

# Forest Enterprises Code of Ethics

## What the Code Means for You

1. This Code of Ethics is a statement of our commitment to integrity and high ethical standards in our businesses at Forest Enterprises Growth Limited and Forest Enterprises Limited (together “Forest Enterprises” and each “Company”). This Code defines the standards of conduct that we expect from our directors and employees to guide us in our actions and decision making in the course of performing our duties.
2. This Code of Ethics does not cover every legal or ethical question that you may face at Forest Enterprises. Indeed, no code can attempt to anticipate the many issues that arise in a business as diverse as ours. Instead, we rely on one another’s good judgment to uphold a high standard of integrity for ourselves and our Company. By following this Code and our other policies and procedures, by adhering to the letter and the spirit of all applicable laws and regulations, and above all by applying sound judgment to your duties, you can demonstrate your commitment to our core values: *Putting Clients First, Leading in the Forestry Sector, and Creating Wealth Naturally for Investors.*
3. It is your responsibility to read the Code carefully, understand it and be guided by it in the workplace. If you are aware of any alleged breach of this Code, you are responsible for reporting it to your Manager. If this is not appropriate in the circumstances, you should report it to a Director of the Company.

## Implementation and Application

4. Forest Enterprises recognises that good corporate governance begins with the behaviour and ethics of our leadership team. In addition to overseeing and asking the right questions of management regarding the Company’s compliance efforts, the Board of Directors of each Company will have a significant role to play in building and promoting an ethical culture.
5. The Board is responsible for, and committed to, ensuring the Company maintains best practice corporate governance and the highest ethical standards and integrity.
6. This Code applies to the Board and all employees. The Chief Executive is accountable to the Board for ensuring the full implementation of this Code of Ethics. The Board will review this Code when required and at least annually. The Board will also monitor compliance.
7. The Legal Services Director will be responsible for providing periodic training to employees on the Code and any new developments in the law that govern their duties set out in the Code. The Legal Services Director will also maintain records of any observed or reported breaches of the Code and the measures taken for dealing with breaches of the Code.

## Treat Others with Dignity and Respect

8. We are committed to providing a work environment that promotes equal opportunity, dignity and respect. Our policies promote equal employment opportunity without harassment, or discrimination on the basis of race, colour, religion, ethical belief, age, sex, gender, gender identity or expression, sexual orientation, national origin, citizenship, disability, marital or civil union status, pregnancy, family status, political opinion or any other form of discrimination prohibited by law. Harassment occurs when behaviour is by reasonable standards unwelcome or unwanted, causes offence, intimidation or humiliation to the person experiencing it, or is so serious as to have a detrimental effect on a person’s employment, job performance or opportunities. Misconduct, including discrimination, harassment, retaliation or other forms of unprofessional behaviour will not be tolerated.

## Act in the Best Interest of Clients, Forest Enterprises and the Public

9. We seek to outperform our competition fairly and honestly through innovation and superior performance. Every director and employee must protect our reputation by dealing fairly and transparently with clients, the public, suppliers and each other. We will not take advantage of anyone through manipulation, concealment, improper handling of confidential information, misrepresentation of material facts or other unfair dealing or practices. In particular, you must not confuse or mislead our investors. You must not enter into transactions or make promises on behalf of Forest Enterprises that you know we cannot or do not intend to honour.

## Follow both the Letter and the Spirit of the Law and Forest Enterprises Policies

10. It is your responsibility to understand the laws applicable to your position in the Company and to comply with both the letter and the spirit of these laws. This requires that you avoid not only actual misconduct but also the appearance of impropriety. Assume that any action you take ultimately could be publicised, and consider how you and Forest Enterprises would be perceived in that event. When in doubt, stop and reflect.
11. Note that in the Forest Enterprises employment contract, like most standard employment agreements, an employee may be immediately dismissed if the employee conducts himself or herself, whether or not in the course of employment, in a manner likely to bring the employee personally or the employer into disrepute or jeopardises its relationship with customers, clients or the general public.
12. Ask questions. If you are unclear about the application of the law to your responsibilities, or if you are unsure about the legality or integrity of a particular course of action, you must seek the advice of your Manager or the Legal Services Director. Potentially, you could be held personally responsible for any improper or illegal acts you commit during your employment at, or service to, Forest Enterprises.

## Conflicts of Interest

13. The first business allegiance of all employees is to Forest Enterprises. Employees must remain free of interests or relationships that are, or may be, harmful to the Company's best interests. This includes relationships or transactions that could be misconstrued by others as a conflict of interest. Employees should disclose any actual or potential conflicts of interest to their Manager who will determine the appropriate resolution.
14. Directors should disclose any actual or potential conflicts of interest to the Chairman of the Board, who will determine the appropriate resolution. All directors must withdraw from any Board discussion or decision affecting their personal, business or professional interests unless invited to speak.
15. Potential business conflicts can occur in a number of circumstances, including:
  - Between different clients (for example, when two clients are interested in acquiring the same forestry asset); and
  - Between clients and Forest Enterprises (for example, when Forest Enterprises is acting in multiple capacities with respect to a client or transaction).
16. Directors and employees are responsible for:
  - Identifying and resolving conflicts in accordance with regulatory requirements and our policies; and
  - Bringing potential conflicts to the attention of their Manager or the Legal Services Director.
17. Potential personal conflicts can occur in a number of circumstances, including:
  - Having a personal interest in a company with which Forest Enterprises conducts or may conduct business, where you may derive a material benefit from that business;
  - Personal trading in Forest Enterprises managed investments that could raise potential conflicts with a client or Forest Enterprises; or
  - Making a private investment in a competitor while employed at Forest Enterprises.
18. Whilst investment in Forest Enterprises' products is permitted and indeed encouraged, you should avoid any investment, activity or relationship that could impair, or appear to impair, your judgment or interfere with your responsibilities to Forest Enterprises or our clients. Business opportunities that arise because of your position, or through the use of corporate property or information, belong to Forest Enterprises.
19. Employees must promptly report to their Manager or the Legal Services Director any investment, activity or relationship (including those involving family members) that could give rise to a conflict of interest or the appearance of a conflict.
20. Before accepting any position of office in any organisation or company that could place you in conflict with Forest Enterprises, an employee must have the formal approval of Forest Enterprises.
21. The holding of public office could compromise an employee's ability to carry out responsibilities to the Company in terms of time, commitment or potential conflict of interest between Forest



Enterprises and the organisation. Prior to nomination for a public office, employees must seek approval from the Board to ensure that it will not adversely affect the Company.

22. Certain employee-to-employee relationships, such as engaging in personal financial arrangements with other Forest Enterprises employees may raise potential conflict issues.
23. Employees must disclose to their Manager any close personal relationship with another employee. A close personal relationship is a relationship that places you in a situation in which competing loyalties could cause you to pursue a personal benefit for you, your significant other, a relative or a friend at the expense of Forest Enterprises or its clients.

### **Protect and Prevent the Misuse of Confidential and Material Non-Public Information**

24. Confidential information generated and gathered in the course of our business is a valuable asset. Protecting this information is critical to our reputation for integrity and our relationship with clients, and ensures compliance with regulations governing the financial services industry. All confidential information, regardless of its form or format, must be protected from the time of its creation or receipt until its authorised disposal.
25. Confidential information is defined in your employment contract, and for the purposes of this Code includes information of sufficient sensitivity that loss or unauthorised disclosure or access could result in legal, business or reputational harm to Forest Enterprises or our clients.
26. You must comply with your obligations relating to confidential information in your employment contract. Unauthorised access, use or distribution of confidential information violates our policies and may be illegal. Your obligation to protect confidential information continues even after you leave Forest Enterprises, and you must return all such information in your possession or control upon your departure.

### **Protecting Our Systems**

27. Our policies regulate use of our systems, which include any technology owned by or made accessible by Forest Enterprises, including systems that facilitate telephone, mobile and email communications, information processing, transmission, storage, access and remote access. Generally, you should use Forest Enterprises systems only for Forest Enterprises business and reasonable personal use. Do not access systems or locations that are not reasonably related to your responsibilities, and report any suspected misuse or theft of our intellectual property. Under no circumstances should you use our systems to send or store unlawful, discriminatory, harassing, defamatory or other inappropriate materials.

### **Be Transparent and Fair in Your Communications with Investors**

28. We have a legal responsibility to provide accurate and complete information to clients who are investors in our Managed Investment Schemes. If you are involved in the preparation of materials for distribution to investors, you must ensure that the information is accurate and complete. In particular, our senior managers and directors must promote accurate, complete, fair, timely and understandable disclosure in our public communications, including documents that we submit to our regulators. Clear, concise and unambiguous language must always be used.

### **Maintain Accurate Books and Records**

29. We are required to maintain accurate books and records of our business activities consistent with legal requirements and business needs, and to ensure that financial information included in our books and records is correct and complete in all material respects.
30. You should use reasonable endeavours to ensure Forest Enterprises systems, records and documents, including financial reports, are true, correct and conform to the appropriate financial reporting standards and internal controls.
31. Forest Enterprises has policies and processes to comply with applicable record retention requirements and the ability to promptly retrieve such documents in response to legal and regulatory obligations.

### **Promote a Safe and Healthy Working Environment**

32. We are committed to conducting our business in compliance with all applicable environmental and workplace health and safety laws and regulations. As a PCBU, we must provide a safe and healthy work environment for our employees, and a safe environment for others coming into the workplace we manage. It is important we avoid workplace accidents, injuries or fatalities and any adverse



impact and injury to the environment in which we conduct our business. Achieving this goal is the responsibility of all directors and employees.

### **Gifts, Koha and Entertainment**

33. Gifts, koha and entertainment can foster goodwill in business relationships; however, concerns arise when they compromise, or appear to compromise, the propriety of our business relationships or create an actual or potential conflict of interest.
34. Forest Enterprises prohibits all forms of bribery. In particular, we prohibit offering, promising, giving or authorizing others to give anything of value, either directly or indirectly, to any party in order to gain an unfair business advantage, such as obtaining or retaining business. In similar vein, you should not accept anything of value if it could constitute an inducement or a means to influence you.

### **Political Contributions**

35. Forest Enterprises does not make corporate contributions in New Zealand even when permitted to do so under applicable law. Directors and employees may not use Forest Enterprises resources for any political event or political contribution without prior approval from the Board.
36. You may engage in legitimate political activities and make personal political contributions to the extent permitted under law. However, you are prohibited from making contributions to any political officials or political causes if those contributions are intended to influence the outcome of any Forest Enterprises business.

### **Professional Codes of Conduct**

37. If as a result of your qualifications or the role you have at Forest Enterprises you are a member of a professional body, you are expected to comply with the code of conduct or professional standards of that body in addition to this Code. If there is any conflict between the code of conduct or rules of the professional body and this Code you should discuss this with your Manager or, in the case of directors, the Chair of the Board.

### **Whistle-Blowers Policy**

38. Our reputation for integrity depends upon you. You are our first line of defence against unethical business practices and civil or criminal liability. If you believe others (for example, an employee, a manager, supplier, contractor or other third party) may have breached laws, regulations or our policies, you should follow the procedure in Forest Enterprises' whistle-blower policy, which is set out in a separate document distributed to all employees of Forest Enterprises, to raise your concerns or report misconduct. Forest Enterprises prohibits retaliation for reports or complaints regarding the misconduct of others that are made in good faith.

### **Consequences of Violating the Code of Ethics**

39. If you are an employee, this Code of Ethics, including any future amendments, forms part of the terms and conditions of your employment at Forest Enterprises. It also covers certain continuing obligations under clauses 24, 25 and 26 in the event you leave Forest Enterprises. The Code of Ethics does not in relation to your employment entitle you to any special privileges, rights or benefits other than the protection afforded by the Protected Disclosures Act 2000.
40. Any complaint of breach of the Code of Ethics will be taken seriously and investigated with due process and fairness. The Company is committed to treating any person who believes they have experienced violating behaviour with sensitivity and to offer appropriate support.
41. Directors and employees are expected to cooperate in internal investigations of allegations of breaches of the Code of Ethics and our other policies and procedures. Actual breaches may subject a person to the full range of disciplinary sanctions available. We also may report activities to our regulators including the Financial Markets Authority, which could result in regulatory or criminal investigations. The penalties for regulatory and criminal breaches can be very serious.

### **Amendments**

42. Material amendments to this Code of Ethics must be circulated to all employees for input and comments, with an explanation for the amendment, before being approved by the Board. The final approved Code of Ethics will then be circulated to all employees and uploaded to the *Staff Matters* page of the Intranet under *Policies and Procedures*.

