



TE PAE O WAIMIHIA 2021 AGM - SPECIAL RESOLUTIONS TO PASS

Kia ora whānau,

In preparation for the upcoming AGM we wish to provide you with some supplementary information so you can make more informed decisions on the Special Resolutions. During the AGM we will discuss these resolutions in more detail, before holding a ballot vote where you can submit your vote via the 'poll' section on the website.

The following information explains why we seek to make changes to the Trust Deed, and how these amendments would protect the Trust's management of subsidiary companies, and the continuity of Trust business moving forward.

If you have any questions, please contact He Akina on (07) 378 5180 or email admin@heakina.co.nz.

Thank you for your involvement, your say is important and we look forward to seeing you at the AGM.

Ngā mihi,

Ngahere Wall
Chairman
Te Pae o Waimihia

SPECIAL RESOLUTION 1

Remove clause 12.3 (f) which restricts the number of trustees that can be appointed to a trust subsidiary.

REMOVE | *Where provided for in the constitution of a Trust Entity, the Trust may appoint up to two Trustees as Officers of the Trust Entity provided however that at no time may Trustees comprise more than 40% of the total number of Officers of any Trust Entity.*

It is the intent of the Te Pae o Waimihia Trust to establish a subsidiary (Charitable Trust) to undertake most of our distribution activity, which would provide significant tax advantages for the Trust, and our members.

At the moment if we were to establish this Charitable Trust, Clause 12.3 limits the number of Te Pae o Waimihia trustees that could be Officers – in essence, we wouldn't hold majority in our own subsidiary.

We believe the clause to be overly restrictive, and the Te Pae o Waimihia board should have the ability to appoint as many trustees onto a subsidiary (as Officers) as deemed appropriate. This change will enable the trustees to maintain majority governance over the Charitable Trust, and any future subsidiaries if necessary.

Continued over the page

Implement a trustee election rotation cycle. Two (of the six) trustee positions will be up for election each year, each with a three-year term of office.

Trustee elections are currently held every three years with all trustee positions up for election at the same time. The risk with this process is that all six trustees could be replaced in one election and this could result in a sudden loss of institutional knowledge and experience.

To mitigate this risk, we are seeking your endorsement to implement a trustee election rotation cycle, whereby only two trustees are up for election each year (while retaining the three-year term of office) ensuring a good level of continuity within the Te Pae o Waimihia Board.

To implement this rotation cycle we need to replace Section 4 on the Trust Deed.

The election cycle would begin in 2024 with the following schedule:

- a) Election cycle 1 commencing 2024: Ngāti Te Urunga, Ngāti Tutemohuta
- b) Election cycle 2 commencing 2025: Ngāti Hineure, Ngāti Tutetawha
- c) Election cycle 3 commencing 2026: Ngāti Hinerau, Ngāti Rauhoto

The following is the full replacement for Section 4 in the Trust Deed:

4. TERM

4.1 For the purpose of interpreting this clause 4 ("Term"), the Trustees agree that the terms have the following meanings:

"Existing Trustee" means:

- (a) the Trustees holding office as at the date of the Special Resolution required to amend the Trust Deed to replace the previous clause 4 ("Term") with this new clause 4 ("Term"); and
- (b) any Trustee appointed to replace any Existing Trustee during that Existing Trustee's Term of Office.

"Term of Office" refers to the length of time that a Trustee may serve as a Trustee before stepping down as a Trustee which is a maximum term of three (3) years.

4.2 For background purposes, the Trustees agree that:

- (a) this clause 4 ("Term") replaces the previous clause 4 ("Term") in Schedule 2: Appointment and Election of Trustees of the Trust Deed;
- (b) this clause 4 ("Term") introduces a three (3) year rotation cycle of two trustee elections per year so that the Term of Office of at least two of the Trustees' expire each year on and from the year 2024; and
- (c) the purpose of the trustee rotation cycle is to provide for trustee continuity and to protect against the sudden loss of institutional knowledge and experience.

4.3 The Trustees agree that if an Existing Trustee is appointed for a further Term of Office following the end of a previous Term of Office, then they are no longer considered an "Existing Trustee" as that term is defined in the above clause 4.1.

4.4 Elections will be undertaken on a three (3) year rotation cycle of two trustee elections per year as follows:

- (a) Election cycle 1 commencing 2024: Ngāti Te Urunga, Ngāti Tutemohuta.
- (b) Election cycle 2 commencing 2025: Ngāti Hineure, Ngāti Tutetawha.
- (c) Election cycle 3 commencing 2026: Ngāti Hinerau, Ngāti Rauhoto.

4.5 As a transitional provision, the Existing Trustees shall, regardless of the length of their current term as a Trustee, be rotated within their respective election cycles as detailed in the above clause 4.4.

4.6 Any Trustee appointed to replace a Trustee ceasing to hold office shall hold office for the balance of the term of office of the Trustee that he or she is elected or appointed to replace.