



## CORPORATE GOVERNANCE STATEMENT

### GOVERNANCE AND LEADERSHIP FOR VALUE CREATION

The Board of Directors of Sanford Limited (the Board) and management are committed to building long-term value for shareholders and employees. We are honouring this commitment by maintaining the highest standards of governance, supported by best practice structures, people, practices and policies. This includes maintaining high standards of business integrity and ethics in all our activities.

The extent to which Sanford has followed the recommendations of the NZX Corporate Governance Code dated 10 December 2020 (**NZX Code**) for the financial year ended 30 September 2022 is detailed below. Consistent with its commitment to best practice corporate governance, Sanford has achieved full compliance with the recommendations of the NZX Code in all material aspects for the financial year ending 30 September 2022.

The Board regularly reviews and assesses Sanford's governance policies, procedures, and practices to ensure they are appropriate and effective. This Corporate Governance Statement provides a snapshot of these practices, processes and policies following the recommendations of the NZX Code.

Sanford's key corporate governance documents referred to in this statement, including charters and policies, can be found here [www.sanford.co.nz/investors/governance](http://www.sanford.co.nz/investors/governance). This statement was approved by the Board on 14 November 2022 and was accurate as at that date.

### GOVERNANCE FRAMEWORK

The Board, supported by the Audit, Finance and Risk Committee, People, Health and Safety Committee, and Nominations Committee regularly reviews and benchmarks our structure and processes to ensure they support effective and ethical leadership, good corporate citizenship, and sustainability.

This oversight also ensures that these principles are applied in the best interests of Sanford and our diverse range of stakeholders. As a listed company on the NZX, our governance practices and policies reflect, and are consistent with, the Listing Rules. The Company considers that the governance practices we have adopted follow these principles and policies for the year ended 30 September 2022.

The Board provides effective leadership in the best interest of Sanford and is responsible for the strategic direction and control of the Company. The Board exercises this control through a governance framework, which includes detailed reporting to the Board and its Committees, effective delegation, risk management and a system of assurances regarding financial reporting and internal controls.

Sanford's constitution, and each of the charters, codes and policies can be found here [www.sanford.co.nz/investors/governance](http://www.sanford.co.nz/investors/governance). The Board's Charter recognises the respective roles of the Board and management and the sound base the Board has developed for providing strategic guidance and management oversight.

## CORPORATE GOVERNANCE CREATING VALUE THROUGH SOUND CORPORATE GOVERNANCE



ETHICAL FOUNDATIONS  
CARE • PASSION • INTEGRITY  
ACHIEVING TOGETHER



## OUR DIRECTORS AND BOARD COMPOSITION



LEFT TO RIGHT: Peter Kean, Craig Ellison, Abby Foote, Sir Robert McLeod, Peter Cullinane, Fiona Mackenzie and Mark Cairns.

Sanford's Directors bring a diverse wealth of experience, acting on behalf of our shareholders and other stakeholders.

Directors are chosen for their corporate leadership skills, professional backgrounds, experience and expertise. The right blend of skills and experience, combined with the diversity of Directors' perspectives, is crucial to ensuring the attainment of long-term value for Sanford's shareholders.

At 30 September 2022, the Board comprised seven Directors: Sir Robert McLeod, Mark Cairns, Peter Cullinane, Craig Ellison, Abigail (Abby) Foote, Peter Kean and Fiona Mackenzie.

Mr Ellison was appointed in December 2021 as a non-independent non-executive director. Mr Ellison is the Chief Executive Officer for Ngāi Tahu Holdings. He has extensive experience in governance across a wide range of sectors. He is the Chair of Wellington Zoo.

Mr Goodfellow retired at the conclusion of the 2021 Annual Meeting. Under the NZX Listing Rules, a Director must not hold office (without re-election) past the third annual meeting following that Director's appointment or three years, whichever is longer.

Accordingly, Peter Cullinane is required to retire (having held office since 2019 as an independent director of the Company). Being eligible, Peter Cullinane has offered himself for re-election at the Annual Meeting in December 2022.

Peter Kean, who was appointed to the Board in 2014, has previously indicated his intention to retire at the conclusion of the 2022 Annual Meeting.

David Mair was appointed by the Board on 7 November 2022 as an independent Director, to replace Peter Kean. Under the NZX Listing Rules, a Director appointed by the Board must not hold office (without election) past the next annual meeting following that Director's appointment. Accordingly David Mair is required to retire. Being eligible, David Mair has offered himself for election at the Annual Meeting in December 2022.

For more information about our Board, please visit <https://www.sanford.co.nz/investors/governance/board-of-directors/>.





## OUR EXECUTIVE TEAM



Peter Reidie



Paul Alston



Karen Duffy



Andre Gargiulo



Peter Young



Colin Williams



Louise Wood

Our strong Executive Team, all experts in their respective fields, is implementing our strategy aligned to our vision of leadership in New Zealand seafood.

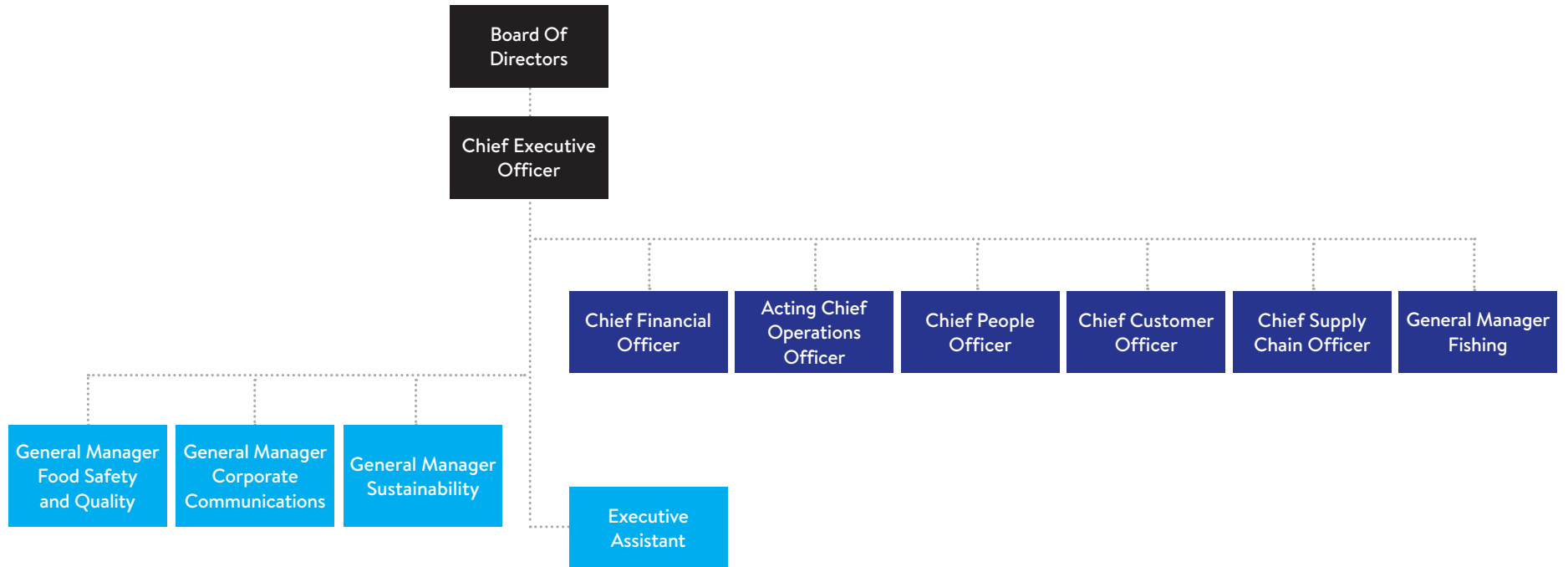
For FY22 the Executive Team comprised Chief Executive Officer Peter Reidie, Chief Financial Officer Paul Alston, Chief People Officer Karen Duffy, Chief Customer Officer Andre Gargiulo, Acting Chief Operations Officer Peter Young (from January 2022), General Manager Fishing Colin Williams (from January 2022), Chief Supply Chain Officer Louise Wood (from January 2022). In January 2022 Clement Chia, the Chief Operating Officer departed.

For more information about our Executive Team, please visit <http://www.sanford.co.nz/about-sanford/executive-team>.



## EXECUTIVE AND CEO DIRECT REPORT ORGANISATION CHART

The chart below shows the Executive CEO and Direct Report organisational structure.





## Principle 1: Code of Ethical Behaviour

**Directors should set high standards of ethical behaviour, model this behaviour and hold management accountable for these standards being followed throughout the organisation.**

Sanford's Board is committed to maintaining the highest standards of corporate governance, ensuring transparency, business integrity and ethics, and recognising the interests of its shareholders and other stakeholders.



**Recommendation 1.1:** The Board should document minimum standards of ethical behaviour to which the issuer's Directors and employees are expected to adhere (a code of ethics) and comply with the other requirements of Recommendation 1.1 of the NZX Code.

Sanford has prepared a Code of Ethical Behaviour consistent with our core values of Care, Passion, Integrity and Achieving Together. Sanford also has a Code of Conduct in place, which is made available to all employees, and sets out the standards expected from Sanford's Directors, officers, employees, and anyone acting on their behalf. Sanford monitors compliance with the Code through established performance management processes and adherence to the Protected Disclosures (Whistleblowing) Policy. Disclosure of serious wrongdoing is strongly encouraged by Sanford as a means of managing risk, promoting openness and transparency, and protecting the reputation of the Company. This Policy recognises Sanford's commitment to encouraging, supporting and protecting those employees who, in good faith, disclose such wrongdoing, detailing the procedure and protection offered, when this occurs. There were no reported breaches during the period of 1 October 2021 to 30 September 2022.

Copies of both Sanford's Code of Ethical Behaviour and its Protected Disclosures (Whistleblowing) Policy are available on the Sanford website at: <https://www.sanford.co.nz/investors/governance/policies/>.

## TRADING IN COMPANY SECURITIES POLICY



**Recommendation 1.2:** An issuer should have a financial product dealing policy, which applies to employees and Directors.

Sanford has a Securities Trading Policy that details the Company's position on, and rules that apply to, all Directors, officers and employees of Sanford and its subsidiaries in New Zealand who intend to trade in Sanford's listed securities in New Zealand. The requirements imposed by the Policy are separate from, and in addition to, the legal prohibitions on insider trading that apply.

A copy of Sanford's Securities Trading Policy is available on the Sanford website at: <https://www.sanford.co.nz/investors/governance/policies/>

## Principle 2: Board Composition and Performance

**To ensure an effective Board, there should be a balance of independence, skills, knowledge, experience and perspectives.**

### BOARD CHARTER



**Recommendation 2.1:** The Board of an issuer should operate under a written charter, which sets out the roles and responsibilities of the Board. The Board charter should clearly distinguish and disclose the respective roles and responsibilities of the Board and management.

The Board has adopted a formal Board Charter, which distinguishes and discloses the respective roles and responsibilities of the Board and management. The Board Charter is available on the Sanford website at: <https://www.sanford.co.nz/investors/governance/board-and-committees/>.





## NOMINATION AND APPOINTMENT OF DIRECTORS



**Recommendation 2.2 and 2.3:** Every issuer should have a procedure for the nomination and appointment of Directors to the Board. An issuer should enter into written agreements with each newly appointed Director establishing the terms of their appointment.

Sanford has developed and adopted a Nomination Committee Charter, which outlines the procedure for the nomination and appointment of Directors to the Board. The Nomination Committee Charter is available on the Sanford website at: <https://www.sanford.co.nz/investors/governance/board-and-committees/>.

The Nomination Committee Charter provides that each Director shall be appointed by a letter of appointment and outlines the matters that are included in the letter of appointment for each Director.

### DIRECTOR PARTICULARS



**Recommendation 2.4:** Every issuer should disclose information about each Director in its annual report or on its website, including a profile of experience, length of service, independence and ownership interests and Director attendance at Board meetings.

The Board is committed to ensuring a range of experiences and perspectives among its Directors. This is highlighted in the Directors' biographies on the Sanford website at [www.sanford.co.nz/investors/governance/board-of-directors/](http://www.sanford.co.nz/investors/governance/board-of-directors/).

For more information, refer to 'Adoption of a Skills Matrix' disclosed below in this statement. Details of independence and ownership interests are set out below. Director attendance at Board and Board Committee meetings is set out under Recommendation 3.5 below.

### TENURE OF DIRECTORS

>10 years	0
5-10 years	2
3-5 years	2
Less than 3 years	3

## INDEPENDENCE

As at 30 September 2022, six Directors are considered by the Board to be "independent" directors. Those six Directors are considered to be independent, having regard to (amongst other things) the following factors:

- They are non-executive Directors who are free of any interest, business or other relationship that could reasonably influence, or could reasonably be perceived to influence, in a material way, their capacity to bring an independent judgment to bear on issues before the Board, and to act in the best interests of the issuer and to represent the interests of the Company's financial product holders generally.
- They have not been employed or retained, within the last three years, to provide material professional services to the Company.
- Within the last 12 months they were not a partner, director, senior executive or material shareholder of a firm that provided material professional services to the Company or any of its subsidiaries.

- None of those directors:

- » Have been, within the last three years, a material supplier to the Company or have any other material contractual relationship with the Company or another group member other than as a Director of the Company;
- » Receive performance-based remuneration from, or participates in, an employee share scheme of the Company;
- » Is a substantial product holder in the Company nor do they control, or are they an executive or other representative of (or otherwise associated with) an entity which controls, 5% or more of the Company's voting securities in any role that might interfere, or might reasonably be seen to interfere, with their capacity to bring an independent judgment to bear on issues before the Board, and to act in the best interests of the Company and to represent the interests of the Company's financial product holders generally.

Craig Ellison is not considered to be independent as he is associated with a significant shareholder of the Company (Ngāi Tahu Holdings Limited).

For more information about each Director, please visit: <http://www.sanford.co.nz/investors/governance/board-of-directors>





## ADOPTION OF A SKILLS MATRIX

The Sanford board takes a structured approach towards performance evaluation and reviewing the effectiveness of its processes. A full review of the board was undertaken in August 2022 by an external consultant and was supplemented by surveys, self-evaluation and board discussion. The table below highlights those skills and capabilities that the

review process identified to enable balanced governance. These capabilities are aligned with Sanford's business excellence framework pillars and strategy to create long-term value for our shareholders and stakeholders.

SANFORD STRATEGIC CONTEXT ALIGNED TO DIRECTOR CAPABILITY AND SKILL ATTRIBUTE		NUMBER OF DIRECTORS WITH STRONG AND MODERATE CAPABILITY
<b>Enabling Healthy Oceans and Ecosystems</b>	<b>Seafood Industry</b> – Depth of senior experience in the seafood industry – long term governance or C-suite large-scale experience across fishing and aquaculture.	●●
	<b>Sustainability</b> – Experience embedding economic, social, and environmental sustainability into business strategy and operations. Experience in monitoring/measuring ecosystems and sustainability performance.	●●●○○○
<b>Safe and High Performing Workplace</b>	<b>Health and Safety</b> – Experience in the design and implementation of leading HSE practices and culture development at a governance and / or senior executive level.	●●●○○○
	<b>People and Culture</b> – Experience leading cultural transformation. Understanding of C-suite performance management and remuneration.	●●●●●○○
<b>Trusted Partner of Choice</b>	<b>Supply chain and infrastructure</b> – Depth of experience in shipping and logistics, supply networks, distribution, and inventory management – extensive governance background or C-suite experience in these fields.	●●●○○○
	<b>Go-to-market and consumers</b> – Experience in international export market development and development of sales channels. Understanding of building insight into key customer groups, brand development and marketing programmes.	●●●○
<b>Highly Valued Community Partner</b>	<b>Stakeholder engagement and connection</b> – Stakeholder consultation, advocacy and empathy (especially tangata whenua perspective). Government connection and standing. Managing regulation including legal experience.	●●●○○○
<b>Operational Excellence</b>	<b>Financial expertise</b> – Deep understanding of financial risk. Prior CFO / Chartered accountant.	●●●
	<b>Commercial</b> – Depth of governance and / or executive experience with business operations at scale.	●●●●●●●
	<b>Technology and digital innovation</b> – Experience in data analytics, disruptive technologies, automation, application of digital platforms.	○○○○
	<b>Governance</b> – NZX / ASX governance experience. Background of multiple governance roles in similarly-sized organisations.	●●●●●●○
	<b>Investment, markets, and corporate finance</b> – Broad corporate finance and markets expertise, national and international including significant M&A.	●●●○

Key: ● Strong capability/expert ○ Moderate capability





## DISCLOSURE OF DIRECTORS' INTERESTS

### Interests Register

Sanford maintains an Interests Register in which relevant transactions and matters involving the Directors are recorded. Details of disclosures made in the Company's Interests Register during the year ended 30 September 2022 are set out below.

### DIRECTORS' INTERESTS

The following are particulars of general interests included in the Company's Interests Register which were added during the year ended 30 September 2022.

DIRECTOR	ENTITY	POSITION
M C Cairns	Freightways Limited	Chair
	Auckland International Airport Limited	Director
P D Cullinane	Founders Advisory Limited	Director
C R Ellison <sup>1</sup>	Ngāi Tahu Holdings Corporation Limited	Chief Executive
	Hōaka Limited	Director
	Hobsonville Development GP Limited	Director
	New Ground Living (Hobsonville Point) Limited	Director
	Ngāi Tahu Capital (Australia) Limited	Director
	Ngāi Tahu Fisheries Settlement Limited	Director
	Ngāi Tahu Investments Limited	Director
	Ngāi Tahu New Economy Limited	Director
	Oha Honey GP Limited	Director
	Ngāi Tahu Seafood Limited	Director
	Ngāi Tahu Seafood Products Limited	Director
A K Foote	Ngāi Tahu Seafood Resources Limited	Director
	Wellington Zoo Trust	Chair
A K Foote	KMD Brands Limited	Director
P N Kean	Highlanders GP Limited	Shareholder & Chair
F N Mackenzie	ANZ Bank New Zealand Limited	Executive
	ANZ New Zealand Investments Limited	Director
	Oneanswer Nominees Limited	Director

DIRECTOR	ENTITY	POSITION
	ANZ New Zealand Investments Holdings Limited	Director
	ANZ New Zealand Investments Nominees Limited	Director
R A McLeod	China Construction Bank (New Zealand) Limited	Director

1. Appointed 20 December 2021

There were no specific disclosures of interests in transactions entered into by the Company during the year ended 30 September 2022.

### SHARE TRADING

Sanford's Constitution directs that each Director holds a minimum of 500 shares in the Company. Directors and Executives are required to seek approval in advance of share trading and certify to the Board that they are not in possession of inside information, in accordance with the Securities Trading Policy and Guidelines.

The Board has determined that share trading may only occur during two trading window periods in each year. The periods commence just after the interim and annual results are announced and end on 30 August, after the end of the half-year and on 28 February, after the end of the financial year.

Directors acquired ordinary shares during the year as follows:

	NATURE OF RELEVANT INTEREST	NUMBER OF SHARES ACQUIRED	CONSIDERATION PAID	DATE
M C Cairns	Beneficial Interest	30,000	\$146,700	19 November 2021
	Beneficial Interest & Registered Holder			13 June 2022
C R Ellison <sup>1</sup>		1,000	\$4,100	
F N Mackenzie	Beneficial Interest	1,000	\$4,890	19 November 2021

1. Appointed 20 December 2021







## INDEMNITY AND INSURANCE

In accordance with section 162 of the Companies Act 1993 and the constitution of the Company, Sanford has given indemnities to, and has effected insurance for, the directors and executives of the Company and its related companies. Except for some specific matters that are expressly excluded, the indemnities (updated in 2022) and insurance indemnify and insure directors and executives against monetary losses as a result of actions undertaken by them in the course of their duties.

Specifically excluded are certain matters, such as the incurring of penalties and fines, which may be imposed for breaches of law.

## DIRECTORS' INTERESTS IN SHARES

The Directors disclosed the following relevant interests in shares as at 30 September 2022:

	BENEFICIAL INTEREST		NON-BENEFICIAL INTEREST		ASSOCIATED PERSONS	
	2022	2021	2022	2021	2022	2021
M C Cairns	50,000	20,000	-	-	-	-
P D Cullinane	12,000	12,000	-	-	-	-
C R Ellison <sup>1</sup>	1,000	n/a	-	n/a	-	n/a
A K Foote	12,000	12,000	-	-	-	-
P N Kean	25,000	25,000	-	-	-	-
F N Mackenzie	2,000	1,000	-	-	-	-
R A McLeod	28,500	28,500	-	-	-	-

1. Appointed 20 December 2021

## DIVERSITY



**Recommendation 2.5:** An issuer should have a written diversity policy, which includes requirements for the Board or a relevant committee of the Board to set measurable objectives for achieving diversity (which, at a minimum, should address gender diversity) and to assess annually both the objectives and the entity's progress in achieving them. The issuer should disclose the policy or a summary of it.

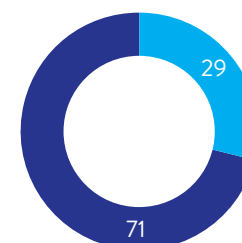
Sanford has a Diversity and Inclusion Policy in place. The policy sets out behavioural and process expectations and standards to deliver practices which increase diversity and reduce bias. Measurable targets are identified for gender makeup of the governance body. Requirements are identified therein for the relevant Board committee to assess the effectiveness of strategies implemented in support of the policy. The Board acknowledges that representation of females on the Board did not achieve the target of at least 33%, but is pleased to have improved its diversity with the appointment of Ngāi Tahu iwi representation, and achievement of other target measures.

## GENDER DIVERSITY

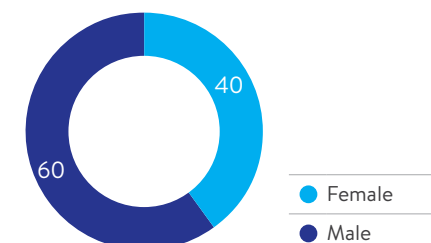
As at 30 September 2022, the Board comprised seven members (2021: seven), made up of five male (2021: five) and two female (2021: two) members.

The Chief Executive Officer and his direct reports comprise a team of 10 members (2021: eight) of which six are male (2021: five) and four are female (2021: three).

### Board gender diversity



### CEO and direct reports gender diversity



A copy of Sanford's Diversity and Inclusion Policy is available on Sanford's website at: <https://www.sanford.co.nz/investors/governance/policies/>.



## DIRECTOR TRAINING



**Recommendation 2.6:** Directors should undertake appropriate training to remain current on how to best perform their duties as Directors of an issuer.

Sanford's Directors are expected to understand the Company's operations and undertake any necessary continued professional development to enable them to discharge their duties.

This includes:

- Attending Director training sessions on specific aspects, such as health and safety governance
- Attending management presentations and tutorial sessions, as appropriate, to gain a broader understanding and knowledge of Sanford
- Attending briefings on relevant changes in legislation, regulatory and industry frameworks
- Attending technical and professional development courses, as appropriate, to keep up to date on relevant issues
- Undertaking scheduled visits to key Sanford sites and operations, to familiarise themselves with key operational activities and business practices.

## EVALUATION OF PERFORMANCE OF DIRECTORS



**Recommendation 2.7:** The Board should have a procedure to regularly assess Director, Board and Committee performance.

The Sanford Board takes a structured approach toward performance evaluation and reviewing the effectiveness of its processes. On an annual basis, the Board critically evaluates its own performance, and its own processes and procedures, including those of its Board Committees, to ensure that they are not unduly complex and are designed to assist the Board in effectively fulfilling its role.

The performance of individual Directors is evaluated, each year, by a process which includes:

- Each Director discussing with the Chair that Director's contribution to the proceedings of the Board and the performance of the Board and its Board Committees generally; and
- The Chair's own contribution being discussed by the rest of the Board.

An independent review of the performance of individual Directors and the Board is undertaken biannually.

The last full review, supported by external consultants, was completed in August 2022, and was supplemented by surveys, self-evaluation, and Board discussion.

The timing of the evaluation enabled the capturing of the challenges that the Covid-19 pandemic has placed on the business and supported the Board's focus toward ensuring that an appropriate strategy is in place to navigate that period and beyond.

## DIRECTOR INDEPENDENCE



**Recommendation 2.8:** A majority of the Board should be independent Directors.

As at 30 September 2022, the Board comprised seven Directors. The Board has considered which of those Directors are independent Directors for the purposes of the NZX Listing Rules and has determined that, as at 30 September 2022, six Directors are independent Directors, including the Chair and the Chair of the Audit, Finance and Risk Committee. The independent Directors are Sir Robert McLeod, Mark Cairns, Peter Cullinane, Abby Foote, Peter Kean and Fiona Mackenzie. Craig Ellison is not considered to be independent, due to his association with a substantial product holder of Sanford.



## INDEPENDENCE OF CHAIR AND CHIEF EXECUTIVE OFFICER (CEO)



**Recommendation 2.9:** An issuer should have an independent Chair of the Board. If the Chair is not independent, the Chair and the CEO should be different people.

Sir Robert McLeod, the Chair of the Board, is an independent Director. The positions of Chair and CEO of Sanford are held by different people.

## Principle 3: Board Committees

**The Board should use committees where this will enhance its effectiveness in key areas, while still retaining Board responsibility.**

The Board recognises the essential role of Committees in guiding the Company on specific issues where specialist knowledge and experience is required. Board Committees assist, advise and make recommendations to the Board on matters falling within their areas of responsibility, as set out below.



**Recommendation 3.5 (part):** All committees should operate under written charters. An issuer should identify the members of each of its committees, and periodically report member attendance.

Each Committee is governed by a formal charter, setting out its objectives, roles and responsibilities, composition, structure, membership requirements and operation. Members' attendance is reported annually, and the table of attendances is included below:

## BOARD AND BOARD COMMITTEE MEETING ATTENDANCE

IN THE YEAR ENDED 30 SEPTEMBER 2022

BOARD MEMBER	FULL BOARD MEETINGS	BOARD COMMITTEE MEETINGS		
		AUDIT FINANCE & RISK	PEOPLE, HEALTH & SAFETY	NOMINATION
M C Cairns	9/9	-	4/4	1/1
P D Cullinane	9/9	-	4/4	1/1
C R Ellison <sup>1</sup>	6/6	4/4	-	1/1
A K Foote	9/9	6/6	4/4	1/1
P J Goodfellow <sup>2</sup>	3/3	2/2	-	1/1
P N Kean	9/9	-	4/4	1/1
F N Mackenzie	8/9	6/6	-	1/1
R A McLeod	9/9	5/6	4/4	1/1

1. Appointed 20 December 2021

2. Retired 20 December 2021

The above table reflects attendances at scheduled Board and Audit, Finance and Risk Committee and People, Health and Safety Committee meetings. Additional ad hoc meetings were also held.

Copies of the Board and Committee charters are available at: [www.sanford.co.nz/investors/governance/board-and-committees](http://www.sanford.co.nz/investors/governance/board-and-committees). Each Committee other than the Nomination Committee meets on at least a quarterly basis, or more often throughout the year, as required. Senior management representatives attend Committee meetings by invitation only. The three Board Committees are described below:





## AUDIT, FINANCE AND RISK COMMITTEE



**Recommendation 3.1:** An issuer's Audit Committee should operate under a written charter. Membership on the Audit Committee should be majority independent and comprise solely of non-executive Directors of the issuer. The chair of the Audit Committee should be an independent Director and not the Chair of the Board.

The Audit, Finance and Risk Committee assists the Board in fulfilling its responsibilities to protect the interests of shareholders, customers, employees and the communities in which Sanford operates through analysis and monitoring of financial and capital allocation matters, establishing a sound risk management framework and ensuring rigorous processes for internal control across financial management, financial accounting, corporate regulatory compliance, audit and related reporting processes.

The purpose, constitution, membership, responsibilities and accountabilities of Sanford's Audit, Finance and Risk Committee complies with this recommendation and the NZX Listing Rules.

A copy of the Audit, Finance and Risk Committee Charter is available on Sanford's website at: <https://www.sanford.co.nz/investors/governance/board-and-committees/>.



**Recommendation 3.2:** Employees should only attend Audit Committee meetings at the invitation of the Audit Committee.

Senior management representatives attend the Audit Finance and Risk Committee meetings by invitation only.



## REMUNERATION (PEOPLE) COMMITTEE



**Recommendation 3.3:** An issuer should have a Remuneration Committee, which operates under a written charter (unless this is carried out by the whole Board). At least a majority of the Remuneration Committee should be independent Directors. Management should only attend Remuneration Committee meetings at the invitation of the Remuneration Committee.

The People, Health and Safety Committee assists the Board in establishing and overseeing appropriate policies and strategies for all aspects of human resources management and remuneration, including corporate culture and ethics. This includes regulatory compliance matters relating to people, and the attraction, retention and development of people. The Committee's agenda reflects the importance of human capital to Sanford's strategic and business planning.

The purpose, constitution, membership, responsibilities and accountabilities of Sanford's People, Health and Safety Committee complies with this recommendation. Senior management representatives attend the People, Health and Safety meetings by invitation only.

A copy of the People, Health and Safety Committee Charter is available on Sanford's website at <https://www.sanford.co.nz/investors/governance/board-and-committees/>.



## NOMINATION COMMITTEE

**Recommendation 3.4:** An issuer should establish a Nomination Committee to recommend Director appointments to the Board (unless this is carried out by the whole Board), which should operate under a written charter. At least a majority of the Nomination Committee should be independent Directors.

The Nomination Committee assists the Board by considering nominations to ensure an appropriate mix of expertise, skills, experience, and diversity are on the Board. The full Board meets once a year, or as required, to determine the most appropriate makeup of the Board and to nominate any changes.



The purpose, constitution, membership, responsibilities, and accountabilities of Sanford's Nomination Committee complies with this recommendation.

A copy of the Nomination Committee Charter is available on Sanford's website at: <https://www.sanford.co.nz/investors/governance/board-and-committees>

#### OTHER BOARD COMMITTEES



**Recommendation 3.5 (part):** An issuer should consider whether it is appropriate to have any other Board committees as standing Board committees.

The Board has determined that the committees, described above, provide appropriate governance of Sanford, and ensure compliance with the NZX Code.

#### TAKEOVER PROTOCOLS



**Recommendation 3.6:** The Board should establish appropriate protocols that set out the procedure to be followed if there is a takeover offer for the issuer including any communication between insiders and the bidder. The Board should disclose the scope of independent advisory reports to shareholders. These protocols should include the option of establishing an independent takeover committee, and the likely composition and implementation of an independent takeover committee.

A takeover response protocol, which has been approved by the Board, is in place for dealing with a takeover offer. The protocol complies with this recommendation.

## Principle 4: Reporting and Disclosure

**The Board should demand integrity in financial and non-financial reporting, and in the timeliness and balance of corporate disclosures.**

#### CONTINUOUS DISCLOSURE



**Recommendation 4.1:** An issuer's Board should have a written Continuous Disclosure Policy.

Sanford has a Continuous Disclosure Policy, and is committed to providing accurate, timely and consistent disclosures that comply with its continuous disclosure regime, in accordance with the NZX Listing Rules. This includes the establishment of a "disclosure committee" which is primarily responsible for ensuring that Sanford complies with its disclosure obligations.

The Continuous Disclosure Policy is available on the Sanford website at: <https://www.sanford.co.nz/investors/governance/policies/>.

#### CHARTERS AND POLICIES



**Recommendation 4.2:** An issuer should make its code of ethics, Board and Committee charters, and the policies recommended in the NZX Code, together with any other key governance documents, available on its website.

Key governance documents are available to investors and stakeholders on Sanford's website. They include the Board and Committee Charters, Code of Ethical Behaviour, Continuous Disclosure Policy, Privacy Policy, Securities Trading Policy and Guidelines, Protected Disclosures (Whistleblowing) Policy, Fisheries Compliance Policy, Diversity and Inclusion Policy, Sustainability Policy, Independence of External Auditors Policy and the Director and Executive Remuneration Policy.



## FINANCIAL REPORTING



**Recommendation 4.3 (part):** Financial reporting should be balanced, clear and objective.

Sanford publishes its interim and audited full-year financial statements that are prepared in accordance with relevant financial reporting standards. The full-year financial statements for the year ended 30 September 2022 are included in the Sanford 2022 Annual Report, an integrated report which reviews Sanford's financial, economic and environmental performance.

## NON-FINANCIAL REPORTING – SUSTAINABILITY



**Recommendation 4.3 (part):** An issuer should provide non-financial disclosure at least annually, including considering environmental, economic and social sustainability factors and practices. It should explain how operational or non-financial targets are measured. Non-financial reporting should be informative, include forward looking assessments, and align with key strategies and metrics monitored by the Board.

Each year, non-financial information is disclosed by Sanford in the Annual Report. Material topics and risks are discussed (including how those risks are managed and how non-financial targets are measured) and risks are also covered in this Corporate Governance Statement (see Principle 6).

This year's Annual Report is Sanford's ninth Integrated Annual Report, as defined by the International Integrated Reporting Council (IIRC). This Report has been developed in accordance with both the IIRC Integrated Report <IR> Framework and the Global Reporting Initiative Sustainability Reporting Standards (GRI) (applied to a core level of compliance) as detailed in the Sanford Annual Report 2022, **Appendix E**.

Sanford has also considered its role in contributing to the United Nations Sustainable Development Goals (SDGs). Sanford has focused on six SDGs to which it can contribute the most and has the most impact upon.

The GRI standards require Sanford to answer the question: 'What are relevant and material topics which reflect the organisation's significant economic, environmental, and social impacts which are important to its stakeholders, and how is the organisation dealing with them?' This includes value creation across the dimensions of time, financial and non-financial resources for both Sanford and other stakeholders. Material topics and how they are treated are reported within Sanford's Integrated Annual Report 2022.

A combined Independent Auditor's and Limited Assurance Report is issued by Sanford's external auditor KPMG, in relation to Sanford's Integrated Annual Report 2022.

## Principle 5: Remuneration

**The remuneration of Directors and Executives should be transparent, fair and reasonable.**

### DIRECTORS' REMUNERATION



**Recommendation 5.1:** An issuer should recommend Director remuneration to shareholders for approval in a transparent manner. Actual Director remuneration should be clearly disclosed in the issuer's annual report.

Information on Sanford's Director remuneration is shown below. This includes a breakdown of remuneration for Board fees and Committee roles. No other payments were made to Directors.





## REMUNERATION

The following tables provide a breakdown of remuneration for Board fees and committee roles. No other payments were made to Directors.

### DIRECTORS' REMUNERATION 2022

The following tables provide a breakdown of remuneration for board fees and committee roles. No other payments were made to Directors.

NAME OF DIRECTOR	BOARD FEES	AUDIT, FINANCE & RISK COMMITTEE	PEOPLE, HEALTH AND SAFETY COMMITTEE <sup>1</sup>	TOTAL REMUNERATION
Sir Robert McLeod (Chair)	170,000 (Chair)	10,000	8,000	188,000
Mark Cairns	90,000		8,000	98,000
Peter Cullinane	90,000		8,000	98,000
Craig Ellison <sup>1</sup>	70,000	8,000		78,000
Abigail (Abby) Foote	90,000	10,000	16,000 (Chair)	116,000
Peter Goodfellow <sup>2</sup>	20,000	2,000		22,000
Peter Kean	90,000		8,000	98,000
Fiona Mackenzie	90,000	20,000 (Chair)		110,000
<b>Total</b>	<b>710,000</b>	<b>50,000</b>	<b>48,000</b>	<b>808,000</b>

1. Appointed 20 December 2021.

2. Retired 20 December 2021.





## DIRECTORS' REMUNERATION 2021

NAME OF DIRECTOR	BOARD FEES	AUDIT, FINANCE & RISK COMMITTEE	SAFETY, HEALTH AND ENVIRONMENT COMMITTEE <sup>1</sup>	PEOPLE, HEALTH AND SAFETY COMMITTEE <sup>1</sup>	SALES, MARKETING, INNOVATION AND FOOD SAFETY COMMITTEE <sup>2</sup>	TOTAL REMUNERATION
Sir Robert McLeod (Chair)	170,000 (Chair)	10,000	4,000	7,750	4,000	195,750
Mark Cairns <sup>3</sup>	22,500			2,000		24,500
Peter Cullinane	90,000		4,000	4,000	4,000	102,000
Abigail (Abby) Foote <sup>4</sup>	90,000	10,000	8,000 (Chair)	8,000 (Chair)		116,000
Peter Goodfellow <sup>5</sup>	90,000	5,000		7,500 (Chair)		102,500
Peter Kean	90,000			7,750	8,000 (Chair)	105,750
Fiona Mackenzie	90,000	20,000 (Chair)				110,000
<b>Total</b>	<b>642,500</b>	<b>45,000</b>	<b>16,000</b>	<b>37,000</b>	<b>16,000</b>	<b>756,500</b>

1. People Committee and Safety Health and Environment Committees were combined on 1 April 2021 into the People, Health and Safety Committee.
2. Sales, Marketing, Innovation and Food Safety Committee was disestablished on 31 March 2021. Agenda items moved to Board meetings.
3. Appointed 1 July 2021; fees do not represent a full year.
4. People, Health and Safety Committee Chair from 1 April 2021.
5. People, Health and Safety Committee Chair until 31 March 2021.







## REMUNERATION POLICY



**Recommendation 5.2:** An issuer should have a Remuneration Policy for remuneration of Directors and officers, which outlines the relative weightings of remuneration components and relevant performance criteria.

Sanford has a Director and Executive Remuneration Policy in place, consistent with the principles of the People, Health, and Safety Committee Charter. The guiding principles of the policy are for the remuneration of Directors and Executives to be transparent and reasonable, and to support the Company in attracting, retaining, and motivating high-calibre people to achieve its business objectives and create shareholder value. The Director and Executive Remuneration Policy complies with this recommendation.

A copy of the Director and Executive Remuneration Policy is available on Sanford's website at: <https://www.sanford.co.nz/investors/governance/policies/>.

## EMPLOYEES' REMUNERATION

The table below shows the number of employees and former employees who received remuneration and other benefits in excess of \$100,000 during the year ended 30 September 2022. The table does not include amounts paid after 30 September 2022 that relate to the year ended 30 September 2022.

REMUNERATION RANGE \$000	NUMBER OF EMPLOYEES	REMUNERATION RANGE \$000	NUMBER OF EMPLOYEES
100 – 110	57	250 – 260	2
110 – 120	31	270 – 280	2
120 – 130	30	280 – 290	1
130 – 140	22	290 – 300	3
140 – 150	18	300 – 310	1
150 – 160	10	310 – 320	1
160 – 170	9	320 – 330	1
170 – 180	7	330 – 340	2
180 – 190	4	340 – 350	1
190 – 200	3	380 – 390	1
200 – 210	3	390 – 400	1
210 – 220	3	510 – 520	1
220 – 230	2	520 – 530	1
230 – 240	1	660 – 670	1
		1000 – 1010	1



## CEO REMUNERATION



**Recommendation 5.3:** An issuer should disclose the remuneration arrangements in place for the CEO in its annual report. This should include disclosure of the base salary, short term incentives and long-term incentives and the performance criteria used to determine performance based payments.

### CHIEF EXECUTIVE OFFICER (CEO) REMUNERATION

The CEO's remuneration consists of fixed remuneration inclusive of KiwiSaver, a short-term incentive (STI) and a long-term incentive (LTI). This is reviewed annually by the People, Health and Safety Committee and the Board after reviewing the Company's performance, the CEO's individual performance and advice from external remuneration specialists.

#### Short Term Incentive (STI)

The aim of the STI is to reward the CEO for achieving strategic objectives, which will result in strong financial returns for our shareholders. Participation in the plan is by annual invitation at the discretion of the Company at which time financial targets and key performance indicators are established. If minimum financial thresholds are not met, no incentive will be paid. The STI value is set at 30% of the CEO's total fixed remuneration. The STI has two components, individual performance and financial performance. Individual performance accounts for 30% and is based on achieving health and safety performance goals and certain personal performance goals. Financial performance accounts for 70% and is based on achieving budgeted NEBIT.

Achievement of the financial targets result in a payment of 100% of the financial performance component. Payment outside these parameters is at the sole discretion of the Board. The STI payments are shown in the financial year that they are paid, which may not be the same year that they are earned.

#### Long Term Incentive (LTI)

In September 2021 the Company announced a new LTI plan as part of its retention and incentive arrangements for the CEO. The LTI plan also has flexibility to be extended to other employees in the future, to align the interests of employees with the interests of Sanford's shareholders and to encourage share ownership. The Board retains absolute discretion as to whether any future offers will be made and to review the terms.

The benefits provided to the CEO under the plan are capped at 30% of the CEO's total fixed remuneration. This is then translated to the equivalent number of rights to acquire Sanford ordinary shares (**Share Rights**) based on the weighted average share price over the 10 trading days up to and including the commencement date for the grant.

The Share Rights in a grant are issued in a single tranche with the same performance hurdle, commencement date, and vesting date.

The CEO was granted Share Rights as follows:

- 58,230 Share Rights with a commencement date of 1 October 2021 and a vesting date of 30 September 2024; the "FY22 Grant".
- 31,825 Share Rights with a commencement date of 6 April 2021 and a vesting date of 30 September 2023; the "FY21 Grant".

A Share Right represents a conditional right to, upon vesting, acquire one Sanford Limited ordinary share at a nil exercise price. If the CEO departs the Company's employment for any reason prior to vesting (other than in certain exceptional circumstances), all Share Rights will lapse.

The Share Rights are subject to a performance hurdle. Share Rights will vest where Sanford's total shareholder return (**TSR**) from the commencement date to the vesting date is at least a positive amount and greater than the 50th percentile of a comparative group of NZX50 companies (excluding banking groups). The percentage of Share Rights that vests will increase on a straight-line basis from 50% where TSR is equal to the 50th percentile of the NZX50 group to 100% where the TSR is equal to the 75th percentile of the NZX50 group. Income from Share Rights is recorded in the financial year that vesting occurs.

The CEO is not a member of the Board.

YEAR	BASE	VEHICLE	FIXED	PAY FOR PERFORMANCE \$		TOTAL
	SALARY	ALLOWANCE	REMUNERATION	STI	LTI	REMUNERATION
	\$	\$	\$			\$
FY22	950,000	50,000	1,000,000	-	-	1,000,000





## Principle 6: Risk Management

Directors should have a sound understanding of the material risks faced by the issuer and how to manage them. The Board should regularly verify that the issuer has appropriate processes that identify and manage potential and material risks.

### RISK MANAGEMENT FRAMEWORK



**Recommendation 6.1:** An issuer should have a risk management framework for its business and the issuer's Board should receive and review regular reports. An issuer should report the material risks facing the business and how these are being managed.

The identification and mitigation, where possible, of business risks, along with the integrity of management systems and the quality and relevance of reporting to shareholders are a critical oversight responsibility of the Board. The Board is satisfied that there are sufficient written procedures, policies, guidelines, and organisational structures in place to ensure an appropriate division of responsibility, as well as programmes to identify, assess and manage areas of significant risk.

Sanford uses an Enterprise Risk Management approach to identify, evaluate, address, monitor, quantify and report material business risks to the Audit, Finance and Risk and People, Health, and Safety Board Committees, including assessing the implementation and/or effectiveness of mitigation measures. The objective of this approach is to enhance stakeholder value through continuous improvement in the Company's management of risk. Further details relating to the specific risks identified are set out in the Sanford Annual Report 2022 **Appendix B** (page 192).

A key control is Sanford's annual business plan and operating budget, which is prepared by management and approved by the Board. This document, combined with the preparation and presentation of monthly financial statements, allows the Board to review management performance against the annual plan and previous year. The Board has an ongoing focus on strategic direction, as well as both global and local trends impacting the Company and industry overall. In addition to internal mechanisms, the Board engages external advisors to carry out internal audit functions on various parts of the business on a rotational basis each year, as set out under Principle 7 'Auditors'.

### HEALTH AND SAFETY



**Recommendation 6.2:** An issuer should disclose how it manages its health and safety risks and should report on their health and safety risks, performance and management.

Health and safety risks are reported to the Board and to the People, Health and Safety Committee on a monthly basis, so that Directors are able to ensure that Sanford has available for use, and uses, appropriate resources and processes to eliminate or minimise risks to health and safety. Health and safety indicators that comply with GRI standards, such as the lost time injury frequency rate (LTIFR), are disclosed at page 187 in this Annual Report, and Sanford Key Performance Indicators table, **Appendix A** (pages 184-189). By understanding and discussing Sanford's critical and high probability risks, their risk profile, and related controls effectiveness, Directors can ensure that they allocate appropriate resources to the organisation. This considered allocation can eliminate or minimise the risks, so far as reasonably practicable.





## Principle 7: Auditors

**The Board should ensure the quality and independence of the external audit process.**

### AUDIT

The Board ensures the quality and independence of the external audit process, which culminates in the audit report being issued in relation to the annual financial statements. The significant issues and judgements considered by the Audit, Finance and Risk Committee are disclosed in the Sanford Annual Report 2022 (Note 2 on pages 125-126 of the financial statements).

### EXTERNAL AUDITOR

KPMG were commissioned as Sanford's external auditors for the year ending 30 September 2022. The Board, after considering the recommendation of the Audit, Finance and Risk Committee, considered and reviewed the appointment of the external auditors. It is proposed that the current Auditor should continue in office, in accordance with Section 207T of the Companies Act 1993.

The Audit, Finance and Risk Committee provides a formal forum for communication between the Board and the external auditors, ensures the independence of the external auditors, has oversight of audit planning, reviews and recommends audit fees, considers audit opinions and evaluates the performance of the external auditors. The audit partner responsible for the Sanford audit has been the lead auditor for the past one year, having rotated in 2020.

No issues relating to the external auditors' independence have been identified to the year ending 30 September 2022.

## RELATIONSHIP WITH AUDITOR



**Recommendation 7.1 and 7.2:** The Board should establish a framework for the issuer's relationship with its external auditor. This should include the procedures prescribed by the NZX Code. The external auditor should attend the issuer's Annual Meeting to answer questions from shareholders in relation to the audit.

### INDEPENDENCE OF EXTERNAL AUDITORS

The External Auditor Independence Policy sets out the procedures required to obtain Audit Finance and Risk Committee approval for the use of Sanford's appointed external audit firm for non-audit services. The use of the external audit firm may be permitted to provide non-audit services that are not perceived to be materially in conflict with the role of the auditor, subject to the approval of the Audit, Finance and Risk Committee.

Sanford's external auditor is expected to attend Sanford's annual meeting each year, and shareholders can ask questions of them, should they wish.

A copy of the External Auditor Independence Policy is available on Sanford's website at: <https://www.sanford.co.nz/investors/governance/policies/>.

### INTERNAL AUDIT FUNCTION



**Recommendation 7.3:** Internal audit functions should be disclosed.

Ernst and Young (**EY**) were commissioned for the year ending 30 September 2022, to conduct a number of internal audit functions on behalf of Sanford. These included workforce attraction and retention, cyber security and new IT systems design functionality. These audits were carried out in accordance with the Sanford internal audit plan and approved by the Audit, Finance and Risk Committee.





## Principle 8: Shareholder Rights and Relations

**The Board should respect the rights of shareholders and foster constructive relationships with shareholders that encourage them to engage with the issuer.**

### INFORMATION FOR SHAREHOLDERS



**Recommendation 8.1:** An issuer should have a website where investors and interested stakeholders can access financial and operational information and key corporate governance information about the issuer.

Sanford provides shareholders with information through our Annual Reports and half-year results announcements, our Annual Meeting and announcements of material or other relevant information, including results. These documents are lodged with the Stock Exchange operated by NZX Limited (**NZX**) and are publicly available on the Company website at [www.sanford.co.nz](http://www.sanford.co.nz).

Over the past nine years, Sanford has sought to enhance its financial accounts through integrated reporting, ensuring greater transparency to stakeholders on their strategic direction, business model, value creation and environmental and social performance. Sanford keeps its shareholders informed of major developments and business events likely to affect the Company's operations, financial standing and share price.



### COMMUNICATING WITH SHAREHOLDERS

**Recommendation 8.2:** An issuer should allow investors the ability to easily communicate with the issuer, including providing the option to receive communications from the issuer electronically.

Shareholders are encouraged to engage with senior management and the Sanford Board of Directors at the Annual Meeting. Copies of addresses made by the Chairman and CEO at the Annual Meeting are lodged with NZX and made publicly available on the Company website. Sanford also communicates with the investment community via regular group presentations by senior management, and the Chairman undertakes engagement with major investors and advisors to Sanford. This provides a useful forum for both the Board and Sanford investors and advisors to stay abreast of current market views, commercial developments and industry trends.

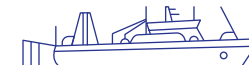
Sanford provides options for shareholders to receive and send communications electronically, to and from both Sanford and its share registrar.

### SHAREHOLDER VOTING RIGHTS



**Recommendation 8.3:** Quoted equity security holders should have the right to vote on major decisions, which may change the nature of the issuer in which they are invested in.

Sanford is committed to timely and balanced disclosure, which includes advising shareholders on any major decisions. Sanford has processes to ensure it follows the mandatory listing rule requirements relating to a change in the essential nature of the business, including major transactions under the Companies Act 1993.





**Recommendation 8.4:** If seeking additional equity capital, issuers of quoted equity securities should offer further equity securities to existing equity security holders of the same class on a pro rata basis, and on no less favourable terms, before further equity securities are offered to other investors.

Sanford has not sought additional equity capital for the year ending 30 September 2022.

#### NOTICE OF ANNUAL MEETING



**Recommendation 8.5:** The Board should ensure that the notices of annual or special meetings of quoted equity security holders is posted on the issuer's website as soon as possible, and at least 20 working days prior to the meeting.

Sanford's 2022 Annual Meeting will be held at 2.00pm on Thursday 15 December 2022 at Eden Park, Reimers Avenue, Mt Eden, Auckland in the World Cup Lounge West, South Stand and virtually.

Sanford targets having its notices of the annual meeting available on Sanford's website at least 20 working days prior to the meeting.

## STATUTORY INFORMATION

### SHAREHOLDING ANALYSIS

AS AT 10 OCTOBER 2022

SIZE OF HOLDING	NUMBER OF SHAREHOLDERS	%	NUMBER OF SHARES	%
1 to 999	700	24.66	309,688	0.33
1,000 to 4,999	1,373	48.36	2,925,704	3.12
5,000 to 9,999	353	12.43	2,247,005	2.4
10,000 to 49,999	329	11.59	6,089,732	6.5
50,000 to 99,999	30	1.06	2,102,226	2.25
100,000 and above	54	1.9	79,952,380	85.39
	<b>2,839</b>	<b>100</b>	<b>93,626,735</b>	<b>100</b>





## TWENTY LARGEST SHAREHOLDERS

AS AT 10 OCTOBER 2022

	NUMBER OF SHARES	%
Ngāi Tahu Investments Limited	18,607,721	19.87
Forsyth Barr Custodians Limited <1-CUSTODY>	8,326,773	8.89
Masfen Securities Limited	7,066,730	7.54
ASB Nominees Limited <173944 A/C>	5,000,000	5.34
Maruha Nichiro Corporation	4,534,231	4.84
Citibank Nominees (New Zealand) Limited - NZCSD <CNOM90>	4,187,454	4.47
Tasman Equity Holdings Limited	3,423,099	3.65
Sterling Nominees Limited <18 A/C>	2,179,037	2.32
BNP Paribas Nominees (NZ) Limited - NZCSD <BPSS40>	2,118,489	2.26
Custodial Services Limited <A/C 4>	1,915,463	2.04
ANZ Wholesale Australasian Share Fund - NZCSD <PNAS90>	1,727,007	1.84
Accident Compensation Corporation - NZCSD <ACCI40>	1,706,013	1.82
New Zealand Depository Nominee Limited <A/C 1 CASH ACCOUNT>	1,644,436	1.75
JBWere (NZ) Nominees Limited <NZ RESIDENT A/C>	1,558,574	1.66
Rural Equities Limited	1,550,000	1.65
HSBC Nominees (New Zealand) Limited - NZCSD <HKBN90>	1,431,852	1.52
FNZ Custodians Limited	1,335,349	1.42
Arden Capital Limited	1,141,032	1.21
MMZ Trustee Company Limited <M & M A/C>	927,449	0.99
HSBC Nominees A/C NZ Superannuation Fund Nominees Limited - NZCSD <SUPR40>	833,803	0.89

As required by the NZX Listing Rules, New Zealand Central Securities Depository Limited (NZCSD) holdings are now included in the table and are not detailed separately.

## SUBSTANTIAL PRODUCT HOLDERS

According to the Company's records and substantial product holder notices given to the Company under the Financial Markets Conduct Act 2013, as at 30 September 2022, the following were substantial product holders in the Company through having a relevant interest in the Company's ordinary shares:

SUBSTANTIAL PRODUCT HOLDER	NUMBER OF VOTING SECURITIES	% OF ORDINARY SHARES HELD	DATE OF LAST SUBSTANTIAL PRODUCT HOLDER NOTICE
Ngāi Tahu Holdings Corporation Limited and Ngāi Tahu Investments Limited*	18,607,721	19.87%	1-Sept-21
Tasman Equity Holdings Limited, Ardern Capital Limited and Past Limited Partnership	9,564,131	10.22%	13-Jun-22
Masfen Securities Limited	7,046,201	7.53%	14-Mar-22
Amalgamated Dairies Limited	5,621,567	6.00%	1-Sept-21

\* Ngāi Tahu Holdings Corporation Limited has disclosed that it has a relevant interest in the shares held by Ngāi Tahu Investments Limited.

The total number of quoted voting products of Sanford Limited on issue as at 30 September 2022 was 93,626,735 (which includes Treasury stock of 120,598 shares).

## WAIVERS AND EXEMPTIONS FROM THE NZ STOCK EXCHANGE AND THE OVERSEAS INVESTMENT OFFICE

### NZX Waiver – Overseas Ownership

In November 2016, NZX granted the Company a waiver from the previous NZX Main Board Listing Rule 11.1.6 (now NZX Listing Rule 8.1.5) which allows the Company to suspend the voting rights of any of the Company's shares which are "Affected Shares" (Waiver).

"Affected Shares" are those shares which the Board determines have caused the Company to be in breach of the "Overseas Ownership Threshold" (currently set at 90% of the maximum aggregate percentage of the Company's shares that can be owned or controlled by overseas persons without the Company itself being an overseas person) and in respect of which the Board can exercise its powers to require (or effect) a sale of the "Affected Shares" to a "Non-Overseas Person".



Following the implementation of the new NZX Listing Rules dated 1 January 2019, NZX re-documented the Waiver under the new NZX Listing Rules and that waiver was released on 22 May 2019 (Re-issued Waiver). The full text of the Re-issued Waiver can be found here: <https://www.nzx.com/companies/SAN/documents>

NZX also granted approval for the Company to include provisions in its Constitution which allow the Board to restrict the transfer of the Company's shares to "Overseas Persons" and which allow the Board to require certain documentation and/or information in relation to a proposed transfer or transferee of the Company's shares. The full text of NZX's approval can be found here: <https://www.nzx.com/announcements/293474>

A more detailed outline and explanation of the effects of the powers that the Board has to restrict the transfer and in certain circumstances suspend voting rights of securities can be found on our website [www.sanford.co.nz/investors/governance/companyconstitution](http://www.sanford.co.nz/investors/governance/companyconstitution), and the provisions which enable the Board to exercise those powers are set out in the Company's Constitution.

As a condition of the waiver, Sanford is listed on the NZX Main Board with a Non Standard designation.

### OIO Exemption – Overseas Ownership

In September 2018, the Overseas Investment Office granted the Company an exemption from the requirement under the Overseas Investment Act 2005 to obtain consent prior to acquiring "fishing quota" in certain limited circumstances.

The exemption, which is subject to conditions, means that the Company will not breach the Overseas Investment Act if it acquires "fishing quota" at a time when the Company has a level of overseas ownership of 25% or more, provided that the Company did not know (or could not reasonably have known) that its level of overseas ownership was 25% or more at the time of the acquisition. If Sanford acquires fishing quota under such circumstances, the exemption allows the Company a period of time to either (i) lower its overseas ownership to a level below 25%; or (ii) dispose of the fishing quota it acquired when the Company was 25% or more overseas owned. Sanford is obliged to undertake a quarterly analysis of its share register in order to determine its level of overseas ownership.

The Company sought this exemption to complement the provisions introduced to its constitution in 2016 which enable the Board to require (or effect) a sale of the "Affected Shares" to a "Non-Overseas Person" (as discussed above).

The exemption currently runs until 31 August 2023, and the Company must comply with certain conditions in order to have the continued benefit of the exemption.

For the avoidance of doubt, this exemption does not exempt any overseas person from any requirement to obtain consent under the Overseas Investment Act before giving effect to an acquisition of rights or interests in the Company's securities.

### Current level of overseas ownership

The Company estimates Overseas Person ownership to be 12.5% based on NASDAQ most recent reporting, as at 31 August 2022 (13.2% as at 3 September 2021). Sanford's level of overseas ownership may have changed since this estimate was prepared. Overseas persons intending to trade in Sanford shares should seek legal advice regarding their obligations under the Overseas Investment Act 2005.

