

# Code of Ethics

## The New Zealand Merino Company Limited (NZM)

Approved by the Board 1 September 2023

The NZM Code of Ethics is the framework of standards by which the directors, employees, contractors for personal services and advisors of NZM and its related companies (NZM people) are expected to conduct their professional lives and has been approved by the Board. This Code is not intended to prescribe an exhaustive list of acceptable and non-acceptable behaviour; rather it is intended to ensure NZM people maintain the highest standards of honesty, integrity and ethical conduct., NZM people must familiarise themselves with this code and their obligations, as it is a condition of employment that NZM people comply with the standards and requirements at all times.

Directors, Senior Executives and other employees who are proven to have breached this Code of Ethics will face disciplinary action which, depending on the seriousness and severity of the breach, could include dismissal or legal action or both.

NZM directors and managers are expected to lead according to these standards of ethical and professional conduct and to ensure that they are communicated to the people who report them.

If you have any questions or concerns about an ethical question, or become aware of a breach of a legal obligation or a NZM Policy, let the Chair of the Board know as soon as possible. If this is not appropriate, contact the Chair of the Audit and Risk Committee. (Please refer to Section 11, Reporting Concerns, for more information.)

### 1. Conflicts of Interest

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

NZM people will not without the prior consent of NZM:

- Engage in any other business or commercial activities which would conflict with their ability to perform their duties to NZM;
- Support a political party or organisation other than in a personal capacity;
- Be directly or indirectly interested or concerned in any capacity including as a material shareholder (i.e. a shareholder who holds more than 25% of the shares), or as a director, employee, or independent contractor with any other business in the industries in which NZM operates; and
- Engage in any other activity which could conflict with NZM's interests.

Grower appointed directors who are appointed as a result of the requirements of the NZM Constitution do not require the prior approval of NZM, however once appointed grower appointed directors must declare all relevant interests. Independent directors must also declare all relevant interests.

## 2. Gifts

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

NZM people will not accept gifts or personal benefits of any value from external parties if it could be perceived that such acceptance might compromise or influence any decision by NZM. Any gifts or personal benefits received with an estimated value of \$50 or more must be recorded in the Company Gift Register.

## 3. Corporate Opportunities

NZM expects its people to advance its legitimate interest when the opportunity to do so arises.

NZM people will not:

- Take for themselves any opportunity discovered through the use of NZM property, information or position;
- Use NZM property (including NZM's name), information or position for personal gain;
- Compete with NZM; and
- Trade in shares, or any other kind of property, based on information that comes from their roles for NZM if that information has not been reported publicly.

## 4. Confidentiality

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

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

## 5. Behaviours

The actions and statements of NZM people, whether

to customers, suppliers, growers, competitors, or employees, can impact on how people feel about coming to work, the way people see NZM and whether they choose to do business with us.

NZM people should be aware of how their behaviour impacts others.

NZM people will:

- Maintain the highest standards of honesty, integrity and ethical conduct at all times;
- Conduct themselves in a way that demonstrates that their honesty is beyond question and that they will not behave in a manner that has the potential to bring NZM's image into disrepute;
- Deal honestly with NZM's other people, professional advisors and stakeholders;
- Manage performance in an appropriate and fair manner, providing positive and constructive feedback in a timely manner;
- Not enter into transactions or make promises on behalf of NZM that NZM cannot or does not intend to honour;
- Undertake their duties with care and diligence;
- Ensure that any personal opinions NZM people express are clearly identified as their own and are not represented to be the views of NZM;
- Value individuals' differences and treat people in the workplace with respect in accordance with NZM's philosophies of equal employment opportunities, and anti-harassment and discrimination policies;
- Appreciate others time, by responding to emails and phone messages within an appropriate timeframe;
- To the best of their ability, use reasonable endeavours to ensure that NZM records and documents, including financial reports, are true, correct and conform to NZM reporting standards and internal controls; and
- Not accept or offer bribes or improper inducements to or from anyone.
- Dress and present themselves in a professional and appropriate manner.

## 6. Proper use of NZM Assets and Information

NZM people have a duty to protect NZM assets from loss, damage, misuse, waste and theft.

NZM assets include systems, information, intellectual property and networks.

NZM people will:

- Only use NZM assets for lawful business purposes authorised by NZM; and
- Only create, and only retain, information and communications required for business needs or to meet legal obligations.

## 7. Compliance with Laws and Policies

NZM people will:

- Familiarise themselves with and comply with NZM policies, frameworks and processes at all times;
- Abide by the laws, rules and regulations of New Zealand and other jurisdictions in which NZM operates;
- Undertake training on legal obligations and policies as required by management from time to time; and
- Comply with all statutory and internal disclosure requirements on a timely basis.

## 8. Delegated Authority

The NZM Board of Directors delegates the responsibility of managing the business and affairs of NZM to the Chief Executive.

The Chief Executive in turn delegates to other levels of management certain rights to make operational and financial decisions within defined limits. A director should not simultaneously hold the positions of Chief Executive/Managing Director and Chair of the Board.

NZM people will:

- Only act within the delegated authority framework and any authority that may be specifically given to them as a delegated authority holder; and

- Ask their manager if they are uncertain as to their level of delegated authority.

## 9. Additional Director Responsibilities

Directors are required to:

- Undertake appropriate training to remain current on how to best perform their duties as directors of NZM;
- Give proper attention to all matters put before them;
- Have an understanding of the regulatory, legal, fiduciary and ethical requirements affecting directors;
- Be familiar with up to date business management techniques and related ethics; and
- Have an awareness of special strategic, industry, cultural and other issues that may impact on NZM's business.

## 10. Information for the Board

NZM management shall provide the Board with information of sufficient content, quality and timeliness as the Board considers necessary to enable the Board to effectively discharge its duties.

## 11. Reporting Concerns

If you become aware of a breach of the NZM Code of Ethics or any breach of a legal obligation or NZM policy, you are responsible for reporting it to your manager or the Board, as appropriate. If this is not appropriate in the circumstances, you should report the breach to the:

- Chair of the Board; or
- Chair of the Audit and Risk Committee.

NZM will stand behind any employee who, acting in good faith, reports a breach, serious problem or wrongdoing. The identity of the person making the report will be kept confidential where possible – there may be situations however where the proper investigation of the matter inadvertently identifies the reporter or requires his or her identification.

NZM requires all Directors, Senior Executives and other employees who receive a report of an actual or suspected violation of this Code of Ethics to take all reasonable steps within their control to ensure that:

- The behaviour alleged in the report is thoroughly investigated;
- The rules of natural justice are observed in that investigation; and
- Appropriate disciplinary action is taken if the allegation is substantiated.

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

If you suspect that a breach of the delegated authority rules or limits has occurred you should advise your manager and the delegated authority holder whose responsibility it should have been to approve the transaction, as soon as possible.

## **12. Review**

The Code of Ethics is subject to annual review by the Board. If you have feedback on the Code of Ethics please contact the Chair of the Board.

**Kate Morrison**

NZM CHAIR

