

**AMP NZ Office Limited**

**CORPORATE GOVERNANCE MANUAL**

**April 2011**

## CORPORATE GOVERNANCE MANUAL

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## INTRODUCTION

AMP NZ Office Limited (referred to in this document as “ANZO”) and its board of Directors (“the Board”) are committed to ensuring that ANZO maintains best practice governance structures and the highest ethical standards and integrity. The Board has therefore developed this Corporate Governance Manual that is intended to guide the Directors, the manager of ANZO, AMP Haumi Management Limited (“Manager”), and the ANZO’s representatives so that their business conduct is consistent with high business standards. It incorporates (to the extent relevant) the New Zealand Exchange (“NZX”) listing rules relating to corporate governance, the NZX Corporate Governance Best Practice Code Recommendations and the Securities Commission Governance Principles and Guidelines. This Manual is intended to be read in conjunction with ANZO’s Constitution.

The Board has delegated responsibility for day to day management of ANZO to the Manager under the Management Services Agreement dated 27 September 2010, as amended from time to time (the “Management Agreement”). The Management Agreement specifies the role, responsibility and remuneration of the Manager, establishes performance standards and delivery criteria, and sets out the provisions as to changes to the Manager and termination of the Management Agreement.

The Manager has acknowledged the importance of good corporate governance, and agrees to support the Board and the representatives of ANZO in meeting their governance obligations, and to carry out its responsibilities in a manner that is consistent with the principles of this Manual, and in accordance with the terms of the Management Agreement.

## PART 1

### CODE OF ETHICS

#### ▪ **Purpose and Intent**

The purpose and intent of this Code of Ethics is to guide Directors, the Manager, representatives and subsidiaries of ANZO so that their business conduct is consistent with high business standards.

The 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 ANZO's business standards, objectives and legal and policy obligations.

#### ▪ **Ethical Behaviour Generally**

The Directors, the Manager and representatives of ANZO will:

- Undertake their duties with care and diligence;
- Not enter into transactions or make promises on behalf of ANZO that ANZO does not intend to honour;
- Conduct themselves in a way that demonstrates their honesty and integrity when dealing with others within ANZO, the Manager and in engaging with 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 ANZO's records and documents, including financial reports are true, correct and conform to ANZO's reporting standards and internal controls.

#### ▪ **Conflicts of Interest**

ANZO expects all of its Directors, the Manager and representatives to act with integrity and to avoid situations where there is a real or potential conflict of interest between their personal interests and the interests of ANZO. ANZO expects its Directors, the Manager and representatives to avoid 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. Further, Directors, the Manager or representatives should not engage in any other business or commercial activities which would conflict with their ability to perform their duties to ANZO.

- **Duty to Protect ANZO's Assets**

The Directors, the Manager and representatives of ANZO are expected to act with integrity and take personal responsibility to ensure the protection and efficient use of ANZO's assets for legitimate and lawful business purposes as authorised by the Board.

- **Regulatory and Legal Compliance**

The Directors, the Manager and representatives of ANZO will

- Familiarise themselves with and comply with all of ANZO'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 Board or in order to properly fulfil their duties;
- Comply with all statutory and internal disclosure requirements on a timely basis; and
- Co-operate with regulatory bodies and government agencies in all matters, including their investigations of ANZO's compliance with legal obligations.

- **Reporting unlawful or unethical behaviour**

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

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

should report this to their immediate supervisor, to the Board, or to the Chairman of the Board.

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 Security Holders and Financial Community**

Subject to the Management Agreement, the Board is responsible for administrating and managing ANZO for the benefit of security holders.

The Directors of ANZO and the Manager believe that constructive and ethical behaviour, acting in a way which is consistent with ANZO's values, is the key to achieving the maximum benefit for security holders. 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, the Manager and representatives of ANZO are expected to act with integrity and not take advantage of opportunities arising from their engagement, employment or connection with ANZO for personal gain or to compete with ANZO. In particular, no representative of ANZO (including the Manager) who has non-public information which could affect the price of the ANZO securities may buy or sell ANZO securities. Similarly, no director, manager or representative (including the Manager) with such non-public price sensitive information may recommend or suggest other persons buy or sell an ANZO security. ANZO has a Securities Trading Policy, which is set out in Part 6 of this Manual.

- **Confidentiality**

The Directors, the Manager and representatives of ANZO will maintain and protect the confidentiality of information entrusted to them about ANZO's financial affairs, except where disclosure is allowed or required by law or where the Board has approved disclosure.

- **Compliance**

All Directors, the Manager, and representatives are expected to adhere to the policies and behaviours described in this Code. ANZO expects Directors, the Manager 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 Board.

## PART 2

### BOARD CHARTER

#### ▪ **Governance at ANZO**

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

The Board has statutory responsibility for the affairs and activities of ANZO, sets the strategic direction of ANZO and supervises the activities carried out by the Manager.

#### ▪ **The Role of the Board**

The Board is responsible for supervising and monitoring the activities and performance of the Manager.

The Board has the responsibility to work to protect and enhance the value of the assets of ANZO in the interests of its security holders.

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

In delegating responsibility for the day to day operation and management of ANZO to the Manager, the Board has processes and systems in place to ensure that significant issues, risks and major strategic decisions are monitored and considered at Board level. This allows ANZO 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 security holders are protected.

The Board's focus is on the creation of long term security holder wealth and ensuring ANZO 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 Board.

#### ▪ **Responsibilities of the Board**

The Board also:

- monitors the Manager and exercises the decision-making powers reserved to the Company under the Management Agreement;
- approves the policies and budgets of ANZO and ensures that these are followed;
- approves major investments and divestments and, through the Manager, monitors the performance of those investments;

- monitors financial performance including approving of the quarterly, interim and annual financial statements and reports;
- reviews and approves the Code of Ethics;
- reviews and approves this Charter;
- reviews and approves the framework for ANZO's relationship with its Auditor;
- reviews and approves the Audit and Risk Committee Charter and the performance of the Audit and Risk Committee;
- reviews and approves the Remuneration Committee Charter and the performance of the Remuneration Committee;
- reviews and approves the Nomination Committee Charter and the performance of the Nomination Committee;
- ensures that, through the Manager, ANZO provides continuous disclosure of the requisite information to the NZX and the investment community, and that shareholders have available all information they reasonably require to make informed assessments of ANZO's prospects;
- through the Manager, facilitates fulfilment of ANZO's statutory functions;
- through the Manager, meets all relevant responsibilities imposed at law, by the rules of NZX, or otherwise.
- monitors actual results against the annual business plan, budget and strategic objectives;
- takes responsibility for the appointment, performance and removal of the chairman and the confirmation of the appointment and removal of the Manager;
- recommends the remuneration of the Directors;
- approves and sends quarterly, half yearly accounts, full year accounts and annual report and related reports to the NZX and other regulatory authorities.
- maintains corporate and Board values to ensure that ANZO 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.
- **Composition of the Board**

The ANZO constitution requires provides for the Board to consist of:

- up to two Directors appointed by the Manager;
- one Director appointed by each person holding more than 15 percent of the shares; and
- the remainder of Directors appointed by ordinary resolution of the shareholders (other than a 15%+ shareholder who has appointed a director).

The NZX Listing Rules require that one third of the Directors are Independent Directors. In addition, the Constitution provides that if the Manager exercises its director appointment rights, a majority of the Board (including the Chair) will be Independent of the Manager. The independence requirements are outlined in the independence section of this Charter.

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 the Manager and can exercise independent judgement.

- **Independence**

The Board seeks to identify candidates with appropriate skills, knowledge and experience to contribute to effective direction of ANZO, and oversight of the Manager who can exercise an independent and informed judgement on matters which come to the Board 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, one third of the Directors of ANZO must be Independent Directors. In addition, in accordance with the Constitution, if the Manager exercises its director appointment rights, a majority of the Board (including the Chair) must be Independent of the Manager.

The Directors are required to keep the Board advised of any interests they have that could affect their “independence” (whether as an Independent Director or as a Director Independent of the Manager), including any interests that could potentially conflict with the interests of ANZO.

The Board determines 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 Board will review any determination it makes 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 ANZO.

- **“Independent Directors”**

The Board has adopted the definition of Independent Directors set out in the NZX Listing Rules.

The NZX defines an Independent Director as being a director who is not an executive of the Manager and does not have a “disqualifying relationship” defined by the NZX as being any direct or indirect interest or relationship that could reasonably influence, in a material way, the director’s decisions in relation to the issuer.

▪ **Directors that are “Independent of the Manager”**

ANZO’s constitution requires that, where the Manager has appointed one or two Directors, the majority of the Directors, and the chairperson must be Independent of the Manager. A director is Independent of the Manager if they are:

- not an Associated Person (as defined in the NZX Listing Rules) of the Manager (or its shareholders or their related companies); or
- to be treated as being Independent of the Manager by virtue of a ruling or consent of NZX.

The Board determines and reviews the independence of each director approved by the Manager in a similar way as it does for general independence.

Generally, the NZX definition of Associated Person provides that a director is associated with the Manager (or its shareholders or related companies) if the director’s decisions or exercise of power in relation to ANZO could be influenced as a consequence of an arrangement or relationship with the Manager (or its shareholders or related companies). The Rules set out a number of specific examples and exclusions from this list.

▪ **Directors’ Duties**

The Directors are required to comply with their duties as set out in the Companies Act 1993, including the duties to:

- act in good faith and in what the Director believes to be the best interests of ANZO;
- 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 ANZO can perform.

Directors must comply with these duties at all times.

▪ **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 ANZO and its security holders. In discharging that obligation, Directors may rely on the advice of the Manager 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 Board's responsibility to:

- Take appropriate steps to protect and enhance the value of the assets of the ANZO in the best interests of its security holders and ensure that ANZO and its assets are being properly managed;
- Use reasonable endeavours to ensure that ANZO's records and documents including financial reports are true, correct and conform to ANZO's reporting standards and internal controls;
- Ensure that effective audit, risk management and compliance systems are in place to protect ANZO's assets and to minimise the possibility of ANZO operating beyond legal requirements or beyond acceptable risk parameters;
- Be actively engaged in directing and approving the strategic planning of ANZO and monitoring the Manager's implementation of the strategies;
- 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 security holders.

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 ANZO's expense where the director (or committee) deems it necessary to properly carry out their duties and functions, provided they have previously notified the Chairman of the Board;
  - Must fully disclose all relationships they have with ANZO, the Manager and relevant private or other business interests to the Board in order that the Board may assess the Directors' independence. This is an ongoing responsibility of each director;
  - Must report any illegal or unethical behaviour of which they become aware to the Chairman.
- **Committees of the Board**

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

Director's remuneration is paid in the form of Directors fees. The Board has established a Remuneration Committee to guide the Board when approving remuneration of the Directors. The Remuneration Committee Charter is contained in Part 4 of this Manual.

The Board has established a Nomination Committee to guide the Board when recommending the appointment of Directors. The Nomination Committee is governed by the Nomination Committee Charter contained in Part 5 of this Manual.

The Board 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 Board. Committees may not take action or make decisions on behalf of the Board unless specifically mandated by prior Board authority to do so. The committees are comprised of Directors appointed by the Board and the chairpersons of such committees are appointed by the Board.

▪ **Share Trading**

Directors are encouraged to own securities in ANZO in their own name (or through associated interests). In the case of Independent Directors, the Board of ANZO has resolved that Independent Directors are expected to hold a discretionary but meaningful level of ANZO stock during an appropriate trading period. Directors are subject to limitations on their ability to buy and sell ANZO securities by ANZO's Share Trading Policy contained in Part 6 of this Manual, the NZX Listing Rules and the Securities Markets Act 1988. All changes in the shareholdings of Directors are reported to the Board and the NZX. The Directors' shareholdings and changes to those shareholdings are also noted in the annual report to security holders.

▪ **Disclosure**

The Board must provide timely and balanced disclosure of all material matters concerning ANZO to its security holders and other stakeholders.

The Board must ensure that all Directors, the Manager and representatives are aware of and comply with ANZO's reporting responsibilities and the continuous disclosure requirements under NZX Listing Rules and act in accordance with ANZO's internal policies and this Manual.

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

- **Accountability**

The Chairman meets regularly with Directors of ANZO to discuss individual performance of Directors. The Board reviews its performance as a whole on an annual basis.

## **PART 3**

### **AUDIT AND RISK COMMITTEE CHARTER**

#### **▪ Purpose**

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

#### **▪ Composition**

The Audit and Risk Committee must have a minimum of three Directors and a majority of those Directors must be Independent Directors.

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

##### **Financial Reporting**

- Reviewing earnings releases and financial reports;
- Assessing the appropriateness of the Manager'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 Manager in the preparation of the financial statements;
- Conferring with the Manager and the independent external auditor about the financial reports;
- Understand the Manager's responsibilities and representations;
- Assessing whether the financial reports represent a true and fair view of ANZO's financial position and performance and advising all Directors whether it complies with regulatory requirements.

##### **Risk and Controls**

- Review and assess ANZO's business and financial risk management process, including the adequacy of the overall control environment and controls in selected areas representing significant risk;

Review and assess ANZO's system of internal controls for detecting accounting and financial reporting errors, fraud and defalcations, legal violations and non-compliance with ANZO's Code of conduct. Entails review of related findings and recommendations of the external auditor and the Manager's responses.

#### **External and Internal Auditors**

- Recommending the appointment and removal of the independent auditor;
- Reviewing external auditors fees;
- Review the performance of external and internal auditors
- Ensuring direct communication with and unrestricted access to the independent and any internal auditors or accountants.

#### **Other**

- Regularly review and update the Audit and Risk Committee Charter
- Any other matters the Board may refer to it from time to time

- **Composition**

At least one member should be literate in business and financial reporting and control, including knowledge of the regulatory requirements and have past employment experience in finance or accounting.

- **Authority**

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

The Audit and Risk 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 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, the Manager or by ANZO's internal or external auditors.

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

The chairperson of each meeting of the Audit and Risk Committee is required to report back to the Board on key points of discussion and present the recommendations of the Audit and Risk Committee at the next scheduled meeting of the Board.

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

- **Reporting**

The committee is required to prepare an annual report to the Board.

- **Review of the Audit Committee**

The Board 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**

### **NOMINATION COMMITTEE CHARTER**

#### **▪ Purpose**

The Board has established a Nomination Committee to assist the Board in planning the Board's composition, evaluating the competencies required of prospective Directors (both executive and non-executive), identifying those prospective Directors, establishing their degree of independence or independence from the Manager, as required, and making recommendations to the Board accordingly. This Nomination Committee Charter is intended to guide the Nomination Committee members in fulfilling their responsibilities to the Board.

#### **▪ Composition**

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

#### **▪ 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 Independent Director at the conclusion of their specified term of office;
- Make recommendations to the Board in respect of the degree of independence of any director.

##### **Evaluation of Candidates**

- Assess whether candidates meet the certification requirements established by the NZX;
- Ensure candidates demonstrate appropriate qualities and experience to contribute to the effective direction of ANZO and can exercise an independent and informed judgment on matters which come before the Board;
- Before recommending an appointment, evaluate the balance of skills, knowledge and experience on the Board and, in light of the evaluation, determine the role and capabilities required for the appointment;

### **Monitoring and Planning**

- ensuring all Directors continue to meet the certification requirements established by NZX;
- formulate succession plans for Directors, taking into account the challenges and opportunities facing ANZO and the skills and expertise accordingly required on the Board in the future;
- regularly review the structure, size and composition (including the skills, knowledge and experience) of the Board and make recommendations to the Board regarding any changes;
- review the leadership requirements of ANZO, both executive and non-executive, to ensure the continued ability of ANZO to compete efficiently in the market.

### **Other**

- Regularly review and update the Nomination Committee Charter
- Any other matters the Board may refer to it from time to time

### ▪ **Authority**

The Nomination Committee is authorised by the Board to investigate any activity covered by its functions and responsibilities. It is authorised to seek any information it requires from the Manager.

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

- **Procedural Requirements**

The Nomination 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 Nomination Committee if requested to do so by any committee member, the Manager or by ANZO's internal or external auditors.

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

The chairperson of each meeting of the Nomination Committee is required to report back to the Board on key points of discussion and present the recommendations of the Nomination Committee at the next scheduled meeting of the Board.

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

- **Reporting**

The committee is required to prepare an annual report to the Board.

- **Review of the Nomination Committee**

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

## PART 5

### REMUNERATION COMMITTEE CHARTER

#### ▪ Purpose

The Board has established a Remuneration Committee to assist the Board in the establishment of remuneration policies and practices for, and in discharging the Board's responsibilities with respect to setting and reviewing the remuneration of the Independent Directors. None of the Directors appointed by the Manager receive any remuneration, or other benefits, from ANZO for services as a director. This Remuneration Committee Charter is intended to guide the Remuneration Committee members in fulfilling their responsibilities to the Board.

#### ▪ Composition

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

#### ▪ 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:

##### **Remuneration Policy**

- setting and reviewing the remuneration policies and practices of ANZO. In setting the remuneration of the Independent Directors of ANZO, the Committee should aim to ensure that ANZO is able to attract and retain highly skilled Directors;

##### **Independent Directors**

- formulating and suggesting the director's fees to be paid to each Independent Director, in accordance with the company's remuneration policies and practices, subject to shareholder approval;

##### **Additional Fees and Allowances**

- determining the additional fees to be paid in respect of the Chairman to reflect the additional responsibilities of this position;
- determining 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**

- Providing for and approving reimbursement of travel, accommodation and other expenses incurred in relation to the management of ANZO.

### **Other**

- Regularly review and update the Remuneration Committee Charter
- Any other matters the Board may refer to it from time to time

- **Authority**

The Remuneration Committee is authorised by the Board to investigate any activity covered by its functions and responsibilities. It is authorised to seek any information it requires from the Manager.

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

- **Procedural Requirements**

The Remuneration Committee is required to meet at least once a year or more frequently if required in order to carry out its duties, having regard to when director remuneration is due for review in terms of ANZO's remuneration policies.

The chairperson will call a meeting of the Remuneration Committee if requested to do so by any committee member or the Manager.

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

The chairperson of each meeting of the Remuneration Committee is required to report back to the Board on key points of discussion and present the recommendations of the Remuneration Committee at the next scheduled meeting of the Board.

The chief executive officer of the Manager shall be in attendance at all meetings of the committee except where conflicted for personal reasons.

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

- **Reporting**

The committee is required to prepare an annual report to the Board.

- **Review of the Remuneration Committee**

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

## PART 6

### SECURITIES TRADING POLICY

#### ▪ Policy Statement

ANZO 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, officer or employee may use their position of knowledge of ANZO or its business to engage in securities trading for personal benefit or to provide benefit to any third party.

#### ▪ Overview

This policy applies to all Directors, officers and employees of ANZO and their subsidiaries who intend to trade in ANZO listed securities. In this policy “**trade**” includes buying or selling listed securities, or agreeing to do so, whether as principal or agent, but it does not include subscription for, or the issue of, new securities. “**Employees**” include persons seconded to ANZO.

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 ANZO securities may be listed.

Any director, officer or employee of ANZO must comply with this policy in relation to any dealings in ANZO securities, and should specifically note the requirement to obtain appropriate consent before trading (see “Trading Procedure” below).

#### ▪ Purpose

The Board has developed this policy to meet ANZO’s legal obligation to prevent insider trading and to help Directors, officers and employees avoid the serious consequences associated with violations of insider trading laws.

This part of the Manual details ANZO’s policy on, and rules for dealing in, ANZO units and any other listed securities of ANZO or any subsidiary, and any listed derivatives (including futures contracts listed on an authorised futures exchange) in respect of listed securities from time to time (“**Restricted Securities**”).

If any person does not understand any part of this policy, or how it applies, the matter should be raised with ANZO’s Company Secretary before dealing with any securities 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 Securities;

- advise or encourage others to trade, or hold any Restricted Securities; 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 ANZO's securities. If a person has material information in relation to listed securities of another issuer (including futures contracts listed on an authorised futures exchange over listed securities), that person must not trade in those securities.

- **Insider trading laws**

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

- trade ANZO's listed securities;
- advise or encourage another person to trade or hold ANZO's listed securities;
- advise or encourage a person to advise or encourage another person to trade or hold ANZO's listed securities; 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, ANZO's listed securities.

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 ANZO, for any loss suffered as a result of illegal trading.

- **Confidential Information**

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

Information is generally available to the market if it has been released as an NZX announcement, or investors that commonly invest in ANZO securities 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 ANZO), 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 ANZO;
- a possible change in the strategic direction of ANZO;
- a possible acquisition or sale of any assets by ANZO;
- 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 ANZO's capital structure;
- a change in the historical pattern of dividends;
- senior management changes;
- a material legal claim by or against ANZO; 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;
- acquisitions through an issue of new listed securities, 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**

ANZO discourage Directors, officers and employees from engaging in short term trading (the buying or selling of listed securities within a three month period), unless there are exceptional circumstances discussed with and approved by the Company Secretary.

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 securities on a short-term basis.

- **If in doubt, don't**

The rules contained in this policy do not replace your legal obligations. The boundary between what is (and is not) in breach of the law is not always clear. Sometimes behaviour that you consider to be ethical actually may be insider trading. If in doubt, don't!

- **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**

ANZO may monitor the trading of Directors, officers and employees as part of the administration of this policy.

- **Application of policy**

The Board of ANZO has approved this policy. The Board may approve updates, amendments to and exemptions to this policy from time to time, which may be implemented by posting on ANZO'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 the ANZO;
- all employees of ANZO (including secondees);
- trusts and companies 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 companies 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.

- **Requirements before trading**

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

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

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 ANZO’s Company Secretary promptly following completion of any trade, and the Restricted Person must comply with any disclosure obligations he, she or it has under the Securities Markets (Disclosure of Relevant Interests by Directors and Officers) Regulations – see further below.

- **Securities Trading Disclosures**

In addition to the requirements of the insider trading laws and ANZO’s Share Trading Policy, Directors and officers of ANZO are legally obliged to make certain disclosures in respect of an acquisition or a disposition of a Relevant Interest (as defined below) in ANZO securities. In this context “officer” means the Chief Executive, Chief Financial Officer and all other employees of the Manager.

Disclosure must be made in accordance with the Companies Act 1993, the Securities Markets Act 1988 and the Listing Rules of New Zealand Exchange Limited. Under the Securities Markets Act 1988 all Directors and officers must send a disclosure notice to ANZO and to the NZX within five business days of acquiring or disposing of a relevant interest in ANZO securities.

The information required to be disclosed in the disclosure notice includes:

- The number and class of securities acquired or disposed of;
- The nature of the relevant interest in the securities;
- The consideration paid or received; and
- The date of the acquisition or disposition.

Directors must ensure that the particulars of any share trading disclosed to the Board and the NZX are entered in ANZO's Interests Register.

The obligation to disclose acquisitions and dispositions is a continuous obligation on Directors and officers of ANZO.

- **Relevant Interest**

The definition of "Relevant Interest" is very wide and is set out in the Securities Markets Act 1988. While not being an exhaustive list, a person will have a relevant interest in ANZO securities where they:

- are a registered holder of the securities;
- beneficially own the securities either directly or indirectly;
- are able to control, either alone or jointly with others, the acquisition or disposal of the securities by another person;
- have the power to control, either alone or jointly with others, the voting rights on the securities;
- are able to influence the board of a company which controls the voting rights on the securities or the sale or purchase of the securities, 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 securities;
- act in concert with a company that has a Relevant Interest (in relation to the power or control giving rise to that interest);
- will have any of the above rights at any time in the future under any arrangement.

A Relevant Interest also encompasses securities held under a number of other types of arrangement (for example, securities held in a family trust). It is unlikely to include securities held by a person's spouse or partner (unless that person has some control over those securities) 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 security 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 ANZO securities, he or she should consult with the Company Secretary.

- **Failure to Comply**

Any person acting in violation of insider trading laws may be liable to the purchaser or seller of the securities and to ANZO. 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 ANZO will take disciplinary action against any person who breaches this policy.

**AMP NZ Office Limited**

**Request for Consent to Trade in AMP NZ Office Limited Listed Securities**

**To:** Company Secretary, AMP NZ Office Limited ("ANZO")

In accordance with ANZO's Security Trading 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 ANZO is not advising or encouraging me to trade or hold securities and does not provide any securities recommendation.

**Name:**

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

**Address:**

**Position:**

**Description and number of securities:**

**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 ANZO's listed securities if it were generally available to the market.

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

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

ANZO 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 ANZO's Security Trading Policy.

\_\_\_\_\_  
Name:

\_\_\_\_\_  
Date

\_\_\_\_\_  
Company Secretary

## PART 7

### POLICY ON AUDIT INDEPENDENCE

- **Policy Statement**

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

- **Background**

Oversight of ANZO's external audit arrangements is the responsibility of ANZO'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 the committee to meet this requirement.

This policy covers the following areas:

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

- **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 judgment on all issues encompassed within the auditor's engagement.

- **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**

The continued appointment of ANZO's external auditors is to be confirmed annually by the Audit and Risk Committee.

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

- **Provision of Non-audit Services by ANZO's External Auditors**

The guidelines that follow are designed to ensure that related assurance services provided by ANZO'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 pre-approve all audit and related assurance services provided by the auditor.

Aside from core audit services ANZO'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.

- **Services not permitted**

It is not considered appropriate for ANZO'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;
- 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 ANZO do not have a material impact on its operations or financial condition;
- ANZO has not withheld fees from the external auditor;
- There is no litigation between ANZO and the external auditor; and
- The external auditor's partners and staff do not have any financial interest in ANZO;
- There are no business relationships between ANZO 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 ANZO's external auditors should not include any contingencies.

- **Other procedural requirements**

Regardless of ANZO's policies it is expected that ANZO'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 Securities Commission 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 ANZO's policies remain compliant with best practice.