The Felixstowe Dock and Railway Company

Statement of corporate governance arrangements
The company is engaged in the provision of port operations and associated services in the United Kingdom ("UK"), trading as Port of Felixstowe (the "Port").

The company is an indirect majority-owned subsidiary of CK Hutchison Holdings Limited ("CKHH", and together with its subsidiaries, the "CKHH Group"), a company whose shares are listed on the main board of The Hong Kong Stock Exchange. The company adopts and applies high standards of corporate governance aligned to the needs and interests of the CKHH Group. It believes that an effective corporate governance framework is fundamental to promoting and safeguarding the interests of shareholders and other stakeholders and enhancing shareholder value.

The company's board of directors meets regularly to review and direct the business, to set strategic direction and to discharge its responsibilities. It is informed by a variety of information including budgets and forecasts, operational performance reports and other relevant materials. There are appropriate thresholds of authority at which both the board and its individual directors operate. The board's membership includes those with executive positions in other CKHH Group companies who can bring expertise and coordinated decision-making.

The board delegates day-to-day management to an executive team which undertakes the operational management of the UK group ("HPUK group") and meets frequently for this purpose. In turn, the senior management team from key business functions and departments provides assistance and meets at least fortnightly to review detailed business performance and coordinate operational activity and actions necessary to meet performance targets set by the executive and approved by the board. The company also relies on a number of specialist committees in specific subject areas to analyse, inform and advise on subject-specific matters.

For the financial year ended 31 December 2025, under The Companies (Miscellaneous Reporting) Regulations 2018, the company has adopted the Wates Corporate Governance Principles for Large Private Companies (the "Wates Principles"), as an appropriate framework for disclosure of its corporate governance arrangements. The company's reporting under the Wates Principles is set out below.

Principle 1 - Purpose and leadership
The principal objective of the company is aligned with the strategic goal of CKHH, to enhance long-term total return for all its shareholders. To achieve this objective, the HPUK group focuses on achieving recurring and sustainable earnings, cash flow and dividend growth without compromising the group's financial strength and stability. Technology transformation remains a key initiative of the group to capture new cost and revenue opportunities in all businesses. The group is increasingly focused on sustainability and delivering business solutions that support social and environmental challenges, such as enabling the transition to a net-zero economy.

Sustainability for HPUK is about the constant challenge to explore new ways of delivering our service with minimum adverse impact on our environment, whilst supporting our people and growing our business. HPUK is working to embed sustainability into its culture through three pillars:

- **Our People**: enhance safety and wellbeing, establish a diverse and inclusive culture, provide sustainable career opportunities and community engagement;
- **Our Environment**: delivering net-zero for scope 1 and 2 by 2035, remove diesel from operations, invest in renewable energy and protect our environment; and
- **Our Business**: grow responsibly, adopt ethical and sustainable business practices and a sustainable approach to procurement.

Safety is a core priority and HPUK has a vision for everyone to be productive and return home safely to their families.

The board of directors (the "Board") is appointed by the shareholders and the ultimate parent entity CKHH. The views of shareholders are clearly communicated through various channels to the Board. Whilst the Board is responsible for the overall direction and management of the company, to ensure effective day-to-day management, it has selected the Executive team (the "Exec") to support internal processes and delegated signing authority to certain senior officers and employees, generally based on financial thresholds. In addition, to maintain an appropriate level of control over strategic and key business decisions, the Board has identified certain matters that only it can approve. The Board regularly reviews the signing authority and matters reserved for Board approval to ensure they are appropriate and relevant.

The Exec and members of the Board meet regularly to discuss and review strategies, performance, business plans, budgets, and risk profiles of the company. Whilst the Board is charged with the task of promoting the long-term success of the company and making decisions in the best interests of the company, the Exec is accountable for the conduct and performance of the company within the agreed strategies. The Board together with the Exec instil and uphold the company's objectives and strategies through the day-to-day operations and management of the company.

Strategy and objectives are communicated across the business by various means and at different levels of detail depending on the audience and needs. A decision-making framework exists outlining the forum that sets out the strategy and purpose, those empowered to execute the strategy and those who are informed of the progress of execution against the plan. The process is managed by the group through the operation of a centralised governance board whose remit is to assure that the collective company change plan delivers against the overall company strategy. The governance board has a view of all business and technical change and is made up of senior level personnel from across the key directorate groups.

The inclusive culture and behaviours that are demonstrated include being customer led, making evidence based decisions, providing equal opportunities and development, and working collaboratively.

The Exec leads on establishing transparent policies in relation to raising concerns about misconduct and unethical practices and embeds this education and awareness through periodic mandatory training modules. During the year a new policy and associated training were introduced: Preventing Sexual Harassment at Work, which built on the Respect at Work Charter launched in early 2024.

Principle 2 - Board composition

In alignment with the Board Diversity Policy of CKHH, the company recognises the benefits of a Board that possesses a balance of skill sets, experience, expertise and diversity of perspectives appropriate for the strategies of the company. The company believes that board diversity enhances decision-making capability and thus the overall effectiveness of the Board in achieving sustainable business operation and enhancing shareholder value. The Board combines a diverse set of skills and expertise which include business management, strategic planning and risk management, financial reporting, and industry knowledge and experience.

As at 31 December 2025, the Board comprised the following five directors:

Sing Chi Ip

Chairman of the Board (the "Chairman") and has been a director of the company since 2014. He has been Group Managing Director of Hutchison Port Holdings Limited, the global ports division of CKHH Group, since 2014. Sing Chi Ip has been with Hutchison Ports since 1993 and was the founding Chairman of the Hong Kong Container Terminal Operators Association Limited. He was a member of the Hong Kong Port Development Council from 2009 to 2014 and has over 45 years of experience in the maritime industry.

Frank John Sixt

Director of the company since 2016 and is Group Co-Managing Director, Group Finance Director, and an Executive Director of CKHH. He had previously been an Executive Director of Cheung Kong (Holdings) Limited from 1991 and became a Non-Executive Director in 1998 until June 2015. He holds a Master's degree in Arts and a Bachelor's degree in Civil Law, and is a member of the Bar and of the Law Society of the Provinces of Québec and Ontario, Canada.

Clemence Chun Fun Cheng
Director of the company since 2001 and Chief Executive Officer ("CEO") of HPUK and chair of the Exec. He is Managing Director of the Hutchison Ports Europe Division, which includes the UK operations alongside European operations in the Netherlands, Poland, Spain, Germany, Belgium, Sweden and operations and developments in Egypt. Clemence Cheng has over 20 years port industry experience with Hutchison Ports and is an Executive Director of Hutchison Port Holdings Limited. He serves on a number of industry bodies and as a director of the UK Major Ports Group and is a Chartered Accountant whose early career included investment banking.

Andrew Steven Lawrence
Director of the company since December 2019. He was appointed Director of Corporate Affairs for Hutchison Whampoa (Europe) Limited, the European headquarters company of CKHH, in July 2012. His responsibilities were extended to Director of Corporate Affairs and Communications in January 2019. Prior to joining Hutchison Whampoa (Europe) Limited, he worked in the British Civil Service. He holds a Master of Arts degree in Modern and Medieval Languages from the University of Cambridge and a Master of Business Administration degree from Imperial College London.

Simon Richard Mullett
Director of the company since December 2019 and company secretary since 2010. He is Chief Financial Officer for the Europe Division of Hutchison Ports and of HPUK and has over 20 years industry experience with Hutchison Ports. He has held a number of positions with the group and has a leading role in business development in Europe. He is a Chartered Accountant whose previous experience included audit, taxation and corporate transactions.

The positions of the Chairman and CEO are held by different individuals. The Chairman leads the Board and is responsible for its overall effectiveness, promoting open debates and facilitating constructive discussion. The Board, which comprises experienced and seasoned professionals, collectively demonstrate a high-level of understanding relevant to the business needs of the company and stakeholder interests. The Board considers its current size and composition constitutes an effective board appropriate to meet the strategic needs and challenges of the company and ensure effective decision-making. The company has not appointed any independent non-executive directors nor created any board committees but is mindful of reviewing the need and making appropriate appointments as and when warranted.

The company arranges, provides and facilitates continuous professional training through seminars, management briefing sessions, professional development and training days. There are regular CEO summit meetings, HPUK Executive offsite briefings and senior management courses in business-related topics and leadership, mentoring, coaching and development. The company has formal coaching and mentoring programmes alongside an internal leadership programme. These initiatives help ensure that the Board, Exec and senior management are familiar with the current commercial, legal and regulatory environment in which the company operates.

The Board has established an evaluation process to consider its composition, the information presented to it, Board processes and effectiveness, Board member development, and Board accountability. The Board will consider the results of the evaluation process with the aim of continuous improvement.

Principle 3 – Directors' responsibilities
The Board and each director have a clear understanding of their accountability and responsibilities.

The Board is committed to achieving and maintaining the high standards of corporate governance practices of the CKHH Group, taking into account the business and regulatory frameworks within which the company operates. Business plans and budgets are prepared annually by the company management and then subject to review and approval by the Board and the executive management team of CKHH as part of CKHH's five-year corporate planning cycle. The Exec and senior managers are also responsible for preparing monthly management reports on the financial results and key operating statistics of the company. Monthly meetings are held with the executive management team of CKHH to review these reports, business performance against budgets, forecasts, significant business risks and strategies of the company. Board meetings are held quarterly to consider and discuss issues and approve items reserved to the Board.

The Board is responsible for promoting the long-term success of the company and making decisions in its best interests in line with the agreed business plans and strategies. Throughout the year, company management provides the directors with updates and other information on the performance, business activities and development of the company. The Board seeks to instil risk awareness across the company's business operations and has put in place policies and procedures, including parameters of delegated authorities, which provide a framework for the identification and management of risks.

In addition to Board meetings, directors participate in the consideration and approval of significant operational matters by written resolutions with supporting explanatory materials, supplemented by additional information from the company secretary or other executives when required. Except for circumstances permitted by the statutes of the company, a director will abstain from voting on resolutions approving any matter in which they are materially interested. Directors also have full access to information on the company and independent professional advice when desired and they can propose appropriate matters for inclusion in Board agendas or the monthly meetings outlined above.

The Board considers that its corporate governance and internal control frameworks, company leadership and teamwork promote effective stewardship to deliver long-term value for the company and its shareholders as a whole.

The CEO is responsible for the consideration of the structure, size, diversity profile and skills makeup of the Exec, the progress in achieving the strategic needs of the organisation and meeting the objectives of the company. The Exec is supported by a number of specialist committees which develop and promote specific elements of governance, including:

- Anti-Bribery and Anti-Corruption;
- Anti-Fraud;
- Business Continuity Management;
- Sustainability;
- Health and Safety;
- Cyber Security;
- Internal Compliance and Risk Management;
- Energy; and
- Data Privacy, incorporating data protection.

These committees all have established terms of reference and the membership includes the CEO and / or members of the Exec. Separately, other committees are established by the Board as and when warranted to handle specific tasks. Group Management Services of CKHH periodically carries out reviews of company control procedures and risk management, and reports to the Board providing input where appropriate to ensure effective and continually improving risk management is in place.

The Anti-Bribery and Anti-Corruption Committee considers bribery risks within the business and updates related policies to ensure these are adequately met. The Anti-fraud Committee has responsibility for overseeing compliance in respect of the failure to prevent fraud. Emergency and continuity plans are the responsibility of the Business Continuity Management Committee which also reviews drills to ensure the business is prepared to respond to a range of potential issues. Environmental KPIs, net-zero progress, diversity and inclusion KPIs and sustainability issues from across the business are the responsibility of the Sustainability Committee. The Executive Health and Safety Committee has an overview of safety performance and reviews safety issues and plans to ensure continued improvement in safety outcomes. The Cyber Security Committee advises the Board and Exec on the strategic direction and approach to information security in relation to business processes, and identifies and develops the means to manage and mitigate risks. The Energy Committee is dedicated to achieving net-zero emissions across HPUK by 2035. To reach this goal, the committee comprehensively reviews energy capacity, demand, and emerging technological opportunities. The management of data protection, focusing primarily on employee data, falls to the Data Privacy Working Group. Policies, data breach processes, subject access requests, impact assessments and data retention are among the topics reviewed on a periodic basis.

Principle 4 – Opportunity and risk

The company supports the long-term sustainability of its business by regularly reviewing its business models and practices to identify opportunities for improving its performance and creating value for stakeholders. The company reviews external factors that influence the business, including political, economic, environmental, and industrial relations factors. Additionally, the company considers market demand, technology and reviews the position of its competitors and customers.

The company adopts an Enterprise Risk Management framework which is consistent with the COSO (the Committee of Sponsoring Organisations of the Treadway Commission) framework and CKHH Group reporting. The framework facilitates a systematic approach in identifying, assessing and managing risks within the company, whether of a strategic, financial, operational, environmental or compliance nature. Risk management is an integral part of the day-to-day operations and management of the company. There is regular executive dialogue about current and emerging risks, their plausible impact and mitigation measures. On a half-yearly basis, the company is required to formally identify and assess the significant risks the business faces. Relevant risk information including key mitigation measures and plans are recorded in a risk register to facilitate the ongoing review and tracking of progress by the management team of the company and the Board. Risks faced by the company include the reliance on a small number of large customers for a substantial proportion of business, the impact of technology, cyber-security risks and the sustainability of our operations. The Exec seeks to mitigate these risks by maintaining a broad customer base as a common-user operator, upgrading and developing equipment and systems, and seeking and implementing green technology and behaviours.

In terms of formal risk review and reporting, the composite risk register together with the risk heat map generated from the various risk registers of the core businesses of the CKHH Group (including the company), as confirmed by the executive directors of CKHH, form part of the Risk Management Report for review and approval by the Audit Committee of CKHH on a half-yearly basis. The CKHH Audit Committee, on behalf of the board of CKHH, reviews the Risk Management Report and provides input where appropriate to ensure effective risk management.

The company's Internal Control and Risk Management Focus Group plans to meet on a monthly basis to consider and identify risks and risk management actions across areas including finance, safety, security, information technology, business continuity and sustainability. The company's Cyber Security Committee continues to work closely with the group's information security team, the Department for Transport and the National Cyber Security Centre to develop a programme for the ongoing review of its cyber assessment framework submission. The company implements a number of cyber security initiatives, with an approach set on deterrence, defence and development.

The ports division of CKHH, which includes the company, is implementing a global electrification programme of its vehicles and infrastructure to progressively phase out the use of diesel.

The company is progressively introducing clean technology power in a replacement programme for its existing asset fleet, including further electric rubber-tyred gantry cranes, and in the replacement of diesel-powered internal tractors with rechargeable battery-powered units.

The company is committed to protecting the environment in which it operates whilst striving to constantly improve its carbon and ecological footprints. The company constantly invests in infrastructure and equipment to keep pace with container vessel size growth as shipping lines pursue supply chain efficiencies, economies of scale and energy and environmental optimisation. A vital component of this plan is a commitment to increasing rail volumes, the most environmentally beneficial mode of hinterland transportation.

Principle 5 – Remuneration
The directors of the company received their remuneration primarily in respect of services provided to other group companies and as a result their respective remuneration details are reflected in the financial statements of those companies.

Under the remuneration policy of the CKHH Group, the remuneration of the directors and senior executives is set by the CKHH Remuneration Committee and determined with reference to their expertise and experience, the performance and profitability of relevant group companies as well as remuneration benchmarks from other local and international companies and prevailing market conditions. Bonus arrangements are determined in accordance with the performance of relevant group companies and the individual's performance within an overall framework approved by the CKHH Remuneration Committee.

Principle 6 – Stakeholder relationships and engagement
Engagement with suppliers, customers and other relationships
The group actively promotes engagement and communication with its stakeholders, including employees, shareholders and investors, customers, end users, business partners, suppliers, pensioners, regulators, government, community and other representative groups and media partners. The group's management team is in constant contact with customers and end-users of the port's services. When reviewing service provision, the need to redevelop berths, the introduction of remote-control yard and quay cranes and the extension of the number of train services to and from the port, the group has regard to its customers' requirements and will also consider industry trends and market intelligence. Customers are also enquiring as to the group's policy regarding decarbonisation and transparency of the group's part in their supply chain.
The group engages widely with its suppliers both when tendering for goods and services, during the life cycle of contracts and in respect of general purchasing requirements of a range of materials and services. Management and the procurement team work continuously to ensure that suppliers meet and retain the necessary quality, capability, security, environmental and ethical requirements of the group. A Suppliers' Code of Conduct is in place to support this and audits of suppliers carried out.

There is regular engagement with port users, the community and government departments and agencies. Regular meetings are held with port user groups representing customers, hauliers, freight forwarders and other port users. The company is a member of the UK Major Ports Group, the trade association representing most of the larger commercial ports in the UK. Close relationships are maintained with government agencies, departments and ministers at local, regional, national and European levels. The group strives to be a trusted partner for Government and ministers through a positive contribution to the development of public policy on transport, ports, maritime matters and related environmental issues. The group also meets regularly with representatives of local councils, providing a forum to discuss aspects of the group's business. The group aims to contribute positively to the development of public policy in relevant areas.

Employees, engagement and diversity
Engaging the group's employees is critical if the business is to be successful in achieving its vision and strategic objectives. The group aims to focus on face-to-face engagement where possible but also uses digital methods to provide messaging and key updates throughout the year. The aim is to provide employees with information about the business and allow them to raise questions.

Employee engagement mechanisms include:

- 'Ask the Exec' question and answer platform;
- Monthly COO forums;
- Briefing events and formal monthly meetings;
- Town Hall meetings;
- Publications and video updates on the intranet and employee app; and
- Senior Manager offsite meetings.

The Felixstowe Dock and Railway Company

Statement of corporate governance arrangements (continued)

The directors and management have regard to the impact on employees when taking decisions, ensuring the people element of any decision is treated with equal importance and focus, for example when considering the introduction of remote-control ship to shore and yard cranes and the potential improvement this represents to the working environment. The involvement of employees in the performance of the group is encouraged via bonus schemes and the availability of training and advancement opportunities.

Creating an engaged, diverse and healthy workforce is an underlying theme for the business. The company has a Diversity & Inclusion Plan and has continued to deliver events and raise awareness across the four working groups:

- Gender - Women's network and gender working group;
- Cultural diversity;
- LGBTQIA+ working group and Pride Network; and
- Wellbeing.

Additional groups representing Disability and Early Careers Network are being added.

During the year the company participated in the group BeWell programme, and continued to offer events including: the Veterans & Reservists Social Group; Men's Mental Health; Pride Network; Menopause Café; Women's Networking; Health & Wellbeing Fair; Cancer Support Café; and a Cultural Festival. Furthermore, events highlighting the benefit of company pensions with follow-ups on investing for the future, ways to access your pension and the importance of tax planning were held.

The group is committed to a vision of zero harm and strives to set and maintain high standards of health and safety to eliminate incidents of injuries and encourages the reporting of near-misses. Every activity must be safe, as well as effective and efficient. All minimum safety standards are expected to be observed and a zero-tolerance approach is adopted to unsafe practices.

Our people are our strength. We are fully supportive of our colleagues' career journey and development, whilst ensuring that our teams are inclusive, diverse and representative. We support and encourage employees to volunteer in the local community through a tailored volunteering policy and continue to support employee unity by providing funding for team social activities.

The company recognises the value of having a diverse workforce that reflects the community in which our ports are based. We have a rich history in our local community, providing jobs and opportunities, often to multiple generations of the same family. The company promotes a culture that is inclusive and supportive providing a wide range of career opportunities that are accessible to anyone of any background. The benefit to the organisation in having a diverse workforce is clear, having broader perspectives leads to more creative problem solving which benefits not only the organisation but our customers and communities.

We practise fairness in our pursuit of technology innovation and digitalisation. Using remote control technology helps to address gender balance by recruiting more female equipment drivers. We have positively impacted our Diversity & Inclusion capacity building programmes which empower women to assume "gendered roles" and penetrate a traditionally male-dominated field. Our focus will continue to be on attracting, developing, and retaining women in more varied roles as part of our wider diversity and inclusion objectives. We will do this through enhanced apprenticeships, graduate, and direct entry programmes; developing our family friendly policies and identifying new ways of working that enable more people to join us.

The company promotes equal opportunities and enacts policies and actions that encourage age diversity and inclusion. Our workplace condemns any form of discrimination or harassment based on race, colour, national or social origin, ethnicity, religion, age, disability, sex, sexual orientation, gender identification, expression, political opinion or any other status as protected by applicable laws. During the year a new policy and associated training were introduced: Preventing Sexual Harassment at Work, which built on the Respect at Work Charter launched in early 2024.

Employment of disabled persons

The company's Equality, Diversity and Inclusion Policy includes the requirement to conduct recruitment exercises on the basis of merit against objective criteria that avoid discrimination, including against disabled people. The recruitment process for remote-controlled plant provides an opportunity for disabled people to apply where they might have been automatically excluded from standard driving roles. In the event of an employee being disabled during the period of their employment, the company would seek to continue their employment and, if necessary, consider reasonable adjustments or provide appropriate training for a more suitable alternative job within the company. Similar to recruitment, the eligibility for training, career development and promotion are on the basis of merit against objective criteria that avoid discrimination. The company also holds Disability Confident Committed status, part of the Government Disability Confident scheme, demonstrating our commitment to a more inclusive workplace for people with disabilities.