



**23 February 2021**

## **NZX Continuous Disclosure**

### **Further update on San Waitaki ruling, judgement received today.**

Sanford Limited (NZX:SAN) wishes to advise that it has received today the judgement of Judge S J O’Driscoll in the Christchurch District Court in the case of Ministry for Primary Industries v Walker, Lash and Sanford Limited.

Sanford accepts the decision of the court and has expressed its deep regret for the incident, which was entirely unintentional.

The judge has handed down a \$36,000 fine for Sanford and has confirmed the forfeiture of the San Waitaki. Sanford will be making an application for relief from forfeiture and, based on legal advice, it is optimistic it will be granted without reaching materiality thresholds. We will work constructively to expeditiously address the matter of forfeiture. In the meantime, Sanford will work with MPI to ensure the vessel remains operational until the matter is resolved.

Benthic protection areas (BPA) are areas of seabed in New Zealand where some fishing activity is illegal. Sanford supported the introduction of these areas in New Zealand and, despite the mistakes which led to this case, we respect these areas and are advocates for marine protection.

In 1997, Sanford was part of New Zealand’s Deepwater Group which voluntarily closed an area of water in the South Island to allow fish stocks to rebuild. Then in 2007, while the wider area was still closed, MPI established a small marine protection area inside it, creating a BPA. In 2017, the wider area reopened, allowing fishing to occur, but not in the small BPA. The BPA area was not showing on electronic charts that the San Waitaki was using when the infringement occurred.

Sanford is deeply committed to sustainability in all its operations. As the court accepted, the incidents which led to this prosecution were not deliberate in any way. The court heard that Sanford had “an exemplary record” and since these incidents, we have put newly developed technology in place to minimise the risk of any fishing in a protected area.

We will provide more information as soon as the process allows.

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