

# CORPORATE GOVERNANCE MANUAL

(as updated in August 2023)



# CONTENTS

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|  |    |
|--|----|
| Part 1: Code of Ethics   | 4  |
| Part 2: Board Charter  | 6  |
| Part 3: Audit and Risk Committee Charter                       | 9  |
| Part 4: People and Performance Committee Charter               | 10 |
| Part 5: Environmental, Social and Governance Committee Charter | 12 |
| Part 6: Financial Products Dealing Policy                      | 13 |
| Part 7: Policy on Audit Independence                           | 17 |
| Part 8: Diversity and Inclusion Policy                         | 19 |
| Part 9: Continuous Disclosure Policy                           | 21 |
| Part 10: Takeover Policy                                       | 23 |
| Part 11: Whistleblower policy                                  | 24 |
| Part 12: Shareholder Communication                             | 26 |

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## INTRODUCTION

Precinct Properties New Zealand Limited and Precinct Properties Investments Limited (together referred to in this document as "**Precinct**") and their boards of Directors ("**the Boards**") are committed to ensuring that Precinct maintains best practice governance structures and the highest ethical standards and integrity.

The Boards have therefore developed this Corporate Governance Manual ("**Manual**") to guide the Directors, employees and Precinct's representatives so that their business conduct is consistent with high business standards set by the Boards. It incorporates (to the extent relevant) the latest NZX Listing Rules relating to corporate governance, the NZX Corporate Governance Code and applicable external guidelines. This Manual is intended to be read in conjunction with the constitution of each of Precinct Properties New Zealand Limited and Precinct Properties Investments Limited.

The Boards have delegated responsibility for day to day management of Precinct to Precinct's Chief Executive Officer ("**CEO**"). The Boards acknowledge that one of their most important roles is to provide high level counsel to the CEO, to constantly monitor the performance of the CEO against the Boards' requirements and expectations and to take timely action if Precinct's objectives are not being achieved or a correction to management plans is required.

The Boards regularly review Precinct's governance structures against applicable guidance to ensure Precinct remains current with developments in corporate governance in New Zealand. The Boards are committed to ensuring that Precinct follows and has implemented the recommendations of the NZX Corporate Governance Code (as applicable) through the frameworks, policies and procedures outlined in this Manual.



# PART 1: CODE OF ETHICS

## Purpose and Intent

The purpose and intent of this Code of Ethics ("Code") is to guide Directors, employees and representatives of Precinct and its subsidiaries so that their business conduct is consistent with high business standards.

This Code is not intended to be an exhaustive list of acceptable and non-acceptable behaviour, rather it is intended to facilitate decisions that are consistent with Precinct's business standards, objectives and legal and policy obligations.

## Ethical Behaviour Generally

The Directors, employees and representatives of Precinct will:

- Undertake their duties with care and diligence;
- Not enter into transactions or make promises on behalf of Precinct that Precinct does not intend to honour;
- Conduct themselves in a way that demonstrates honesty and in the best interest of Precinct as required by law, while taking into account the interests of Precinct's Shareholders and other external stakeholders;
- Not seek to gain an advantage through accepting or offering bribes or other improper inducements;
- To the best of their ability, ensure that Precinct's records and documents, including financial reports are true, correct and conform to Precinct's reporting standards, internal controls and the law;
- Conduct themselves in a way that demonstrates honesty and personal integrity in all actions; and
- In the case of Directors, give proper attention to the matters before them.

## Conflicts of Interest

Precinct expects all of its Directors, employees and representatives to act with integrity and to proactively declare situations where there is a real or potential conflict of interest between their personal interests and the interests of Precinct in order that they may be avoided, mitigated or managed as appropriate. Precinct expects its Directors, employees and representatives to declare conflicts of interest in their decisions and to avoid any direct or indirect interest, investment, association, or relationship which is likely to or appears to interfere with the exercise of their independent judgement. In particular, Directors, employees and representatives of Precinct should not engage in any other business or commercial activities which would conflict with their ability to perform their duties to Precinct.

## Duty to Protect Precinct's Assets

The Directors, employees and representatives of Precinct are expected to act with integrity and take personal responsibility to ensure the protection and efficient use of Precinct's corporate information, assets and property for legitimate and lawful business purposes as authorised by the Boards.

## Regulatory and Legal Compliance

The Directors, employees and representatives of Precinct will:

- Familiarise themselves with and comply with all of Precinct's policies, frameworks and processes at all times;

- Abide by the laws, rules and regulations of the country in which they are operating;
- Undertake training on legal obligations and policies, when required by the Boards or in order to properly fulfil their duties;
- Comply with all statutory and internal disclosure requirements on a timely basis;
- Co-operate with regulatory bodies and government agencies in all matters, including their investigations of Precinct's compliance with legal obligations; and
- Record and evaluate compliance with this Code to ensure any breaches are dealt with appropriately.

## Reporting unlawful or unethical behaviour

The Directors, employees and representatives of Precinct are actively encouraged to challenge any behaviour which they believe is inconsistent with any of Precinct's values or with this Code. In particular anyone who suspects that any Director, employee or representative of Precinct has or may have:

- acted corruptly, fraudulently or unethically;
- acted unlawfully; or
- breached this Code,

should report this to their immediate supervisor, the GM – People, to the Boards, or to the Chair of the Boards.

Individuals may report this information personally or anonymously. The identity of the person making the report will be kept confidential where possible.

However, there may be situations where the proper investigation of the matter inadvertently identifies the reporter or requires their identification.

Any person who knowingly makes a false report of a legal or policy breach may be subject to disciplinary action.

## Responsibilities to Shareholders and Financial Community

The Boards are responsible for Precinct's strategic direction and directing the CEO (and other employees) in administering and managing Precinct for the benefit of shareholders.

The Boards believe that constructive and ethical behaviour, acting in a way which is consistent with Precinct's values, is the key to achieving the maximum benefit for shareholders. This includes building high levels of confidence among the investors and the financial community generally, by being open and transparent in accounting policies and practices and in disclosure and general interaction with investors.

## Corporate Opportunities

The Directors, employees and representatives of Precinct are expected to act with integrity and not take advantage of opportunities arising from their engagement, employment or connection with Precinct for personal gain or to compete with Precinct. In particular, no employee or representative of Precinct who has non-public information which could affect the price of the Precinct financial products may buy or sell Precinct financial products. Similarly, no Director, employee or representative with such non-public price sensitive information may recommend or suggest other persons buy or sell Precinct financial products.

Precinct has a Financial Products Dealing Policy, which is set out in Part 6 of this Manual.

**Confidentiality**

The Directors, employees and representatives of Precinct will maintain and protect the confidentiality of information entrusted to them about Precinct's financial affairs, except where disclosure is allowed or required by law or where the Boards have approved disclosure.

**Gifts**

All Directors, employees and representatives will not give any gift or benefit to, or accept any benefit from, external parties, if this could be perceived to influence the particular Director, employee or representative, or a third party, given the value of the gift or benefit.

**Privacy**

The Directors, employees and representatives of Precinct will take their obligations in relation to personal information seriously and commit to protecting personal information and ensuring Precinct complies with all relevant privacy laws, including the Privacy Act 2020.

**Compliance**

All Directors, employees and representatives are expected to adhere to the policies and behaviours described in this Code. Precinct expects Directors, employees and representatives to comply with the spirit as well as the letter of this Code.

**Review**

This Code is subject to annual review by the Boards.



## PART 2: BOARD CHARTER

### Governance at Precinct

The Directors are fully committed to high standards of corporate governance. Corporate governance at Precinct encompasses the Board's decision-making structures and the mechanisms used to manage the organisation.

The Boards have statutory responsibility for the affairs and activities of Precinct, sets the strategic direction of Precinct and supervises the activities carried out by Precinct and its subsidiaries.

### The Role of the Boards

The Boards are responsible for supervising and monitoring the activities and performance of Precinct and its subsidiaries.

The Boards have the responsibility to work to protect and enhance the value of the assets of Precinct in the interests of its shareholders.

The Boards establish Precinct's objectives, the major strategies for achieving these objectives, the overall policy framework within which the business of Precinct is conducted and monitors the business' performance with respect to these matters.

In delegating responsibility for the day to day operation and management of Precinct to the CEO, the Boards have processes and systems in place to ensure that significant issues, risks and major strategic decisions are monitored and considered at Board level. This allows Precinct to operate on a day to day basis in a manner which maximises shareholder value and manages risk while seeking to ensure that the interests of shareholders are protected.

The focus of the Boards is on the creation of long-term shareholder wealth and ensuring Precinct is run in accordance with best international management and corporate governance practices. The legitimate interests of all stakeholders are taken into account in the decision making of the Boards.

### Responsibilities of the Boards

The Boards:

- approve the policies and budgets of Precinct and ensures that these are followed;
- approve major investments and divestments and monitors the performance of those investments;
- monitor financial performance including approving of the quarterly, interim and annual financial statements and reports;
- review and approve the Code of Ethics;
- review and approve this Charter;
- review and approve the framework for Precinct's relationship with its Auditor;
- review and approve the Audit and Risk Committee Charter and the performance of the Audit and Risk Committee;
- review and approve the People and Performance Committee Charter and the performance of the People and Performance Committee;
- review and approve the Environmental, Social and Governance Charter and the performance of the Environmental, Social and Governance Committee;
- ensure that Precinct provides continuous disclosure of the requisite information to the NZX and the investment community in accordance with the NZX Listing Rules, and that shareholders have available all information they reasonably require to make informed assessments of Precinct's prospects;
- facilitate fulfilment of Precinct's statutory functions;
- meet all relevant responsibilities imposed at law, by the NZX Listing Rules, or otherwise;
- monitor actual results against the annual business plan, budget and strategic objectives;
- take responsibility for the appointment, performance and removal of the Chair and CEO;
- recommend the remuneration of the Directors;
- review and approve remuneration policies for employees;
- promote a positive working culture, embracing diversity and inclusion and promoting wellbeing in the workplace;
- approve and send half yearly accounts, full year accounts and the annual report and related reports to the NZX and other regulatory authorities;
- maintain corporate and Board values to ensure that Precinct acts with the highest ethical standards and integrity, in accordance with all legal and regulatory requirements and otherwise in accordance with those management and governance best practices;
- review and monitor health and safety incidents and actively undertakes due diligence to ensure Precinct complies with its legal obligations as a person controlling a business undertaking;
- ensure compliance with relevant employer obligations and duty of care; and
- undertake appropriate training to remain current on how to best perform their duties as directors of Precinct.

### The Role of, and Delegation to, Management

The CEO is charged with the day-to-day leadership and management of Precinct. It is expected that the CEO will sub-delegate a number of functions to members of the senior executive team.

The CEO also has the responsibility to manage and oversee the interfaces between Precinct and the public and to act as the principal representative of Precinct.

The CEO manages the organisation in accordance with the strategy, business plans and policies approved by the Boards to achieve Precinct's corporate objectives, goals and targets.

Delegated authorities are set and reviewed by the Boards annually and monitored by the General Counsel/Company Secretary and CFO (where relevant) and verified as part of internal and external auditing. Management regularly reports to the Boards, however in general any unbudgeted cost in excess of \$2m would be considered outside day to day operation and require Board approval.

### Composition of the Boards

The Precinct Properties New Zealand Limited and Precinct Properties Investments Limited constitutions allow one Director on

each Board to be appointed by each person holding more than 15 percent of the shares.

The remainder of Directors are appointed by ordinary resolution of the shareholders (other than a 15%+ shareholder who has appointed a director). Directors are appointed for an up to 3 year term and must retire by rotation at the end of the term of their appointment, but are eligible for reappointment by shareholders at Precinct's annual meeting.

Board membership should comprise a range of skills and experience in order that it has a proper understanding of and competence to deal with the current and emerging issues of the business, can effectively review and challenge the performance of management and can exercise independent judgement.

The Boards are responsible for identifying and appointing directors to the Boards through the People and Performance Committee. The Boards may appoint directors to fill casual vacancies.

Precinct enters into written agreements with each newly appointed Director, establishing the terms of their appointment. These written agreements will document the terms of the Directors' appointment including Precinct's expectations of the Director, time commitments, entitled remuneration and indemnity and insurance arrangements.

#### **Chair**

The Chair will be an Independent Director, elected from among the members of the Boards.

The Chair will chair all meetings of the Boards at which they are present, as well as Precinct's annual meeting, unless exceptional circumstances arise.

The Chair is responsible for the leadership of the Boards and for the efficient functioning of the Boards. The Chair should ensure that directors have the opportunity to air differences, explore ideas, and generate a collective view necessary for the proper operation of the Boards and Precinct. The Chair will ensure that Board decisions provide clear guidance to the Chief Executive regarding expected outcomes.

The Chair is responsible for representing the Boards to shareholders, ensuring the integrity and effectiveness of the Boards' governance processes. The Chair is also responsible for establishing a close and productive working relationship with the CEO (noting that the Chair and the CEO should not be the same person).

The Chair will consult promptly with other Directors over any matter about which the Boards should be aware.

#### **Independence and conflicts**

The Boards seek to identify candidates with appropriate skills, knowledge and experience to contribute to the effective direction of Precinct, and who can exercise an independent and informed judgement on matters which come to the Boards and who are free of any business or other relationship that may interfere with the exercise of that individual judgement.

In accordance with the NZX Listing Rules, at least two of the Directors of Precinct must be Independent Directors.

The Directors are required to keep the Boards advised of any interests they have that could affect their "independence", including any interests that could potentially conflict with the interests of Precinct. Directors are required to disclose said conflicts of interest, and in certain circumstances, to abstain from participating in any discussion or voting on matters in which they have a material personal interest.

It is expected that Directors will be sensitive to actual and perceived conflicts of interest that may arise and it is something to which they are expected to give ongoing consideration.

The Boards determine the independence of each Director in terms of any matter arising at any time and on a formal basis at the time of appointment and annually thereafter. The Boards will review any determination they make as to a Director's independence on becoming aware of any information that indicates that the director may have a material relationship that could potentially conflict with the interests of Precinct.

#### **"Independent Directors"**

The Boards will determine the "independence" of Directors when having regard to the non-exhaustive factors set out in the NZX Corporate Governance Code, as per NZX Listing Rule 2.6.1.

The NZX Listing Rules define an Independent Director as being a Director who is not an "employee" of Precinct and does not have a "disqualifying relationship" defined by the NZX as being any direct or indirect interest, position, association or relationship that could reasonably influence, or could reasonably be perceived to influence, in a material way, the Director's capacity to:

- bring an independent view to decisions in relation to Precinct;
- act in the best interests of Precinct; and
- represent the interests of Precinct's financial product holders generally,

having regard to the factors in the NZX Corporate Governance Code that may impact director independence, if applicable.

#### **Directors' Duties**

The Directors are required to comply with their duties as set out at law, including (but not limited to) the duties to:

- act in good faith and in what the Director believes to be the best interests of Precinct;
- exercise powers for their proper purpose;
- exercise reasonable care, diligence and skill;
- not to create substantial risk of serious loss to creditors; and
- not to incur obligations without reasonable belief that Precinct can perform.

Directors must comply with these, and any other statutory director duties at all times.

Directors are also expected to comply with Precinct's Code of Ethics, contained in Part 1 of this Manual.

#### **General Conduct and Responsibilities of Directors**

The primary responsibility of the Directors is to exercise their business judgement to act in what they believe to be the best interests of Precinct and its shareholders. In discharging that obligation, Directors may rely on the advice of management and of other professional advisers and experts provided that the Directors:

- have acted in good faith;
- have made proper inquiry where the need for inquiry is indicated by the circumstances; and
- had no knowledge that such reliance was unwarranted.

It is the Boards' responsibility to:

- Take appropriate steps to protect and enhance the value of the assets of the Precinct in the best interests of its shareholders and ensure that Precinct and its assets are being properly managed;

- Use reasonable endeavours to ensure that Precinct's records and documents including financial reports are true, correct and conform to Precinct's reporting standards, internal controls and the law;
- Ensure that effective audit, risk management and compliance systems are in place to protect Precinct's assets and to minimise the possibility of Precinct operating beyond legal requirements or beyond acceptable risk parameters;
- Reviewing health and safety incidents and overseeing the management of Precinct's health and safety responsibilities;
- Be actively engaged in directing and approving Precinct's strategic planning and implementation;
- Analyse and review material acquisitions, divestments and capital expenditure;
- Review and approve the corporate plan, financial and dividend policies and the operating budget, and monitor financial performance and integrity of reporting; and
- Ensure effective and timely reporting to shareholders.

In discharging their duties, the Directors have an overriding duty to conduct themselves in an honest, ethical and responsible manner. Further the Directors:

- Must carry out their duties in a lawful manner and use reasonable endeavours to ensure that the company conducts its business in accordance with the law and of a high standard of commercial morality;
- Should be diligent, attend Board meetings and devote sufficient time and give proper attention to the matters before them. It is important that the Directors keep themselves familiar with the nature of the company's activities and the environments including legal, political and social in which it operates and undertake appropriate training where necessary;
- Act in such a way that Board meetings and discussion promote focused debate within a supportive team atmosphere;
- May, where necessary, retain and consult with external advisers (including legal) at Precinct's expense where the Director (or committee) deems it necessary to properly carry out their duties and functions, provided they have previously notified the Chair of each Board;
- Must fully disclose all relationships they have with Precinct and relevant private or other business interests to the Boards in order that the Boards may assess the Directors' independence. This is an ongoing responsibility of each Director; and
- Must report any illegal or unethical behaviour of which they become aware to the Chair.

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

The Boards have each established an Audit and Risk Committee to handle particular analysis and work delegated by the Boards. The Audit and Risk Committee is guided by the Audit and Risk Committee Charter contained in Part 3 of this Manual.

The Board has established a People and Performance Committee to guide the Boards when approving remuneration of the Directors and when recommending the appointment of Directors. The People and Performance Committee is governed by the People and Performance Committee Charter contained in Part 4 of this Manual.

The Environmental, Social and Governance Committee is governed by the Environmental, Social and Governance Committee Charter contained in Part 5 of this Manual.

The Boards may also from time to time establish ad hoc committees to review and analyse policies and strategies which are within their terms of reference. Such committees are to examine proposals and where appropriate make recommendations to the full Boards. Committees may not take action or make decisions on behalf of the Boards unless specifically mandated by prior Board authority to do so. The committees are comprised of Directors appointed by the Boards and the chairpersons of such committees are appointed by the Boards.

#### **Director Compensation**

Director's remuneration is paid in the form of Directors fees. Director remuneration is subject to the approval of shareholders, either at an individual or aggregate level.

Additional fees are paid to the Chair, Committee Chairs and Committee members to reflect the additional responsibilities of these roles.

#### **Share Trading**

Directors are encouraged to own financial products in Precinct in their own name (or through associated interests). In the case of Independent Directors, the Boards of Precinct have resolved that Independent Directors are expected to generally hold, as a minimum, shares equal in value 50% of one year's, before tax, director base fees, and to accumulate this holding over the first three years in office.

The Chair has discretion in respect of any Director to extend the period over which the shareholding should be accumulated or the value of shares to be held, taking into account the circumstances of that Director. Directors are subject to limitations on their ability to buy and sell Precinct financial products by Precinct's Financial Products Dealing Policy contained in Part 6 of this Manual, the NZX Listing Rules and the Financial Markets Conduct Act 2013. All changes in the shareholdings of Directors are reported to the Boards and the NZX. The Directors' shareholdings and changes to those shareholdings are also noted in the Annual Report.

#### **Disclosure**

The Boards must provide timely and balanced disclosure of all material matters concerning Precinct to its shareholders and other stakeholders.

The Boards will ensure that all Directors, employees and representatives are aware of and comply with Precinct's reporting responsibilities and the continuous disclosure requirements under NZX Listing Rules and act in accordance with Precinct's internal policies and this Manual. Precinct will disclose material information to NZX promptly and without delay upon the company becoming aware of the same, unless such disclosure is not required by the Listing Rules.

Precinct maintains internal policies and procedures and monitors compliance with those policies and procedures to protect the confidentiality of its commercially sensitive information.

#### **Accountability**

The Chair meets regularly with Directors of Precinct to discuss individual performance of Directors. The Boards regularly review their performance as a whole.



## PART 3: AUDIT AND RISK COMMITTEE CHARTER

### Purpose

The Boards have each established an Audit and Risk Committee to assist the Boards in discharging its responsibilities with respect to financial reporting, compliance and risk management practices of Precinct. This Audit and Risk Committee Charter is intended to guide the Audit and Risk Committee members in fulfilling their responsibilities to the Boards.

### Composition

The Audit and Risk Committee must have a minimum of three Directors and a majority of those Directors should be Independent Directors. Membership of the Audit and Risk Committee should comprise solely of non-executive Directors. At least one member should have an accounting or financial background.

The Chair of the Audit and Risk Committee should be an Independent Director, not be the Chair of the Boards and not have otherwise have a long-standing association with Precinct's external audit firm.

The quorum of the Audit and Risk Committee shall be a majority of the members of the Audit and Risk Committee. The Audit and Risk Committee may co-opt any other Independent Director to attend a meeting in the event that one of the current Audit and Risk Committee members is absent or unavailable. Any Director so co-opted shall be counted as part of the quorum.

### Duties, Responsibilities and Scope of Financial Reporting

- Reviewing earnings releases and financial reports;
- Assessing the appropriateness of Precinct's selection of accounting policies and disclosures and considering whether these have been consistently applied and adequately disclosed;
- Reviewing and approving changes in significant or unusual transactions and accounting estimates;
- Assessing significant estimates and judgements made by the Precinct in the preparation of the financial statements;
- Confering with management and the independent external auditor about the financial reports; and
- Understand management's responsibilities and representations; and
- Assessing whether the financial reports present fairly Precinct's financial position and performance and advising all Directors whether it complies with regulatory requirements.

### Risk and Controls

- Review and assess Precinct's business and financial risk management process, including the adequacy of the overall control environment and controls in selected areas representing significant risk; and
- Review and assess Precinct's system of internal controls for detecting accounting and financial reporting errors, fraud and defalcations, legal violations and non-compliance with Precinct's Code of conduct. Entails review of related findings and recommendations of the external auditor and Precinct's responses.

### External and Internal Auditors

- Recommending the appointment and removal of the independent auditor;
- Reviewing external auditors fees;
- Reviewing internal and external auditors reports;
- Reviewing the performance of external and internal auditors at least once a year or more frequently if required; and
- Ensuring direct communication with and unrestricted access to the independent and any internal auditors or accountants.

### Other

- Regularly reviewing and updating the Audit and Risk Committee Charter; and
- Any other matters the Boards may refer to it from time to time.

### Authority

The Audit and Risk Committee is authorised by the Boards to investigate any activity covered by its functions and responsibilities. It is authorised to seek any information it requires from any employee who shall be directed to cooperate with any request made by the Audit and Risk Committee.

The Audit and Risk Committee will have complete access to and direct communication with auditors and accountants, internal and external, without employees present. It may also obtain legal or other independent professional advice, and may secure the attendance at meetings of third parties with the relevant experience and expertise if it considers this necessary.

The Audit and Risk Committee shall have no executive powers with regard to findings and recommendations.

### Procedural Requirements

The Audit and Risk Committee is required to meet at least once a year or more frequently if required in order to carry out its duties.

The chairperson will call a meeting of the Audit and Risk Committee if requested to do so by any committee member or by Precinct's internal or external auditors.

Minutes of the meetings are to be recorded and circulated to all Directors.

All Directors have a standing invitation to attend any meetings of the Audit and Risk Committee. Employees will only attend meetings of the Audit and Risk Committee by invitation of the Committee.

### Reporting

The chairperson of each meeting of the Audit and Risk Committee is required to report back to the Boards on key points of discussion and present the recommendations of the Audit and Risk Committee at the next scheduled meeting of the Board, not being less than once a year.

### Review of the Audit and Risk Committee

The Boards shall undertake an annual review of the Audit and Risk Committee's objectives and activities in terms of its responsibilities as set out in this Charter.

## PART 4: PEOPLE AND PERFORMANCE COMMITTEE CHARTER

### Purpose

The Boards have each established a People and Performance Committee to assist the Boards in:

- planning the Boards' composition, evaluating the competencies required of prospective Directors (both executive and non-executive), identifying those prospective Directors, establishing their degree of independence, as required, and making recommendations to the Boards accordingly;
- the establishment of remuneration policies and practices for, and in discharging the Boards' responsibilities with respect to setting and reviewing the remuneration of Directors;
- approve and monitor Precinct's remuneration policies and practices;
- assisting the Boards to recommend Director remuneration packages for approval by shareholders in a transparent manner;
- overseeing the remuneration of the senior executives;
- overseeing human resources activities and employee policies to ensure Precinct has the optimal people resources and processes to deliver on its long-term strategies and goals; and
- ensuring compliance with Precinct's obligations as an employer and duty of care for the wellbeing of its people.

This People and Performance Committee Charter is intended to guide the People and Performance Committee members in fulfilling their responsibilities to the Boards.

### Composition

The People and Performance Committee is subject to a minimum of three Directors and at least a majority of those Directors should be Independent Directors.

The quorum of the People and Performance Committee shall be a majority of the members of the committee. The People and Performance Committee may co-opt any other Independent Director to attend a meeting in the event that one of the current People and Performance Committee members is absent or unavailable. Any Director so co-opted shall be counted as part of the quorum.

### Duties, Responsibilities and Scope

Subject to the limitations on the Committee's authorities set out below under "Authority", the responsibilities of the committee are as follows:

#### Nomination of Directors

- Identify and nominate, for the approval of shareholders, external candidates to fill Board vacancies as and when they arise;
- Recommend reappointment, or not, of any Director at the conclusion of their specified term of office; and
- Make recommendations to the Boards in respect of the degree of independence of any Director.

#### Evaluation of Candidates

Ensure candidates demonstrate appropriate qualities and experience to contribute to the effective direction of Precinct

and can exercise an independent and informed judgement on matters which come before the Boards. Before recommending an appointment, evaluate the balance of skills, knowledge and experience on the Boards and, in light of the evaluation, determine the role and capabilities required for the appointment.

### Monitoring and Planning

- Formulate succession plans for Directors and senior executive, taking into account the challenges and opportunities facing Precinct and the skills and expertise accordingly required on the Boards and in the business in the future;
- Review at least once a year (or more frequently if required) the structure, size and composition (including the skills, knowledge and experience) of the Boards taking into account Precinct's Diversity Policy contained in Part 7 of this Manual and make recommendations to the Boards regarding any changes;
- Review the leadership requirements of Precinct, both executive and non-executive, to ensure the continued ability of Precinct to compete efficiently in the market;
- Review the Boards' performance and review and monitor the individual performance of the Directors;
- Establish key performance indicators and focus on succession planning and future talent identification; and
- Monitor and report against the Diversity and Inclusion Policy.

### Remuneration Policy

- Set and review the remuneration policies and practices of Precinct which outline the relative weightings of remuneration components and relevant performance criteria.
- In setting the remuneration of the Directors, the Committee should aim to ensure that Precinct is able to attract and retain highly skilled Directors.
- Approve the remuneration of the senior executive team.
- Establish remuneration policies for the executive team and other employees of Precinct.
- Formulate and suggest the fees to be paid to Directors, in accordance with the company's remuneration policies and practices, subject to shareholder approval.

### Additional Fees and Allowances

- Determine the additional fees to be paid in respect of the Chair, to reflect the additional responsibilities of this position; and
- Determine whether additional allowances should be paid to Directors, for example where an Independent Director is undertaking work additional to that expected of other Directors.

### Reimbursement

- Provide for and approve reimbursement of travel, accommodation and other expenses incurred in relation to the management of Precinct.

**Other**

- Regularly review and update this People and Performance Committee Charter; and
- Any other matters the Boards may refer to it from time to time.

**Authority**

The People and Performance Committee is authorised by the Boards to investigate any activity covered by its functions and responsibilities.

The People and Performance Committee may obtain legal or other independent professional advice and may secure the attendance at meetings of third parties with the relevant experience and expertise if it considers this necessary.

The People and Performance Committee shall have no executive powers with regard to findings and recommendations.

The People and Performance Committee delegates to the CEO the management of Precinct's people resource within the policies and budgets set by the People and Performance Committee.

**Procedural Requirements**

The People and Performance Committee is required to meet at least once a year or more frequently if required in order to carry out its duties.

The chairperson will call a meeting of the People and Performance Committee if requested to do so by any committee member or by the chair of Precinct's Boards.

Minutes of the meetings are to be recorded and circulated to all Directors.

The Chief Executive Officer of Precinct is invited and shall be in attendance at all meetings of the committee except where conflicted for personal reasons. Other members of the Precinct management team should only attend People and Performance Committee meetings at the invitation of the People and Performance Committee.

All Directors have a standing invitation to attend any meetings of the People and Performance Committee.

**Reporting**

The chairperson of each meeting of the People and Performance Committee is required to report back to the Boards on key points of discussion and present the recommendations of the People and Performance Committee at the next scheduled meeting of the Boards, not being less than once a year.

**Review of the People and Performance Committee**

The Boards shall undertake an annual review of the People and Performance Committee's objectives and activities in terms of its responsibilities as set out in this Charter.

## PART 5: ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE CHARTER

### **Purpose**

The Boards have each established an Environmental, Social and Governance (**ESG**) Committee to assist the Boards in implementing and monitoring Precinct's strategic objectives in relation to ESG issues.

This ESG Committee Charter is intended to guide the ESG Committee members in fulfilling their responsibilities to the Boards.

### **Composition**

The ESG Committee must have a minimum of three Directors and a majority of those Directors should be Independent Directors.

The quorum of the ESG Committee shall be a majority of the members of the committee. The ESG Committee may co-opt any other Independent Director to attend a meeting in the event that one of the current ESG Committee members is absent or unavailable. Any Director so co-opted shall be counted as part of the quorum.

### **Duties, Responsibilities and Scope**

- Understand Precinct's material ESG issues through stakeholder engagement and advice of independent consultants;
- Review and recommend for Board approval the ESG strategy, framework and initiatives;
- Review and recommend for Board approval the ESG elements of Precinct's annual results;
- Oversee the implementation of Precinct's Sustainability Policy and practices;
- Assess and recommend to the Board on Precinct's approach to climate change risk management;
- Assess the relevant global reporting standards in relation to ESG issues and report on Precinct's objectives and performance indicators in relation to the relevant reporting frameworks;
- Monitor and assess key trends, issues, regulatory matters in relation to ESG and report these to the Boards; and

- Assist in the review of other key internal policies to ensure ESG issues are fully considered.

### **Authority**

The ESG Committee is authorised by the Boards to investigate any activity covered by its functions and responsibilities.

The ESG Committee may obtain independent professional advice and may secure the attendance at meetings of third parties with the relevant experience and expertise if it considers this necessary.

The ESG Committee shall have no executive powers with regard to findings and recommendations.

### **Procedural Requirements**

The ESG Committee is required to meet at least once a year or more frequently if required in order to carry out its duties.

The chairperson will call a meeting of the ESG Committee if requested to do so by any committee member or by Precinct's internal or external auditors.

Minutes of the meetings are to be recorded and circulated to all Directors.

All Directors have a standing invitation to attend any meetings of the ESG Committee.

### **Reporting**

The chairperson of each meeting of the ESG Committee is required to report back to the Boards on key points of discussion and present the recommendations of the ESG Committee at the next scheduled meeting of the Boards, not being less than once a year.

### **Review of the ESG Committee**

The Boards shall undertake an annual review of the Environmental, Social and Governance Committee's objectives and activities in terms of its responsibilities as set out in this Charter.

## PART 6: FINANCIAL PRODUCTS DEALING POLICY

### Policy Statement

Precinct is committed to transparency and fairness in dealing with all of its stakeholders and to ensuring adherence to all applicable laws and regulations.

No Director, employee or representative of Precinct may use their position of knowledge of Precinct or its business to engage in financial products trading for personal benefit or to provide benefit to any third party. Precinct's financial products currently include stapled shares and quoted bonds.

### Overview

This policy applies to all Directors, senior managers and employees of Precinct and their subsidiaries who intend to trade in Precinct listed financial products. In this policy "trade" includes buying or selling listed financial products, or agreeing to do so, whether as principal or agent, but it does not include subscription for, or the issue of, new financial products. "Employees" include persons seconded to Precinct.

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

Any Director, employee or representative of Precinct must comply with this policy in relation to any dealings in Precinct financial products, and should specifically note the requirement to obtain appropriate consent before trading (see "Trading Procedure" below).

### Purpose

The Boards have developed this policy to meet Precinct's legal obligation to prevent insider trading and to help Directors, senior managers and employees avoid the serious consequences associated with violations of insider trading laws.

This part of the Manual details Precinct's policy on, and rules for dealing in, Precinct shares and any other listed financial products of Precinct or any subsidiary, and any listed derivatives (including futures contracts listed on an authorised futures exchange) in respect of listed financial products from time to time ("Restricted Financial Products").

If any person does not understand any part of this policy, or how it applies, the matter should be raised with Precinct's Company Secretary before dealing with any financial products covered by this policy.

### General Restrictions

Fundamental Rule – Insider trading is prohibited at all times.

If any person possesses "material information" (refer to definition below) that person must not:

- trade Restricted Financial Products;
- advise or encourage others to trade, or hold any Restricted Financial products; or
- pass on the material information to others.

The prohibitions apply regardless of how the person learns of the information, and regardless of why the person is trading.

The prohibition on insider trading applies not only to information concerning Precinct's financial products. If a person has material information in relation to listed financial products of another issuer (including futures contracts listed on an authorised futures exchange over listed financial products), that person must not trade in those financial products.

### Insider trading laws

If a person has any material information, it is illegal for that person to:

- trade Precinct's listed financial products;
- advise or encourage another person to trade or hold Precinct's listed financial products;
- advise or encourage a person to advise or encourage another person to trade or hold Precinct's listed financial products; or
- pass on the material information to anyone else – including colleagues, family or friends – knowing (or where that person ought to have known) that the other person will use that information to trade, continue to hold, or advise or encourage someone else to trade, or hold, Precinct's listed financial products.

This offence, called "insider trading", can subject a person to criminal liability including large fines and/or imprisonment, and civil liability, which may include being sued by another party or Precinct, for any loss suffered as a result of illegal trading.

### Confidential Information

In addition to the above, Directors and employees also have a duty of confidentiality to Precinct. Directors and employees must not reveal any confidential information concerning Precinct to a third party (unless that third party has signed a confidentiality agreement with Precinct and Precinct has authorised disclosure of the confidential information), or to use confidential information in any way which may injure or cause loss to Precinct or use confidential information to gain an advantage for him or herself. Directors and employees should ensure that external advisers keep information about Precinct confidential.

### Definitions

"Material information" is information that:

- is not generally available to the market; and
- if it were generally available to the market, would have a material effect on the price of Precinct's listed financial products.

Information is generally available to the market if it has been released as an NZX announcement, or investors that commonly invest in Precinct financial products can readily obtain the information (whether by observation, use of expertise, purchase or other means).

It does not matter how a person comes to know the material information (including for example in the course of carrying out responsibilities, or in passing in the corridor, or in a lift, or at a social function).

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

#### Examples of Material information

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

- the financial performance of Precinct;
- a possible change in the strategic direction of Precinct;
- a possible acquisition or sale of any assets by Precinct;
- entry into or the likely entry into, or termination or likely termination of, leases, material contracts or other business arrangements which are not publicly known;
- a possible change in Precinct's capital structure;
- a change in the historical pattern of dividends;
- changes in senior executive team;
- a material legal claim by or against Precinct; or
- any other unexpected liability,

which has not been released to the market.

#### Exceptions

This policy does not apply to:

- acquisitions and disposals by gift or inheritance; and
- acquisitions through an issue of new listed financial products, such as an issue of new shares on the exercise of options, under a rights issue, or a dividend reinvestment plan.

#### Short term trading discouraged

Precinct discourages Directors and employees of Precinct from engaging in short term trading (the buying or selling of listed financial products within a three-month period), unless there are exceptional circumstances discussed with and approved by the Company Secretary or the Chief Executive Officer.

Short term trading can be a key indicator of insider trading, particularly if undertaken on a regular basis or in large amounts. Therefore, to reduce the risk of an allegation of insider trading, do not trade listed financial products on a short-term basis.

#### If in doubt, don't

The rules contained in this policy do not replace any legal obligations. The boundary between what is (and is not) in breach of the law is not always clear. Sometimes behaviour that is considered to be ethical actually may be insider trading.

Precinct therefore adopts an "if in doubt, don't" policy!

#### Breaches of policy

Strict compliance with this policy is a condition of employment. Breaches of this policy will be subject to disciplinary action, which may include termination of employment.

#### Monitoring of trading

Precinct may monitor the trading of Directors, senior managers and employees as part of the administration of this policy.

#### Application of policy

The Board of Precinct has approved this policy. The Boards may approve updates, amendments to and exemptions to this policy from time to time, which may be implemented by posting on Precinct's website.

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

#### Trading Procedure

##### Persons covered by Trading Procedure

The trading procedures set out below apply to:

- all Directors of Precinct;
- all employees of Precinct (including secondees);
- trusts and bodies corporate controlled by such persons; and
- anyone else notified by the Company Secretary from time to time.

Persons covered by the procedures are called "**Restricted Persons**". Employees and Directors will be considered responsible for the actions of trusts and bodies corporate controlled by them. In this respect, "control" is not to be construed in a technical way but by looking at how decisions are made in practice.

##### Blackout Periods

Restricted Persons are prohibited from trading in Restricted Financial Products during the following specific "black-out" periods:

- 30 June until Precinct's full-year results are released to NZX;
- 31 December until Precinct's half-year results are released to the NZX; and
- 30 days prior to release of a product disclosure statement or a same class cleansing notice for a general public offer of the same class of Restricted Financial Products.

##### Requirements before trading

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

- notify the Company Secretary of their intention to trade in financial products, and seek consent to do so (using the Request for Consent to Trade in Listed Financial Products form attached to this policy);
- confirm that they do not hold material information; and
- confirm that there is no known reason to prohibited trading in any Restricted Financial Products.

Requests for consent to trade from Directors or the Chief Executive Officer will be considered by the chair (and in the case of the chair, or unavailability of the chair, by an Independent Director). Requests for consent to trade from the Deputy Chief Executive Officer, Chief Financial Officer or Company Secretary will be considered by the Chief Executive Officer or the chair. Other requests for consent to trade will be considered by the Company Secretary or Chief Executive Officer.

A consent is valid for a period of 10 trading days after notification. A consent is automatically deemed to be withdrawn if the person becomes aware of material information prior to trading.

##### Requirements after trading

A Restricted Person must advise Precinct's Company Secretary promptly following completion of any trade, and the Restricted Person must comply with any disclosure obligations they have under the Financial Markets Conduct Regulations – see further below.

##### Financial Products Trading Disclosures

In addition to the requirements of the insider trading laws and this policy, Directors and senior managers of Precinct are legally obliged to make certain disclosures in respect of an acquisition or a disposition of a Relevant Interest (as defined below) in Precinct financial products. In this context "senior manager" includes the Chief Executive, Deputy Chief Executive Officer and Chief Financial Officer.



Disclosure must be made in accordance with the Companies Act 1993, the Financial Markets Conduct Act 2013 and the NZX Listing Rules. Under the Financial Markets Conduct Act 2013, all Directors and senior managers must send a disclosure notice to Precinct and to the NZX within five business days of acquiring or disposing of a relevant interest in Precinct financial products.

The obligation to disclose acquisitions and dispositions is a continuous obligation on Directors and senior managers of Precinct.

#### **Relevant Interest**

The definition of "Relevant Interest" is very wide and is set out in the Financial Markets Conduct Act 2013. While not being an exhaustive list, a person will have a relevant interest in Precinct financial products where they:

- are a registered holder of the financial products;
- beneficially own the financial products either directly or indirectly;
- are able to control, either alone or jointly with others, the acquisition or disposal of the financial products by another person;
- have the power to control, either alone or jointly with others, the voting rights on the financial products;
- are able to influence the board of a company which controls the voting rights on the financial products or the sale or purchase of the financial products, or that company or its board are accustomed to acting in accordance with that person's wishes;
- controls the exercise of 20% or more of the voting rights, or controls the acquisition of 20% or more of the shares, in a company that owns the financial products;
- act in concert with a company that has a Relevant Interest (in relation to the power or control giving rise to that interest); or
- will have any of the above rights at any time in the future under any arrangement.

A Relevant Interest also encompasses financial products held under a number of other types of arrangement (for example, financial products held in a family trust). It is unlikely to include products held by a person's spouse or partner (unless that person has some control over those financial products) or in a unit trust or superannuation fund.

"Power" or "control" in this context is defined broadly – it does not matter if the power or control is direct or indirect, legally enforceable or not, related to a particular financial product or not, or exercisable presently or in the future.

If a person is in any doubt as to whether he or she holds a "Relevant Interest" in Precinct financial products, he or she should consult with the Company Secretary.

#### **Fixed Trading Plan**

Trading of Precinct financial products under a fixed trading plan will not breach the law if the fixed trading plan was entered into at a time where an investor has no material information and in entering the fixed trading plan, the investor did not intend to evade the prohibition on insider trading.

A fixed trading plan is a plan that is fixed for a period of time during which the investor cannot withdraw from the plan or influence trading decisions after the plan has begun.

A Restricted Person is required to apply and be granted consent to enter into a fixed trading plan in accordance with the trading procedure set out above.

#### **No Hedging**

A Restricted Person must not, without notifying and obtaining the prior written approval of the General Counsel or the CEO engage in hedging arrangements, deal in derivatives or enter into other arrangements which vary economic risk related to any financial products of Precinct including, for example, dealing in warrants, equity swaps, put and call options, contracts for difference and other contracts intended to secure a profit or avoid a loss based on fluctuations in the price of the financial products.

#### **Margin Lending**

A Restricted Person must notify and obtain the prior written approval of the General Counsel or the CEO before engaging in any margin or securities lending arrangements or granting a security interest or other encumbrance over financial products of Precinct.

#### **Failure to Comply**

Any person acting in violation of insider trading laws may be liable to the purchaser or seller of the financial products and to Precinct. The person may also be liable under insider trading laws and may, if found guilty be subject to fines and may be prohibited from participating in management positions of listed companies. In addition, Precinct will take disciplinary action against any person who breaches this policy.



**Precinct Properties New Zealand Limited/Precinct Properties Investments Limited**

**Request for Consent to Trade in Precinct Listed Financial Products**

**To:** Company Secretary, Precinct Properties New Zealand Limited & Precinct Properties Investments Limited ("Precinct")

In accordance with Precinct's Financial Products Dealing Policy, I request consent be given to the following proposed transaction to be undertaken, either by me or persons associated with me, within 10 days of approval being given. I acknowledge that Precinct is not advising or encouraging me to trade or hold financial products and does not provide any financial products recommendation.

**Name:**

**Name of registered holder transacting (if different):**

**Address:**

**Position:**

**Description and number of financial products:**

**Type of proposed transaction:** Purchase / sale / other (specify)

**To be transacted:** On NZX/off-market trade/other (specify)

**Likely date of transaction (on or about):**

I declare that I do not hold information which:

- is not generally available to the market; and
- would have a material effect on the price of Precinct's listed financial products if it were generally available to the market.

I know of no reason to prohibit me from trading in Precinct's listed financial products and certify that the details given above are complete, true and correct.

\_\_\_\_\_  
Signature of applicant

\_\_\_\_\_  
Date

Precinct hereby consents to the proposed transaction described above. Consent is conditional on the proposed transaction being completed within 10 trading days of the date of this consent, and in compliance with Precinct's Financial Products Dealing Policy.

\_\_\_\_\_  
Signature of authoriser

\_\_\_\_\_  
Date

Name of authoriser:

## PART 7: POLICY ON AUDIT INDEPENDENCE

### Policy Statement

Precinct will maintain Auditor Independence consistent with regulatory and NZX requirements and current best practice.

### Background

Oversight of Precinct's external audit arrangements is the responsibility of Precinct's Audit and Risk Committee. Ensuring that external audit independence is maintained is one of the key aspects in discharging this responsibility. This formal policy on audit independence has been adopted by Precinct's Audit and Risk Committee to meet this requirement.

This policy covers the following areas:

- Provision of related assurance services by Precinct's external auditors;
- Auditor rotation; and
- Relationships between the auditor and Precinct.

### Approval of Auditor

The Audit and Risk Committee shall only approve a firm to be auditor if that firm would be regarded by a reasonable investor with full knowledge of all relevant facts and circumstances as capable of exercising objective and impartial judgement on all issues encompassed within the auditor's engagement. The Audit and Risk Committee is responsible for sustaining communication with Precinct's external auditors.

### Responsibilities of the External Auditor

The external auditors shall annually confirm their compliance with professional standards and ethical guidelines of the New Zealand Institute of Chartered Accountants to evidence their competence.

### Auditor Rotation and Independence

The continued appointment of Precinct's external auditors is to be confirmed annually by the Audit and Risk Committee. The external auditor will monitor their firm's independence and confirm to the Audit and Risk Committee annually that it has remained independent during the previous twelve months.

Rotation of Precinct's client service partner and the lead and concurring audit partners of Precinct and its subsidiaries will be required every five years with suitable succession planning to ensure consistency.

The Audit and Risk Committee expects that the external auditor will ensure that its partners hold no interests in Precinct. Such interests may include (but are not limited to) equity and/or debt instruments. This shall also apply to staff members who are members of engagement teams providing services to Precinct.

Where partners or employees of the external auditor have family members who are employed at Precinct working in roles sensitive to financial reporting, or where an employee has interests in Precinct, the auditor shall ensure the relevant staff member is not involved in any Precinct engagements.

The auditor shall ensure that the fees received from Precinct engagements do not form a material component of total fees received by the auditor from such engagements to prevent undue influence being exercised or perceived.

### Provision of Non-audit Services by Precinct's External Auditors

The guidelines that follow are designed to ensure that related assurance services provided by Precinct's auditors do not impair (and are not perceived as impairing) the independent role of the auditor.

The general principles to be applied in assessing related assurance services are as follows:

- The external auditor should not have any involvement in the production of financial information or preparation of financial statements such that they might be perceived as auditing their own work;
- The external auditor should not perform any function of management or be responsible for making management decisions;
- The external auditor should not be responsible for the design or implementation of financial information systems;
- The separation between internal and external audit should be maintained.

### Services permitted to be performed

The Audit and Risk Committee must monitor and pre-approve all audit and related assurance services provided by the auditor.

Aside from core audit services Precinct's auditors may provide the following services with prior approval from the Audit and Risk Committee:

- Accounting policy advice;
- Advice on interpretation and application of Inland Revenue taxation policies;
- Listing advice;
- Accounting/technical training;
- Other assurance services including audit of existing company systems and processes;
- Strategic business planning;
- Advice on structuring or pricing of any deal, asset or company acquisition;
- Due diligence activities;
- Advice that has a significant impact on the value of material asset or liability;
- Legal services; and
- Attending Precinct's Annual Meeting to answer questions from Shareholders in relation to the audit.

### Services not permitted

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

- Design and implementation of key financial information systems and processes;
- Valuation of assets and liabilities other than as required to complete regulatory audit requirements;
- Liquidations and receiverships;
- Services related to accounting records or financial statements; and
- Tax planning, strategy and compliance services.

**Information to be provided by external auditors**

The external auditor is to provide the following assurances annually:

- The total fees received by the external auditor from Precinct do not have a material impact on its operations or financial condition;
- Precinct has not withheld fees from the external auditor;
- There is no litigation between Precinct and the external auditor;
- The external auditor's partners and staff do not have any financial interest in Precinct; and
- There are no business relationships between Precinct and their external auditor beyond the provision of external audit services or approved services provided pursuant to this policy.

**Billing arrangements**

The billing arrangements for services provided by Precinct's external auditors should not include any contingencies.

**Other procedural requirements**

Regardless of Precinct's policies it is expected that Precinct's external auditors will rigorously comply with their own internal policies on independence and all relevant professional guidance (including independence rules and guidance issues by the New Zealand Institute of Chartered Accountants, the NZX, the Financial Markets Authority and other relevant overseas accounting bodies.

Development of local and overseas practices with regard to related assurance services shall be monitored on an ongoing basis to ensure that Precinct's policies remain compliant with best practice.

## PART 8: DIVERSITY AND INCLUSION POLICY

### Policy Statement

Precinct understands the business & cultural benefits of achieving a diverse and highly inclusive workforce.

Precinct is committed to promoting and improving on diversity and inclusion at all levels across its business.

This commitment is key to:

- Promoting an inclusive, diverse and supportive culture;
- Achieving better business outcomes by leveraging the unique experiences of people with diverse backgrounds;
- Driving innovation and creativity through the inclusion of different perspectives; and
- Attracting talent and retaining a high calibre of employee who share the values of Precinct.

Operating with clear and robust diversity management practices is integral within the competitive labour market and assists greatly in attracting and retaining employees from the widest possible pool of available talent.

### Overview

This policy applies to all Directors, senior managers and employees of Precinct. The requirements imposed by the policy are separate from, and in addition to, all legal obligations.

### Purpose

Precinct recognises that diversity includes, but is not limited to gender, age, disability, ethnicity, marital or family status, socio-economic background, religious or cultural background, sexual orientation and gender identity.

Precinct understands that in order to have a properly functioning diverse and inclusive workplace, discrimination, harassment, vilification and victimisation cannot and will not be tolerated.

Precinct is committed to addressing conscious and unconscious discrimination or bias.

In order to achieve our goals and improve diversity and inclusion on an on-going basis, Precinct will review this policy, management practices and measure progress against a clear set of targets year on year.

Precinct will report on our progress in a clear and transparent manner.

### Management Practices

Precinct commits to undertaking the following management practices in order to achieve continuous improvement relating to diversity and inclusion:

- Ensure that recruitment and selection practices, from the Board level downwards, are appropriately structured so that a diverse range of candidates are considered for each role;

- Ensure that all employees, contractors and consultants operate in accordance with the Culture Charter which promotes collaboration, inclusion, diversity and mutual respect. Inclusion is stated as a competency within the formal Performance Review process and all employees are measured against this;
- Communicate this policy clearly and regularly to all employees, contractors and consultants. The values of Precinct in relation to diversity, inclusion and anti-discrimination must be adopted by all employees, contractors and consultants;
- Provide a flexible approach to work in the form of offering flexible working hours & the ability to work remotely;
- Provide a generous Parental Leave entitlement over and above the Government legislative amount for both primary & secondary caregivers;
- Undertake surveys and gather insights on diversity and inclusion in the workplace on an annual basis;
- Undertake Remuneration Equality Studies annually, these are reviewed and approved by the Boards; and
- Maintain membership of Diversity Works (the Equal Employment Opportunities Trust) and involve itself with other organisations and projects that can assist to further the objectives of this policy.

### Measurable Objectives

The Boards will continue to assess the diversity of the Board and officers of Precinct. Diversity will be measured by the Boards annually.

The Boards have set the following diversity measures in relation to this policy that will be disclosed in the Annual Report:

- Gender will be measured across:
  - Whole business;
  - Position (employee level); and
  - Board.
- Age will be measured on a whole company basis;
- Ethnicity will be measured on a whole company basis; and
- Statistics on flexible working arrangements and parental leave by gender.

Targets to improve gender diversity have been set out on the next page, these will be reported against in the Annual Report.

**Representation of Women:**

| <b>Roles</b>             | <b>Current</b> | <b>2024 Target</b> |
|--------------------------|----------------|--------------------|
| Precinct Board           | 33%            | 30%                |
| Officers                 | 29%            | 40%                |
| All Management Employees | 53%            | 50%                |

**Accountabilities**

It is the accountability of Board members to:

- Promote awareness of the importance of diversity;
- Review and approve this policy, which will require updating from time to time; and
- Set annual KPIs and measuring against these in a clear and transparent manner.

It is the accountability of the Chief Executive Officer to:

- Develop, implement and communicate this policy to all applicable stakeholders;

- Review the performance of Precinct against this policy in conjunction with the People & Culture Manager and Board members on an annual basis;
- Ensure all business practices are undertaken in accordance with this policy; and
- Ensure reporting against diversity targets is undertaken in a clear and transparent manner.

**Application of Policy**

The Boards have approved this policy. The Boards may approve updates, amendments to and exemptions to this policy from time to time. Annually the Boards will assess both the objectives of their Diversity Policy and Precinct's progress in achieving them.



## PART 9: CONTINUOUS DISCLOSURE POLICY

### Introduction

Precinct Properties New Zealand Limited together with Precinct Properties Investments Limited are listed, and their shares are quoted as a stapled security on the NZX Main Board. Precinct must comply with the continuous disclosure provisions set out in the NZX Listing Rules.

### Objective

Precinct is committed to ensuring the timely disclosure of material information and to ensuring that Precinct complies with the NZX Listing Rules.

This policy sets out Precinct's policy to ensure material information is identified, reported, assessed and, where required, disclosed to the market in a timely manner.

### Application

This policy applies to all Directors, employees and representatives of Precinct.

### Disclosure obligation

Precinct will disclose material information to the market promptly and without delay upon it becoming aware of that information, unless an exception to disclosure applies.

Material information means any information that a reasonable person would expect, if it were generally available to the market, to have a material effect on the price of Precinct's quoted financial products. The information must relate to particular financial products, a particular issuer or particular issuers, rather than to financial products or issuers generally.

Material information must not be disclosed to a third party until Precinct has received confirmation that the material information has been disclosed to the market, unless an exception to disclosure applies.

An illustrative list of information that could comprise material information is set out in Precinct's Financial Products Dealing Policy above.

### Exceptions to disclosure

Disclosure is not required where:

- (a) one or more of the following applies:
  - (i) release of the information would be a breach of law;
  - (ii) the information concerns an incomplete proposal or negotiation;
  - (iii) the information comprises matters of supposition or is insufficiently definite to warrant disclosure;
  - (iv) the information is generated for Precinct's internal management purposes; or
  - (v) the information is a trade secret;
- (b) the information is confidential and its confidentiality is maintained; and
- (c) a reasonable person would not expect the information to be disclosed.

The possibility that an exception applies does not affect the obligation for a Director and Management to report information that is or may be material information in accordance with the

*Identification, reporting, assessment and disclosure* part of this policy.

### Confidentiality

Until material information is released to the market, it must be kept confidential and must not be disclosed to other parties (except in circumstances where disclosure is consistent with the exceptions set out above). Information provided by Precinct to any of the below parties does not lose its confidentiality, provided that in each case the information was provided with an obligation to maintain its confidentiality and such information is used by the party to whom it was provided solely for the purpose for which it was provided:

- (a) a professional adviser;
- (b) a party negotiating on the Precinct's behalf;
- (c) a third party negotiating with Precinct; or
- (d) a regulatory authority,

Management is responsible for ensuring that robust and documented confidentiality agreements are in place, where required, to ensure that:

- (a) information is limited to selected people on a need to know basis;
- (b) people who know relevant information understand that it is to be treated in confidence and only to be used for the purposes permitted; and
- (c) people abide by this policy.

Management should ensure appropriate confidentiality processes are implemented around potentially material transactions.

### False market

Precinct will disclose material information to the market promptly and without delay to the extent necessary to prevent the development or subsistence of a false market for its quoted financial products which is materially influenced by false or misleading information emanating from either Precinct (or associated persons of Precinct) or another person in circumstances which the information is of a reasonably specific nature, and in which would give the information substantial credibility.

Notwithstanding the above, Precinct will generally only respond to market speculation or rumours where:

- (a) Precinct considers that it is obliged at that time to make a statement to the market about a particular matter;
- (b) Precinct considers it prudent in order to prevent or correct a false market occurring in its quoted financial products; or
- (c) NZX asks for information to clarify market speculation or rumours.

### Identification, reporting, assessment and disclosure

Precinct becomes "aware" of material information if, and as soon as, a Director or a senior manager has, or ought reasonably to have, come into possession of the material information in the course of the performance of their duties. For the avoidance of doubt, senior managers at Precinct include the Chief Executive

Officer, Deputy Chief Executive Officer and Chief Financial Officer.

Any person who becomes aware of information that is or may be material information that is not generally available to the market must promptly advise the Chief Executive Officer, Deputy Chief Executive Officer, Chief Financial Officer or General Counsel, to enable them to make a recommendation as to whether the information must be disclosed to the market. The Chief Executive Officer and Chair of the Boards will make the final decision as to whether the information must be disclosed.

The Chief Executive Officer will approve the form of any disclosure of material information to the market.

#### *Trading halts*

Where the Chief Executive Officer, Deputy Chief Executive Officer, Chief Financial Officer or General Counsel considers that a trading halt is required to enable Precinct to comply with its continuous disclosure obligations or where he/she considers a false market exists, any one of them may request a trading halt.

For example, Precinct would usually request NZX to put a trading halt in place in the following circumstances:

- (a) if confidential material information is inadvertently made public and Precinct requires time to prepare an appropriate announcement to the market;
- (b) if when preparing for a major announcement, Precinct needs time to arrange briefings in advance of a formal announcement being made;
- (c) if a proposed capital raising has been announced to the market, and the pricing for the raising is to be determined by a competitive process during the subsequent day or days; and/or
- (d) to avoid a situation where Precinct's quoted financial products are being traded speculatively by the market (speculative in the sense that the market does not have all material information in respect of Precinct and is trading on an assumed state of affairs).

#### *Pre-result periods*

To prevent inadvertent disclosure of material information, during the periods between the end of its financial reporting periods (30 June and 31 December) and the actual results release, Precinct will not discuss any financial information, broker estimates and forecasts, with institutional investors, individual investors, analysts, or the media unless the information being discussed has previously been disclosed to the NZX.

#### *Analyst reports and forecasts*

Analysts frequently prepare reports on financial products of listed entities, including Precinct, which contain performance and financial forecasts. Precinct acknowledges the importance of analyst reports in facilitating the operation of the market in an informed and efficient manner.

However, Precinct is independent, and will do all things necessary to be seen as independent to analysts. Precinct will not endorse any such reports, and will restrict its comments to factual matters and information which has been previously disclosed to the NZX and the market generally.

All communications with market analysts shall be conducted by the Chief Executive Officer, the Deputy Chief Executive Officer

and/or Chief Financial Officer or such other person as the Chief Executive Officer selects.

#### *Shareholders*

No employee other than the Chief Executive Officer shall communicate with shareholders on material information unless specifically authorised by the Chief Executive Officer.

#### *Media*

No employee shall communicate to the media any material information that has not been the subject of an NZX release or is not generally available to the market.

#### *Social media*

Directors and employees must not participate in social media discussions where the subject matter relates to Precinct. Where use of social media platforms is approved by Precinct for Precinct's legitimate business purposes such as marketing, the spokespersons must be approved by the Chief Executive Officer.

#### *Other external communications*

Information or presentations provided to, and discussions with, professional bodies or any other person, are also subject to this policy. Material information must not be selectively disclosed (e.g. to analysts, specific shareholders, professional bodies, the media, customers or any other person) prior to being announced to NZX and only publicly available information may be used in external communications.

#### *Inadvertent disclosure of information*

If material information is inadvertently provided to analysts, the media or other external parties without first being disclosed to NZX, the Chief Executive Officer should be notified of the disclosure immediately. Following which, an announcement must immediately be made to NZX.

#### **Monitoring of external sources**

Precinct monitors external sources of information about it. Precinct does not have a general obligation to correct rumour, speculation, analyst reports or forecasts. However, Precinct will comply with all disclosure obligations to prevent the development or subsistence of a false market for Precinct's quoted financial products, as noted above.

#### **Training**

The Company Secretary will arrange training for senior managers and other relevant employees of Precinct to:

- (a) assist with their understanding of Precinct's (and their own) legal obligations relating to disclosure of price sensitive information, materiality and confidentiality;
- (b) raise awareness of all provisions of this policy, as well as any other internal processes and controls (including, where relevant, the *Financial Products Dealing Policy*); and
- (c) promote compliance with this policy.

#### **Delegation**

If the Chief Executive Officer is on leave, his/her authority is delegated to the Deputy Chief Executive Officer. If the Chair of the Board is unavailable, his/her authority is delegated to the Chair of the Audit and Risk Committee.

## PART 10: TAKEOVER PROTOCOLS

### Policy Statement

The Boards have established appropriate protocols that set out the procedure to be followed if there is a takeover offer or a scheme of arrangement proposed for Precinct. These protocols include any communication between insiders and the bidder and include the option of establishing an independent takeover committee, and the likely composition and implementation of an independent takeover committee.

### Independent Advisory Reports

The established protocols address the scope of the independent advisory reports to shareholders.

An independent adviser's report will be required, regardless of whether the transaction proceeds as a takeover offer or scheme of arrangement. Precinct will maintain a list of independent advisers that it will consider approaching in the event of a takeover offer or scheme of arrangement (noting that there may be conflicts or other reasons that prevent one or more of the advisers on that list being appointed in relation to any particular offer).

### Interested Directors Protocol

This is a protocol for any Directors involved with, or otherwise associated with (such as a potential party to a lock-up agreement with), a bidder (or likely bidder) in the event of a takeover offer or scheme of arrangement for Precinct.

Directors have various obligations (including both disclosure and confidentiality obligations) under the Companies Act 1993 and the NZX Listing Rules. This protocol sets out additional principles for regulating the role of, and flow of information to, conflicted directors.

Any Director who is involved with, or who is associated in any other way with, a bidder (or a person likely to become a bidder), subject to any legal restrictions, must make prompt disclosure to the Board (initially via the chair) as soon as he or she becomes aware of a potential bid.

This disclosure should be sufficient to ensure that the Directors not associated with any bidder ("non-interested Directors") can satisfy their legal obligations and properly assess what steps to take to

prevent (or minimise) any prejudice to Precinct and non-bidding shareholders as a result of the conflict.

The non-interested Directors, after consulting Precinct's legal adviser (if required), will:

(a) confirm whether that Director should be regarded as conflicted; and

(b) take such steps as they shall reasonably consider necessary or desirable to prevent (or minimise) any prejudice to Precinct and non-bidding shareholders as a result of the conflict.

Any conflicted Director will not be entitled to receive any information, report or other material provided to, or prepared by, the non-interested directors concerning the bid, Precinct's response to the bid, or any other matter the non-interested Directors consider should not, in the circumstances, be disclosed to that Director in view of his or her conflict, except to the extent that access is necessary for a conflicted Director to fulfil their obligations under applicable law in respect of the offer. Precinct management will be instructed accordingly.

No conflicted Director will make any request or demand for any bid response materials to any person other than the non-interested Directors, who will be entitled to refuse access to that information or grant access on such terms and conditions as they consider appropriate. Precinct management will be instructed accordingly.

A conflicted Director will not be entitled to attend meetings of the Boards (or committees of the Boards) called to discuss the bid, any related issues, or any other matters the non-interested Directors consider should not be discussed with the conflicted Director in view of that Director's conflict. A conflicted Director will leave any meeting at which any such matter is discussed, unless the non-interested Directors agree to him or her remaining.

At the request of any conflicted Director, or at any other time the non-interested Directors consider appropriate, the non-interested Directors will consider whether circumstances have altered sufficiently (e.g. a bidder has withdrawn) for a conflicted Director to no longer be regarded as conflicted.

## PART 11: WHISTLEBLOWER POLICY

### Objective

This Whistleblower Policy is made in accordance with the Protected Disclosures (Protection of Whistleblowers) Act 2022, which applies to all 'disclosers' (as defined by that Act), including employees, contractors, management and board members and volunteers.

This Policy is intended to facilitate the disclosure and investigation of serious wrongdoing by providing a working environment at Precinct that enables employees to voice genuine concerns in relation to serious wrongdoing, which includes:

- conduct that constitutes a criminal offence; or
- conduct that constitutes a serious risk to public health or public safety or the health and safety of an individual or the environment; or
- conduct that constitutes a serious risk to the maintenance of law, including the prevention, investigation, and detection of offences, and the right to a fair trial; or
- an unlawful, corrupt, or irregular use of public funds or public resources (Precinct is not a public sector organisation but does interact with the public sector); or
- conduct by an employee of a public sector organisation, or a person performing a function or duty or exercising a power on behalf of a public sector organisation or the Government, that is oppressive, unlawfully discriminatory, or grossly negligent, or that constitutes gross mismanagement.

In order to promote this aim, those who disclose serious wrongdoing will be protected provided the disclosure is made in accordance with this Policy.

### Application

All Precinct staff (including employees, contractors, management and board members and volunteers).

This policy and its application are at Precinct's absolute discretion (subject to Precinct complying with its statutory obligations). This policy may be varied, rescinded or replaced from time to time and may not be applied by Precinct in every situation.

This policy is not intended to constitute a contractual term or a contractual promise.

### Principles

Precinct is committed to ensuring the following in relation to concerns raised under this policy:

- your identity will not be disclosed, wherever practicable (more detail on this is set out below);
- you will not be victimised for raising a concern; and
- all concerns raised will be thoroughly investigated to the extent possible.

### Who can you raise a concern with?

If you have an honest belief based on reasonable grounds that malpractice is occurring or is likely to occur under this Policy you

should raise your concern with Precinct's General Counsel, CFO, or CEO.

Where this is not appropriate, you can escalate your concern to the Chair of the Boards of Precinct.

You are entitled to raise your concerns with an appropriate authority (such as the Police, or a relevant regulatory authority) at any time (whether or not you have also made the disclosure to Precinct).

### What will happen once you raise a concern?

All reported concerns will be investigated. In order to conduct an investigation, the information you have provided may need to be disclosed to appropriate people within Precinct, any Associate or any of its Related Companies. We will discuss with you to whom the information will be disclosed and the general investigation process we propose to undertake.

### What protection can you expect?

- Precinct will treat all disclosures and concerns in a confidential and sensitive manner (subject to the Protected Disclosures (Protection of Whistleblowers) Act); and
- in making a disclosure you should exercise due care to ensure the accuracy of the information. If you make an allegation of serious wrongdoing in good faith, and have reasonable grounds to believe the allegation is true or likely to be true, and it is not confirmed by subsequent investigation, no action will be taken against you.

### Staff Guidelines

Where an employee, director, volunteer, independent consultant or contractor makes a disclosure to the Chair of the Boards of Precinct or to HR, and has reasonable grounds to believe that the information indicates serious wrongdoing (or likely serious wrongdoing) by Precinct or an officer or employee of Precinct, and the disclosure is being made in good faith, then this individual will be protected from censure or punishment.

This is the result of provisions in the Protected Disclosures (Protection of Whistleblowers) Act.

### Responsibilities of Directors and Senior Personnel at Precinct

Directors and Senior Personnel have a responsibility to:

- monitor the working environment so that acceptable standards of conduct are promoted; and
- model appropriate behaviour themselves.

### Breaches

It is a breach of the Protected Disclosures (Protection of Whistleblowers) Act to disclose Information which may lead to the identification of the person making the disclosure unless:

- the person consents in writing to disclosure; or
- the person to whom the disclosure is made reasonably believes the disclosure of identifying information is:
  - essential to the effective investigation of the allegations; or

- o essential to prevent serious risk to public health or public safety or the health and safety of any individual or the environment;
- o essential having regard to the principles of natural justice; or
- o to an investigation by a law enforcement or regulatory agency for the purposes of law enforcement.

Before releasing identifying information under one of the exceptions, the recipient of the information must generally consult the discloser about the release, if practicable.

It is a breach of the Human Rights Act 1993 to treat or threaten to treat an individual less favourably than another individual in substantially similar circumstances would be treated, on the grounds that the individual has exercised their rights under the Protected Disclosures (Protection of Whistleblowers) Act.

Subjecting an employee to retaliatory action for making a protected disclosure may also be grounds for a personal grievance action by the employee.

## PART 12: SHAREHOLDER COMMUNICATION

### **Policy Statement**

The Boards respect the rights of shareholders and foster constructive relationships with shareholders that encourage them to engage with Precinct.

### **Website**

Investors and interested shareholders can access financial and operational information and key corporate governance information about Precinct on Precinct's website:

[www.precinct.co.nz/corporate-governance](http://www.precinct.co.nz/corporate-governance)

### **Communicating with Shareholders**

Precinct allows investors the ability to easily communicate with Precinct, including providing the option to receive communications from Precinct electronically.

### **Shareholder voting rights**

Precinct shareholders have the right to vote on major decisions, which may change the nature of Precinct. Each person who invests money in Precinct has one vote per Precinct Share they own equally with other shareholders.

### **Notice of annual meeting**

The Boards will endeavor to release all notices of meeting at least 20 business days prior to the date of the meeting, where practical.