

STATEMENT OF CORPORATE INTENT

1 JULY 2024 – 30 JUNE 2027



Port Marlborough

OUR VISION

Port Marlborough's vision is to lead the way as an environmentally restorative port, driving success for Marlborough.

OUR MISSION

We connect and protect over land and sea, so that our communities, environment and economies thrive.



OUR VALUES

HAUORA
VALUE WELL-BEING

We work together to sustain what keeps us healthy: physically, mentally, socially and culturally.

KAITIAKITANGA
PROTECT THE FUTURE

We consider the environmental, economic, community and cultural impacts of our decisions everywhere we operate.

MAHI TAHI
WORK TOGETHER

We operate as one team, at the heart of our community. We share ideas, understand, collaborate and celebrate.

PONO
ACT WITH INTEGRITY

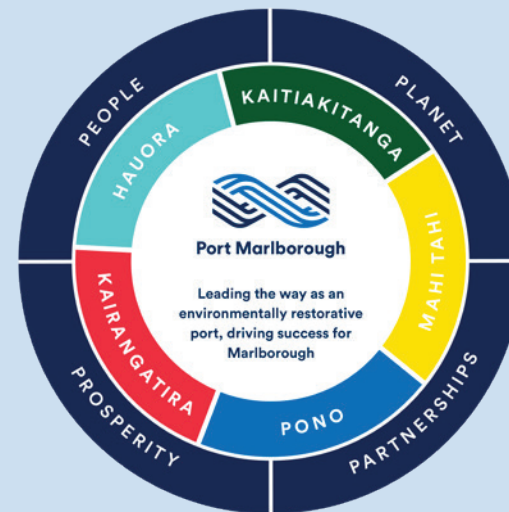
We keep our promises and do what we say we will do.

KAIRANGATIRA
DELIVER EXCELLENCE

We deliver excellent customer service and excellent commercial results.

OBJECTIVES

Port Marlborough's principal objective is to operate as a successful business as per Section 5, Port Companies Act 1988. To be successful, we must ensure our operations are sustainable into the future. We are guided by a sustainability strategy, ensuring success is measured against goals for the whanau and team members that make up our workforce (**People**), advancing environmental sustainability, (**Planet**), driving economic performance and customer satisfaction (**Prosperity**), and strengthening engagement and collaboration with stakeholders (**Partnerships**).



This Statement of Corporate Intent details Port Marlborough New Zealand Limited's planned trajectory and performance for the upcoming three years. This direction is shaped by a clear vision, core values, and a strategic delivery programme aimed at guiding sustainable operations and the future development of Marlborough's regional port.

Port Marlborough operates as a Port Company under the Port Companies Act 1988, functioning with a commercial focus. Profits generated by Port Marlborough are distributed as dividends to its sole shareholder, MDC Holdings Limited. These financial benefits ultimately flow to the residents and ratepayers of Marlborough via the Marlborough District Council.

This Statement of Corporate Intent has been prepared in accordance with Section 9 of the Port Companies Act 1988 and is reviewed annually in line with Sections 8 and 10 of the Act.

MATERIALITY

At Port Marlborough, we recognise the importance of stakeholder consultation in shaping our strategic direction and decision-making processes. Our materiality assessment involves identifying and prioritising the environmental, social, and governance issues that are most relevant to our stakeholders and business. This ensures that our strategies and operations align with the expectations and needs of our community, iwi, customers, employees, and shareholder. By using our materiality assessment to set strategy, we aim to create long-term value and contribute positively to the economic, environmental, and social well-being of Marlborough, delivering on our strategy of People, Planet, Prosperity and Partnerships.

STRATEGIC HORIZONS

While this Statement of Corporate Intent outlines our strategy for the next three years, our focus on sustainability ensures we are committed to a longer-term vision that extends beyond this period. Our strategic horizons outline future goals, ensuring that we are prepared to adapt to changing circumstances and to seize new opportunities. Over the next three years, we will focus on enhancing our operational efficiency, expanding our infrastructure, and reinforcing our commitment to sustainability. However, we also have plans in place to address emerging trends and challenges in our industry, positioning Port Marlborough well for the future.

By balancing short-term objectives with long-term aspirations, we aim to create a resilient and forward-thinking port that continues to drive success for Marlborough well into the future.

NATURE AND SCOPE OF ACTIVITIES



Port Marlborough provides comprehensive commercial port, harbour, port landing, and marina facilities, alongside a wide range of related services. The company supports Cook Strait freight and passenger ferry services with specialised facilities, including roll-on/roll-off berths and passenger terminals, essential for New Zealand's connectivity and the continuity of the national State Highway One link.

Commercial harbour facilities are designed to accommodate various vessels, featuring deep water berths for bulk cargo ships and cruise ships, ample cargo storage areas, and essential amenities to ensure efficient operations. Marine pilotage and towage services are also provided to facilitate safe and efficient shipping within the harbour. With dedicated landing areas and berths for fishing vessels, freight barges, and marine farming industry vessels, the Port is well-equipped to meet the diverse needs of Marlborough's businesses.

Recognising the vital role its customers play in the regional economy, the company serves a broad customer base spanning key Marlborough industries such as aquaculture, fishing, forestry and tourism including cruise. These sectors are fundamental to the economic vitality and sustainability of the Marlborough region. The company is committed to expanding its service portfolio to better support these industries, ensuring they have the resources and infrastructure needed to thrive.

For recreational and commercial boating, the company offers marinas and boat storage facilities, including travel lift and hard stand services at Waikawa, through the subsidiary Marlborough Sounds Marinas. The marinas at Picton, Waikawa, and Havelock make up the country's largest marina operation, serving the regional boating community and accommodating commercial tourism and water transport operators. This supports a thriving regional tourism sector while enhancing lifestyle and leisure opportunities for residents and visitors alike.

CUSTOMER FOCUS

Customer focus is a key priority, with a strong emphasis on understanding and addressing the specific needs of each industry served. By building close relationships with customers, the company invests in enhancements to services to support their success with a customer-driven approach.

The company continues to work closely with the government on developing a solution for the Cook Strait ferry connection, following the cancellation of project iReX in 2023. The joint venture with Centreport for the Marlborough Inland Hub freight initiative continues, with a focus on providing comprehensive logistics solutions that benefit Marlborough's export economy and supply chain.

By investing in strategic partnerships and continuously expanding service offerings, the company aims to support the diverse industries that rely on the port. A commitment to operational excellence and innovation drives adaptation and evolution, meeting the changing demands of the industries facilitated by the port.

These efforts align with the company strategy of "People, Planet, Prosperity, and Partnerships," guiding every aspect of operations to create a sustainable and prosperous future for Marlborough long into the future.

PEOPLE

Ngā tāngata katoa



*We look after the hauora of all people in our workplace
We have the right skills to deliver now and into the future
We are one high performing team*

PLANET

Te Ao Tūroa

We demonstrate continuous improvement in our environmental performance

We innovate to produce better environmental outcomes

We support the protection and restoration of Marlborough Sounds ecosystems





PROSPERITY

Tōnuitanga

*We deliver long-term value through integrated investments
We deliver excellent customer experience and outcomes
We ensure our success is shared by facilitating sustainable growth for the region*

PARTNERSHIPS

Taukaea (Tāngata)

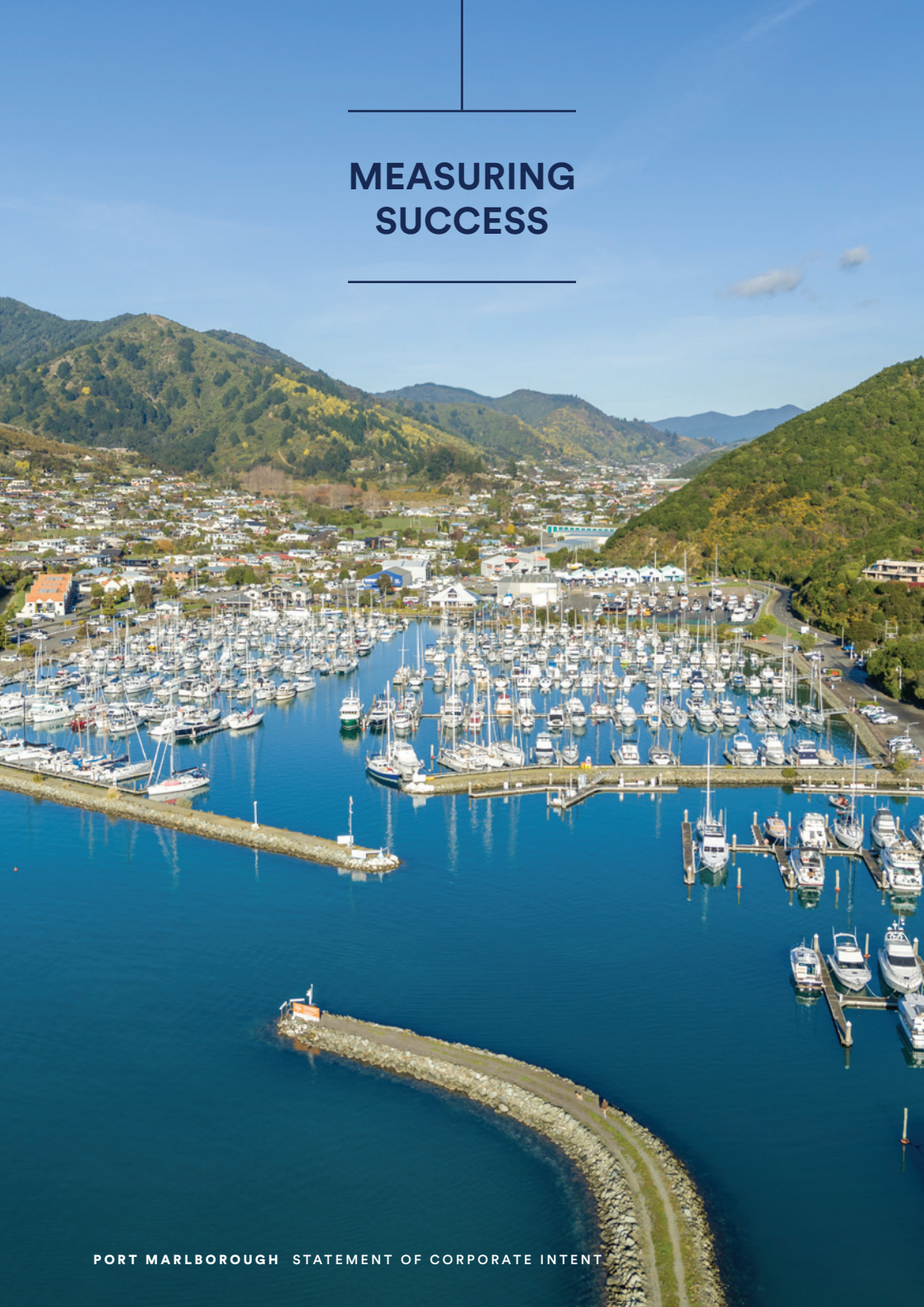


We communicate and engage openly with our communities

We are a trusted iwi partner

We work collaboratively to produce better outcomes

MEASURING SUCCESS



PEOPLE				
KEY PERFORMANCE INDICATOR	ACTUAL		TARGET	
	23/24	24/25	25/26	26/27
Preventative Action to Incident Ratio	3:1	10:1	15:1	20:1
LTI's – Zero/100,000 hours	2.8	0	0	0
Critical Risk Framework Compliance	Unmeasured	100%	100%	100%
Fatigue Risk Management Framework Compliance	Unmeasured	100%	100%	100%
Wellbeing Package available to all employees	Unmeasured	✓	✓	✓
Living Wage Accreditation	✓	✓	✓	✓
Increase representation of women in workforce year-on-year	68/32%	+2%	+2%	+2%
Create opportunities for students including Internships, Apprenticeships & Cadetships	4	≥4	≥5	≥6
Employee engagement score	68%	+2%	+2%	+2%

PLANET				
KEY PERFORMANCE INDICATOR	ACTUAL		TARGET	
	23/24	24/25	25/26	26/27
PMNZ Freshwater Withdrawal	TBA	≤ 0% +	≤ 0% +	≤ 0% +
Waste to Landfill Diverted	TBA	70%	75%	80%
GHG Scope 1 & 2 (Carbon Reduction)	TBA	Establish Plan	TBA post-plan	TBA post-plan
GHG Storage	TBA	10% +	10% +	10% +
Biodiversity – area of habitat restored	Unmeasured	5ha	10ha	10ha
Consent Compliance Incidents	Unmeasured	0% non-compliance	0%	0%
International Clean Marinas Accreditation	-	✓	✓	✓

PROSPERITY				
KEY PERFORMANCE INDICATOR	ACTUAL		TARGET	
	23/24	24/25	25/26	26/27
Projected NOPAT ⁴ (excluding asset and derivative revaluations)	TBA	\$9.36m	\$9.56m	\$10.32m
NOPAT ⁴ / Return on average Shareholder's Funds	TBA	5.42%	5.37%	5.63%
EBITDA ⁵ (excluding asset and derivative revaluations)	TBA	\$21.10m	\$21.48m	\$22.09m
Equity Ratio	TBA	67.00%	67.60%	69.40%

PARTNERSHIPS				
KEY PERFORMANCE INDICATOR	ACTUAL		TARGET	
	23/24	24/25	25/26	26/27
Invest 1% of EBIT ⁶ (three year rolling average) in community sponsorships and programmes	TBA	≥ \$167k	≥ \$167k	≥ \$168k
Number of key Stakeholder engagements	Unmeasured	10	12	12

¹ LTI = Lost Time Injury

² GHG Net Emissions = Scopes 1 + 2 emissions

³ NOPAT = Net Operating Profit after Tax

⁴ EBITDA – Earnings before Interest, Tax, Depreciation and Amortisation

⁵ EBITDA – Earnings before Interest, Tax, 6 Depreciation and Amortisation

⁶ TBA = To Be Advised (pending completion of Annual Accounts)

PERFORMANCE RISK

Risks to achievement of our objectives are:

- Forestry export market fluctuations
- A major external event (natural disaster, alpine fault, tsunami, act of terrorism, pandemic or war) impacting Port Marlborough operations or supply chains
- Timing and quantum of funding requirements for the redevelopment of inter-island ferry facilities.

DIVIDEND POLICY

A Recommendation on the level of any dividend to be paid will be made by Directors each year. Dividends to The Shareholder will be maximised consistent with consideration of the current and future capital requirements of the company and its debt to equity ratio. It is anticipated that distributions will be in the order of 45% of after tax profit as returned to Inland Revenue.

The Board will make best endeavours to distribute the above projections, noting upcoming requirements for funding of significant capital projects that will deliver benefits to the regional economy.

Year	Projected dividend distribution
2025	\$4.21m
2026	\$4.31m
2027	\$4.64m

PROJECTED BORROWINGS

The Directors have adopted a policy of seeking to keep the gearing of the company in a range between 20% and 40% (debt to debt-and-equity) but accept that the debt ratio may fall outside this range at times, that is, prior to, or following, a major planned development.

Year	Projected Gearing Ratio	Level of debt (Current/Projected)
2024	33.38%	\$57m
2025	38.11%	\$67m
2026	36.99%	\$67m
2027	33.18%	\$62m

RATIO OF THE SHAREHOLDER FUNDS TO TOTAL ASSETS

Year	Expected Ratio The Shareholder funds to total assets
2025	66.98%
2026	67.56%
2027	69.43%

ACCOUNTING POLICIES

Policy application will be made consistent with, and conform to:

- The legal requirements of the Companies Act 1993
- Generally Accepted Accounting Principles (NZ GAAP)
- Financial Reporting Act 2013
- New Zealand equivalents to the International Financial Reporting Standards (NZIFRS)
- Other applicable regulatory and statutory requirements.

The latest published Annual Report including the Statement of Accounting Policies is at:

www.portmarlborough.co.nz.

PROVISION OF INFORMATION TO THE SHAREHOLDER

The following information will be provided to The Shareholder:

1. An annual report as required by Section 16(3) of the Port Companies Act 1988. The report will contain such information as is necessary to enable an informed assessment of the operations of the company and its subsidiaries, including a comparison of the performance of the company and its subsidiaries with this Statement of Corporate Intent and it will state the maximum dividend recommended to be paid by the Company to its

The Shareholder. The report will include:

- a) A report of the operations of the Port Company and those of its subsidiaries during the financial year; and
 - b) Audited consolidated financial statements for that financial year consisting of:
 - i) Statement of Comprehensive Income, Balance Sheet and Cash Flow Statement; and
 - ii) Such other statements as may be necessary to show the financial position of Port Marlborough and its subsidiaries and the financial results of the operations during the financial year; and
 - iii) The audit report on those financial statements.
2. A half-year report covering a Statement of Financial Performance, abbreviated Statement of Financial Position, Statement of Cash flows, performance indicators, commentary on activities and such other information as the Directors may consider necessary.
 3. Briefing to be provided to the Shareholder, following circulation of Annual and Half Year reports.
 4. The shareholder will be regularly briefed on significant new capital projects.
 5. Any other information reasonably required by the shareholder.

PROCEDURES FOR SHARE SUBSCRIPTIONS OR PURCHASES

The company will only invest in another business when it is consistent with the nature and scope of activities and objectives contained in this SCI.

In cases where the company intends to acquire an interest in another business as listed below, either by single transaction or any series of transactions, through the purchase of shares or by other means, it will give the The Shareholder prior written notice of its intention.

- A business outside the company's current nature, scope and objectives; and/or
- 20% or more of a business; and/or
- An activity where the cost is more than 10% of the company's shareholder funds; and/or
- A business or activity outside the Marlborough District;

DIRECTORS' ESTIMATE OF COMPANY VALUE

The Directors estimate that the opening balance of Shareholder's Funds in the annual accounts will represent the value of the company. The Directors will advise the The Shareholder on an annual basis if they believe the value to differ materially from this state.

As part of adoption of IFRS, land, buildings and port infrastructure are valued on a regular basis by independent valuation.

The opening balance of Shareholder Funds at 1 July 2024 is \$TBA (2023: \$167.06m).

APPENDIX 1

Subsidiaries and Associated Companies

The Group consists of

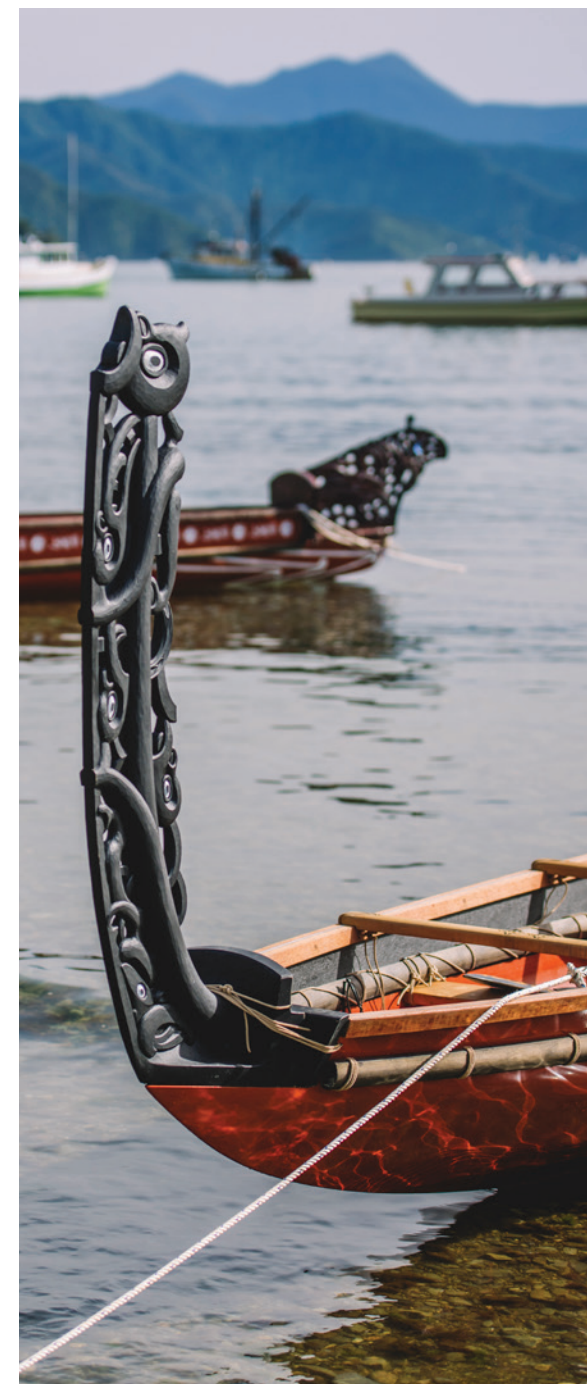
- Waikawa Marina Trustee Limited
- PMNZ Marina Holdings Limited
- Marlborough Inland Hub Ltd - Joint Venture

Waikawa Marina Trustee Limited and PMNZ Marina Holdings Limited were incorporated in September 1997 to facilitate the sale of long-term berth entitlements in the Waikawa Marina extension.

The company shall ensure at all times that in the case of new subsidiaries:

1. Control of the affairs of every subsidiary of the company is exercised by a majority of the Directors of that subsidiary.
2. A majority of the Directors of every subsidiary of the company are persons who are also Directors or Employees of the company or who have been approved by the The Shareholder for appointment as Directors of the subsidiary.
3. Without the prior consent of the The Shareholder, neither the Company nor any subsidiary of the Company shall sell or otherwise dispose of, whether by a single transaction or any series of transactions and whether by sale of assets or shares, the whole or any substantial part of the business or undertaking of the Company and its subsidiaries (taken as a whole).
4. Where the Company or its subsidiaries hold 20% or more of the shares in any company or other body corporate (not being a subsidiary of the company) it will not sell or otherwise dispose of any shares in that company without first giving written notice to the The Shareholder of the disposition.

The term "share" has the same meaning as in Section 2 of the State-owned Enterprises Act 1986





Port Marlborough