engage constructively with GWRC, Wellington City Council and Waka Kotahi on Wellington transport improvements that intersect and connect with port related matters
- Collaborate with GWRC, Wellington City Council, Cook Strait ferry operators, WellingtonNZ and mana whenua on the development of the Inner Harbour Precinct with a key focus on potential opportunities for Waterloo Wharf
- Support community organisation initiatives and events within the region which align with our values or with our business and customers
- Grow community and stakeholder knowledge of port operations through port tours and open days and through online platforms like the CentrePort website, a regular public newsletters and social media including LinkedIn, Facebook and Instagram.
- Promote biodiversity enhancement through active collaboration with mana whenua, key stakeholders and the community to improve outcomes for te taiao (the natural world)

Lifelines

- Continue on-going investment to drive resilience into infrastructure, people, and systems to support Wellington's response and recovery to natural disasters. Infrastructure investments include improving infrastructure as identified in the Lifelines Programme Business Case.

Harbour

- Support recreational use of the harbour
- Participate in and support harbour management events and activities
- Drive continuous improvement to the Port and Harbour Marine Safety Code to ensure the safe management of ships navigating in Wellington harbour, including the prevention of injury to people, loss of life and damage to the marine environment (including property)

City and Regional integration

- Work with shareholders and key stakeholders to develop opportunities related to the Inner Harbour Precinct and the integration with the wider city, focusing on opportunities related to the potential development and/or use of Waterloo Wharf. While the best and highest use of the site has been initially identified as residential, CentrePort will be focussing on a wider precinct approach that offers wider waterfront benefits to the public. Taking this approach the commercial benefits could be greater and more flexibility may be available for Waterloo.
- Continue to implement city and regional integration design initiatives, where practicable, into current projects or work

Our Community Performance Objectives	Our Community Performance Measures
Urban and City Integration	Inner Harbour Precinct development

OUR PEOPLE



People are central to the success and future of our business. Our focus is on a diverse and inclusive workforce, ensuring the health, safety and wellbeing of our people, and developing talent and capability in order to provide staff with a rewarding career. We are also committed to paying the living wage and mitigating the risk of modern slavery in commercial activities. Our priority areas will be:

Diverse and inclusive workforce

- Continue to develop an inclusive and diverse workforce that is representative of gender, ethnicity and experience which can also support a positive culture on the port
- Incorporating values of te ao Māori, including regular engagement with Iwi at all levels and increasing use of te reo Māori in internal and external communications

Health and Safety

- Maintain a continuous improvement approach towards our health and safety journey which will be achieved through a continued focus on leadership, knowledge, engagement, risk identification and management and verification.
- Keeping Shareholders informed of any external health and safety reviews, including outcomes and actions to come out of these reviews, and any additional health and safety reports or serious harm investigations. Also advise of key improvements noted by regulators and entities with a vested interest in lowering harm statistics
- Proactively collaborate with the Port Health & Safety Leadership Group, integrate learnings and recommendations from the Port Sector Insights Picture and Action Plan the port wide Workers Voice Survey, our own external SafePlus assessment and the TAIC report into our Health and Safety strategy, placing emphasis on enhancing our safety culture, empowering our people, education and improved communication. We will continue to progressively implement our Fatigue Risk Management System across all operational areas, ensuring that both the organisation and individuals meet their shared responsibilities through rostering of work, increased awareness of Fatigue at all levels of the business and education to support both staff and managers
- Reinforcement of our current state of play where each individual has the ability to stop work if it is unsafe and actively recognising those who do this and remove or reduce risk.
- Continuation of defining, identifying and mitigating critical risks through good control measures, and collaborating with others within the industry to share knowledge to create standardisation.
- Engage with our people in decision making about workplace health and safety to ensure a shared vision and ownership that is centred around positive relationships and outcomes.

Wellbeing

- Continue to develop our Wellbeing framework through a partnership with the Wellbeing Tick over the next three years and increase initiatives across our five core wellbeing principles of Connect, Give, Take Notice, Keep Learning and Be Active.
- Continued initiatives to support staff wellbeing such as the on-site gym and health monitoring to create opportunities for our people to take proactive measures to maintain their physical and mental health,
- Conduct regular focus groups and surveys to incorporate insights and learnings to create resilient people who are engaged and valued.

Talent and capability

- Investing in employee growth and development to reduce turnover and attract top talent
- Proactive training, including NZQA National Qualification in Port Operations heavy machinery and stevedore training programmes linked to NZQA unit standards
- Review our performance management framework and identify areas of improvement to enhance employee development, productivity, and overall organisational success
- Implement a leadership programme aimed at enhancing the skills required for our people to effectively engage and communicate with others and build emotionally intelligent leaders at all levels of the business. Create a Health and Safety Representative training framework and learning programme
- Leveraging the strengths of our workforce and optimising resources to enable productivity and identifying opportunities to increase capability of our people through specific talent management, education and professional development.

Our People Performance Objectives	Our People Performance Measures
A workplace focussed on harm minimisation	Lag indicators (Lost time Injury Frequency and Severity) and lead indicators (near miss reporting, incident reports and updates to standard operating procedures)
Improve health and safety, wellbeing and engagement at work	Results from health and safety and engagement culture surveys
Increase gender diversity	Gender balance across all levels



We value our customers and strive to always enhance existing services by finding opportunities and linkages across our capabilities. CentrePort aims to be consistently agile and responsive to our customers' needs by actively looking for alternative solutions to challenges. Our priority areas will be:

Trade growth and diversity

- Work with our customers to provide greater efficiency leading to increased capacity for CentrePort solutions
- Focus on ensuring we support our Cook Strait ferry operators with their business plans, including enabling infrastructure
- Supporting regional and lower North Island development by facilitating the transfer of bulk product through the port

Supporting regional economic development and employment

- Ensure proactive engagement and relationships with regional and local councils to improve the efficiency of freight movements
- Focus on supporting the development of the Wellington Regional Economic Development Plan, with specific focus on opportunities to enhance supply chains and lower regional emissions

Operational efficiency and performance

- Optimise spatial model for increased capacity following the completion of resilience works
- Continue to lead in operational productivity measures, including crane rates, dwell times, and berth performance

Supply chain resilience and efficiency

- Further improvements to CentreConnect, including further efficiencies and potential growth of inland hubs to support trade growth, ensure resilience and efficiency of our supply chains
- Increase productivity and reduce waste as resilience works are completed
- Continued focus and development of our regional partnerships
- Investment into ongoing digital and operational improvements

Our Customers Performance Objectives	Our Customers Performance Measures
Improved productivity across port	Gross crane rate
Manage the safety of marine activities	Compliance with the Harbour Marine Safety Code and collaboration with the Wellington Harbourmaster on risk assessments



We are committed to being a national and regional port sector leader in environmental sustainability. Every investment decision carefully considers potential environmental impacts. We are willing to partner and share technical knowledge we gain from implementing our initiatives because it can collectively improve the sector. We will improve the management and reporting of greenhouse gas emissions by providing annual verified greenhouse gas information to shareholders within three months of balance date. Our focus areas will be:

Emission Reduction

- Having already achieved our 2030 target of 30% we will initially focus on maintaining emission reductions, including growth, with a view to achieving 50% by 2030 and net zero emissions by 2040. We will investigate additional measures to align with the Intergovernmental Panel on Climate Change targets. Furthermore, we will consider the alternative metric of emission per unit of revenue. This will be considered as part of an updated emission reduction plan.
- Our Emission Reduction Plan includes:
 - Replacing end of life assets with the best available low emission technology
 - Investigating off-setting opportunities to complement our 100% certified electricity
- Implement scope 3 emission reductions by investing in green infrastructure and energy that enables customers and stakeholders to reduce their greenhouse gas emissions while in port and beyond, including:
 - Maintaining our commitment to alternative sources and/or enablers for the provision of low emission energy, including embedded energy for resilience
 - Designing and implementing ship-to-shore power capability to enable lower emissions and improved air quality in the Inner Harbour
 - Lead the development of supply chain solutions that reduce unnecessary movement of freight, reduce waste, and ultimately enable a reduction in national emissions through efficient use of existing supply chains
- Implement partnerships to support wider carbon-reduction initiatives.

Climate Risks

- Undertake an updated assessment of climate related risks and investigate adaptive measures

Biodiversity

- Exploring ways to reduce stormwater contaminants and air discharges
- Promoting opportunities to protect and enhance marine species habitats and coastal avifauna (e.g. penguin) ensuring improved outcomes for te taiao (the natural world)
- Enhance our partnership with Zealandia and wider community to protect and restore the Kaiwharawhara Stream and Estuary as part of the Sanctuary to Sea project
- Continue to work with Mountains to Sea Wellington Trust and VUW students to research and implement harbour biodiversity improvement initiatives.

Our Environment Performance Objectives	Our Environment Performance Measures
Operate in a sustainable manner	Complete an update to CPL's Emission Reduction Plan

OUR INFRASTRUCTURE



Our infrastructure, services and connectivity will enable CentrePort to continue meeting growing demands and enhance our port operations. The Port will prioritise projects that enhance resilience, enable cargo growth, improve operating efficiency and productivity, reduce emissions, and extend the life expectancy of critical operational assets. This includes the following areas:

Plan for growth to maximise capacity and efficiency

- Continuing Inland Strategy by further developing our existing hubs to support central New Zealand businesses and provide resilience within the New Zealand supply chain, including integration with CentreConnect service
- Continue development of port stormwater and berthing resilience to improve operational efficiencies and reduce environmental impacts
- Focused Continued investment in Digital I that enable and transition to improved staff efficiencies and assist in management of CentrePort infrastructure.
 - Continue our cyber safety and resilience programme of work
 - Improve our core foundational technology including the Network and Radio Network Replacement to enable further transition
 - Implement Service Management and improve our business and client facing technology
 - Moving to carbon neutral cloud in line with our Carbon Net Zero Goals
 - Create efficiencies through business value mapping and building the Digital Twin of the Organisation
 - Investigate emerging technologies to support the business to achieve its strategic objectives.

Lifeline Resilience

- Progressing the next phases of the Seaview Wharf Renewal project, with focus on increased mooring resilience with seismic resilience scope nearly completed.
- Investigate opportunities to support initiatives in Wellington that complement and/or improve the resilience of CentrePort's energy system.

Urban and City Integration

- Drive immediate opportunities for the Inner Harbour Precinct and integration with existing urban development projects with a key focus on Waterloo Wharf
- Proactive engagement with local council, iwi, and community for the Seaview development including the potential for retainment of the temporary wharf structure
- Continue to openly and proactively engage with KiwiRail on improvements to Cook Strait ferry operations, keeping GWRC informed of any risks associated with the existing ferry assets at Kaiwharawhara and the development of a new Single User Ferry Terminal.

Note: We are already working with the Ministry of Transport, Ministerial Advisory Group and Treasury to develop a solution that meets the initial outcome of Safety and Reliability and linking to the long-term Precinct Development. Suggest we should retain \$85m over the SCI period for this.

Low Emission Infrastructure

- Develop infrastructure to support long-term emission reduction initiatives and renewable forms of embedded energy driven by our customers’ requirements.

Our Infrastructure Performance Objectives	Our Infrastructure Performance Measures
Infrastructure Investment	Key measures include Seaview Wharf Renewal, Ground Resilience and AQ 2/3 Seawall Resilience, Stormwater and Debris Management and Cook Strait Ferry Improvements



Our principal objective is to operate as a long-term sustainable and resilient business. In doing so we aim to provide sustainable financial returns to our Shareholders. Our focus areas in achieving this are:

Increasing Revenues

- Delivering long-term returns from developing resilient critical infrastructure
- Ensuring a sustainable return through the diversity of our trades
- Developing alternative revenue streams that complement our low emission energy investments
- Drive value through greater asset utilisation, including leasing of port land and investment property to businesses that support port related activity
- Developing our partnerships to develop returns from our joint ventures

Managing Capital and Costs

- Continued management of earthquake insurance proceeds and implementing cost efficiency and cost management opportunities as well as removing waste
- Investing in infrastructure that reduces ongoing repairs and maintenance costs
- Investing in our people to reduce our reliance on third party labour and contractors
- Ensuring funding is available for critical infrastructure and future growth
- Management of insurance costs through CentrePort Captive Insurance
- Developing a sustainable business model that endures economic cycles

CentrePort Captive Insurance

- Increasing insurance premiums and difficulty in obtaining insurance capacity in Wellington means CentrePort is partly self-insuring through CentrePort Captive Insurance Limited. The Reserve Bank of New Zealand, on 14 October 2022, granted a licence under The Insurance (Prudential Supervision) Act 2010 for CentrePort to operate its captive insurance company.
- By establishing CentrePort Captive Insurance Limited, CentrePort is safeguarding the port's future. If an earthquake causes substantial damage, CentrePort can access funds to repair and rebuild.
- For the captive insurance scheme to be successful in its objectives, additional capital must be retained.
- CentrePort's Insurance Activities (below) will help provide an appropriate level of insurance cover and self-insurance to protect CentrePort from events that could materially damage assets and on-going operations.
- The objectives of CentrePort Captive Insurance are to:
 - Drive affordable insurance premium expense to sustainable levels in the long-term
 - Create a sustainable insurance programme that manages key risks and enhances flexibility
 - Provide a vehicle for insuring large capital projects with transparency on insurance costs for the purpose of recovery

Shareholder distributions

- Increase the dividend stream in line with our Dividend Policy (found in section 11)
- Maximise the tax loss sharing agreement with GWRC to the extent that losses are available.
Note: given changes in circumstance, CentrePort will work collectively with GWRC to ensure each understands the other’s requirements and/or issues. Jointly, we will determine how to provide a balanced solution that addresses all issues, including the Insurance Captive.

Our Finance Performance Objectives	Our Finance Performance Measures
Financial Performance	Key financial measures include Group EBITDA, Underlying Net Profit After Tax, Underlying NPAT, Return on Group Equity, and Dividends

8 Performance Targets Objectives

	Objective	Performance Measure	FY24 Target	Performance Targets		
				FY25	FY26	FY27
Our People	A workplace focussed on harm minimisation	Lost Time Injury Frequency (per 200,000 hours worked)	≤ 2.5	≤ 2.4	≤ 2.3	≤ 2.3
		Lost Time Injury Severity (per 200,000 hours worked)	≤ 7.95	≤ 7.90	≤ 7.90	≤ 7.85
		Near Miss Incident Frequency Rate (per 200,000 hours)	≥262.5	≥262.5	≥270.0	≥287.5
		bSafe injury reports (first aid, medical, notifiable) as a % of total bSafes reports	≤4.95%	≤4.90%	≤4.85%	≤4.85%
		Planned H&S activities to activities performed. Includes SOP reviews, training, risk reviews, safety interactions, PPE observations and audits	≥92.5%	≥95.0%	≥97.5%	≥97.5%

	Objective	Performance Measure	FY24 Target	Performance Targets		
				FY25	FY26	FY27
Our People	Improve health and safety, staff wellbeing and engagement at work	Health & Safety and employee engagement culture surveys – score improving every survey (18 months)	Improvement on FY21 result	Improvement on FY23 result	No survey	Improvement on FY25
	Increase gender diversity	Overall gender balance (F/M); ELT gender balance (F/M); Board gender balance (F/M)	Improve on 2023	Improve on 2024	Improve on 2025	Improve on 2026
Our Customers	Productivity across port	Gross crane rate (as measured by Ministry of Transport)	30.0	31.0	32.0	Maintain 32.0
	Manage the safety of marine activities	Marine activities conducted in accordance with the current Port and Harbour Marine Safety Code (PHSC)	Fully Compliant	Fully Compliant	Fully Compliant	Fully Compliant
		100% of new tasks or newly identified hazards risk assessed in collaboration with Harbour Master	Fully Compliant	Fully Compliant	Fully Compliant	Fully Compliant

	Objective	Performance Measure	FY24 Target	Performance Targets		
				FY25	FY26	FY27
Our Environment	Operate in an environmentally sustainable manner ¹	Net zero emissions by 2040. 50% emission reduction by 2030 relative to 2019 (excluding growth)	Complete an update to CPL's Emission Reduction Plan to drive alignment	Targets to be confirmed following update to Emission Reduction Plan	Targets to be confirmed following update to Emission Reduction Plan	Targets to be confirmed following update to Emission Reduction Plan
		Low Emission Infrastructure and Energy to drive lower Scope 3 emissions Water Recapture	Commence Stage 1 – Kings Wharf Microgrid – subject to commercial agreements Shed 39 Embedded Energy installation Lower emission fuel available for shipping companies via bunker barge Business Planning for low emission supply chain to key markets	Continue construction of Stage 1 – Kings Wharf Microgrid – subject to commercial agreements Shed 39 Embedded Energy installation completed Continue to provide lower emission fuel to shipping companies via bunker barge Continue Business Planning for low emission supply chain to key markets	Continued construction of Stage 1 – Kings Wharf Microgrid Business case on low emission supply chain to key markets	Completion of Stage 1 – Kings Wharf Microgrid
			Not Applicable, new KPI	Water Harvesting of Shed 52 to supply dust suppression in place	Further identified opportunities in place	Implement further identified opportunities
	Enhanced Biodiversity	Create further partnerships to drive enhanced biodiversity	Partnership agreed to improve harbour biodiversity	Plan for improved harbour biodiversity	Implementation of initial stage(s) for improved harbour biodiversity	Continued implementation of initial stage(s) for improved harbour biodiversity

¹ The emission reduction target including cargo growth but excluding scope three emission activities which have shifted to scope one or two is 24% by 2030.

	Objective	Performance Measure	FY24 Target	Performance Targets		
				FY25	FY26	FY27
Our Community	Urban and City Integration	Inner Harbour Precinct	Engage with stakeholders on precinct master plan Develop business plan for interim opportunities	Develop business plan for interim opportunities	Implementation of business plan for interim opportunities	Continued implementation of business plan for interim opportunities
Our Finances	Financial Performance ²	Group EBITDA	\$26.3m	\$26.8m	\$31.9m	\$37.9m
		Underlying Net Profit After Tax	\$13.0m	\$15.1m	\$16.5m	\$18.6m
		Underlying NPAT Return on Group Equity	2.8%	3.1%	3.4%	3.7%
		Dividend	\$6.5m	\$8.0m	\$9.0m	\$10.0m
	Financial Resilience	Dividend % of Underlying NPAT		53.1%	54.6%	53.8%

² A description of the key terms used in the financial performance targets is included in appendix 1.

	Objective	Performance Measure	FY24 Target	Performance Targets		
				FY25	FY26	FY27
Our Infrastructure	Infrastructure Investment	Seaview Wharf Renewal	Continuation of 1A (seismic resilience) and commencement of 1B (berthing improvements)	Continuation of 1B (berthing improvements)	Completion of 1B (berthing improvements)	Undertake any further work, as agreed with fuel industry
		Ground Resilience and AQ 2/3 Seawall Resilience	Completion of Ground Resilience and completion of detailed planning of AQ 2/3 seawall repair	No work planned	No work planned	No work planned
		Stormwater and Debris Management	Revised measure	Finalise detailed planning for Log yard stormwater redevelopment and debris management.	Commence stormwater and debris management work	Continue stormwater and debris management work
		Cook Strait Ferry Improvements	New measure based on Government changes	Work with MoT and other key stakeholders to establish pathway for long term resilience of Cook Strait	Continued development of future ferry requirements	Continued development and implementation of future ferry requirements

9 Ratio of Shareholders Funds to Total Assets

Shareholders' Funds (or equity) is defined as the total issued capital plus the balance of undistributed profits and all revenue and capital reserves less any minority interests of the CentrePort Group.

Total Assets comprises the carrying value of all assets recognised on the CentrePort Group balance sheet.

The table below presents the forecast ratio of shareholders' funds to total assets.

Measure		SCI Forecast		
		FY25	FY26	FY27
Shareholders' Funds	\$m	488.1	495.1	502.2
Total Assets	\$m	567.5	630.7	683.1
Shareholders' Funds / Total Assets	%	86.0%	78.5%	73.5%

10 Accounting Policies

The detailed Accounting Policies of the Group are consistent with the legal requirements of the Companies Act 1993, the Financial Reporting Act 2013 and International Financial Reporting Standards (IFRS). The Group's accounting policies are detailed in the most recent annual financial statements which are available on CentrePort's website.

11 Distribution of Profits to Shareholders

Dividend Objectives

CentrePort's dividend policy considers the following five objectives collectively to provide a balanced distribution approach:

- To ensure CentrePort can adequately maintain current infrastructure; and
- To allow CentrePort to fund profitable growth projects; and
- To ensure CentrePort Captive Insurance Limited cashflows and earnings are excluded from pay-out ratios; and
- To provide a reliable and increasing dividend stream to Shareholders; and
- To ensure banking or other funding covenants are met.

CentrePort Captive Insurance

- By establishing CentrePort Captive Insurance Limited, CentrePort is safeguarding the future of the Port, so that should an earthquake cause substantial damage, CentrePort can access funds to repair and rebuild. CentrePort's Insurance Activities (below) will help provide an appropriate level of insurance cover and self-insurance to protect CentrePort from events that could materially damage assets and on-going operations.

Dividends to Shareholders

CentrePort's dividend policy is to pay the maximum practicable amount consistent with the guidelines below and ensuring that the solvency requirements of the Companies Act 1993 continue to be met.

- Net Port earnings guideline
 - Payout ratio of 50-75% of Underlying Net Profit After Tax
 - Underlying Net Profit after Tax excludes fair value movements and abnormal items
 - Distributions of any abnormal gains considered separately
- Free cash flow guideline
 - Dividend not to exceed 75% of free cash flow
 - Free cash flow is interpreted as being annual operating cash flow less the cost of maintaining CentrePort's asset base and systems (stay in business capital expenditure)
- The CentrePort Board's due consideration of various factors it deems relevant. These factors include:
 - working capital requirements;
 - medium-term investment programme;
 - debt serviceability and long-term gearing targets; and
 - risks from predicted short and medium-term economic and market conditions.

CentrePort intends to pay unimputed dividends going forwards, on the basis that the dividends are treated as exempt income to its recipients under section CW 10B of the Income Tax Act 2007 by virtue of 100% of CentrePort's voting interests being held by local authorities.

Dividends are normally paid to shareholders on or prior to:

- 28 February – 1st interim dividend following consideration of the half-year interim results
- 30 June – 2nd interim dividend after considering the financial year outlook
- 30 September – final dividend following consideration of the final annual results

The Company's dividend policy is reviewed annually by the Directors after considering the capital needs and commercial performance of the Company.

Tax Loss Sharing

CentrePort and its majority shareholder (GWRC) have entered a tax loss sharing agreement allowed by a greater than 66% commonality of ownership. Under the tax loss sharing agreement, CentrePort can effectively purchase tax losses from GWRC to utilise against CentrePort's taxable income.

Unlike making income tax payments to Inland Revenue, CentrePort would not earn any imputation credits from payments as consideration for tax losses. On the understanding that CentrePort's minority shareholder would not be disadvantaged due to the insertion of CW 10B to the Income Tax Act 2007, CentrePort intends on utilising the tax loss sharing agreement with GWRC to the extent that losses are available.

12 Information to be Reported

At all times The Company will operate under a "no surprises" policy with our Shareholder(s).

The Company will report to the shareholders in accordance with statutory requirements and will also provide shareholders with health and safety reporting comparing CentrePort with available benchmarking data from the Business Leaders' Health & Safety Forum (<https://www.zeroharm.org.nz/resources/benchmarking/>).

The Company will also provide shareholders with any external health and safety reviews, including marine related matters, and provide outcomes and actions that continuously improve health and safety. This will include any port wide review and/or information from the Port Health & Safety Leadership Group. The Company will also proactively notify the shareholders of any serious harm incidents and investigations related to the Company.

The following two lag measures will be reported:

- Lost time injury frequency rate per 200,000 hours worked
- Lost time injury severity rate per 200,000 hours worked

The Board will also provide to the shareholders:

- An audited set of annual financial statements applying accounting policies consistent with IFRS within two months of balance date. The Directors will also report on:
 - i. A review of operations,
 - ii. A summary of achievements measured against key SCI performance targets, and
 - iii. The maximum dividend (if any) recommended
- A half yearly report within two months of the half year balance date comprising:
 - i. An un-audited condensed set of financial statements applying accounting policies consistent with IFRS
 - ii. A brief report from the Directors on the Company's operations for the half year and the outlook for the second half year, which includes the below quarterly report information
- A quarterly report, which will be presented in quarterly meetings, and comprising a summary of financial performance for the quarter and progress against key SCI performance targets and the following specific information:
 - The overall performance of the Company, including progress measured against the then current Budget and the outlook for the current year,
 - The progress of the Company in meeting its six capitals,
 - The performance of the Company in optimising the operational effectiveness,
 - Update on strategic direction, capital expenditure plans, debt position and dividend expectations,
 - A summarised risk report,
 - Updates on progress of the overall investment strategy, including major projects and transactions over \$30 million, per the Company's constitution, and
 - Progress on the Company's open and collaborative approach with key stakeholders
- A high-level operational and financial overview of CentrePort compared to other Ports. The comparison will be completed biannually for listed Port companies, otherwise annually for non-listed Ports
- A draft Statement of Corporate Intent by February each year for the consideration of shareholders to be finalised by 31 May each year
- An annual risk report including an overview of CentrePort's risk management framework and identification of critical risks along with current risk treatments.
- CentrePort's carbon reduction commitment will be supported by a verified annual measurement and reporting of Scope 1 and 2 emissions, provided by early September for the year ending June. Annual carbon reporting will be based on international reporting standards (ISO 14064-1 or similar) and will be independently verified. Scope 3 emissions will be integrated into annual measurement and reporting as we continue to identify these emission sources and obtain accurate information
- Information on any external health and safety reviews, including outcomes and actions to come out of these reviews, and any additional health and safety reports or serious harm investigations
- Further financial information that meets shareholder expectations

Board Performance Reporting

- The performance review of the Board Chair, the Board and its committees will be undertaken annually, contributing to a process of continuous improvement in the Board's execution of its responsibilities
- The Board evaluation process may change from year to year on the recommendation of the People, Culture and Remuneration Committee. It may not be appropriate to do a full independent Board evaluation every year, however a full independent evaluation will be completed, as a minimum, every second year

The Company will consult with the shareholders when developing strategy and will provide the shareholders with strategic updates. The Company will meet shareholders at least once a year for a strategic overview.

13 Procedures for Acquisition of Shares

The Company will only invest in the shares of another business when the shares acquired are considered by the Directors to bring added value to the business of the Company providing an acceptable return on the cost of capital employed or will further the objectives set out herein of the business of the Company.

The Company will consult with shareholders prior to any material departure from the objectives outlined in the SCI.

14 Compensatory Activities

CentrePort will seek compensation by agreement from Greater Wellington Regional Council and/or Horizons Regional Council or the appropriate local authority for:

- Marine pollution control services, and
- Any other statutory function, duty, or power which they may wish the Company to carry out on their behalf and which involves the supply of goods or services.

15 Value of Shareholder Investment

The Board's assessment of the commercial value of shareholders' equity in the Company as at 31 December 2023 is \$480.3 million. The Board's assessment is based on the value of the Company's net assets recognised in the financial statements at that time. The net asset value includes an assessment of the fair value of operational port land, investment property interests, and the historic cost less depreciation and adjusted for any impairment of the Company's other assets.

Appendices



Appendix 1: Financial Target Key Terms

A description of the key terms used in the financial performance targets is set out below:

EBITDA

Earnings before interest, tax, depreciation and amortization

Underlying Net Profit After Tax ('Underlying NPAT')

Underlying net profit after tax excludes (i) fair value movements, and (ii) abnormal items.

Return on Equity

Underlying net profit after tax divided by average equity.

Financial Year

Throughout this document references to FY are to Financial Years ended 30 June. For example, FY24 means financial year ended 30 June 2024.

Appendix 2: Governance and Leadership

Governance

The Board generally meets monthly and at other times as required.

It currently comprises six Directors appointed by the Shareholders. No more than two directors can be members or employees of the Shareholding Local Authorities. Two Directors retire at each annual general meeting by rotation.

Director	Appointed
Lachie Johnstone (Chair)	1 February 2016
Sophie Haslem (Deputy Chair)	1 February 2016
Martin Lewington	8 December 2019
Warwick Tauwhare-George	26 November 2021
Jackie Lloyd	14 November 2022
Jason McDonald	1 September 2023

The Board undertakes regular assessments of its performance including the effectiveness of the board, assessment of the necessary skills and experience, and succession planning.

Shareholders will be represented on or engaged by the selection committee responsible for recommendations for Director roles.

There are four formally constituted committees: the Health, Safety, Security and Environment Committee; Audit and Risk Committee; People, Culture and Remuneration Committee; and the Captive Insurance Committee. These formally constituted committees can only make recommendations to the Board for the Board to confirm.

Leadership

The Executive Leadership Team of CentrePort Wellington is made up of a team responsible for day-to-day operations and future planning at the port.

- Anthony Delaney, Chief Executive (BEng (Civil), BCom (Mgmt))
- Jason Sadler, Chief Financial Officer (CA, BCA)
- Megan Elmiger, General Manager People, Safety and Marine (MIntl. Security)
- Andrew Locke, General Manager Commercial and CentreConnect, (BBS)
- Andrew Steele, General Manager Strategy and Stakeholder Relations (MMS, CA)
- Stefan Reynolds, General Manager Port Operations (Ag. Business Dip, Finance Ag. Production Dip)
- Paul Terry, General Manager Infrastructure (MBA)

Appendix 3: Gender Balance by Function

	Gender Balance (number of females : males)	Gender Balance (female % of total)
Container Services	8 : 106	7%
Break Bulk Services & Commercial	6 : 11	35%
Ferries and Bulk	1 : 2	33%
Marine	3 : 33	8%
Security	1 : 13	8%
CEO Office	1 : 1	50%
People Safety and Culture	10 : 4	71%
Digital / ICT	1 : 6	14%
Infrastructure	2 : 9	18%
Environment	0 : 2	0%
Finance	7 : 2	78%
Board	2 : 4	33%
Executive Leadership Team ³	1 : 6	14%
Overall	42 : 192	18%

Above Gender Balance is as at 31 May 2023.

³ ELT members are included twice in the table, as part of their respective team, and as a combined ELT group