

MINUTES FROM THE ANNUAL MEETING OF BENEFICIARIES OF TRUST TAIRAWHITI

Held on Thursday, 10 August 2023, at 5.30 pm at Waikanae Surf Club and online.

PRESENT:

Trustees: John Clarke(Chair), Rehette Stoltz, Dr. Warren Williams, Wi Pere Mita, Ron Aitken, Rawinia Kamau and David Battin.

IN ATTENDANCE:

Meeting attendance: The meeting was attended by representatives from Eastland Group Ltd, Trust Tairāwhiti staff and beneficiaries.

Quorum

The requirements of having 20 beneficiaries present for a quorum was met.

Welcome

1. OPENING KARAKIA/ WELCOME

Tā Derek Lardelli opened with a karakia and mihi to welcome all to the meeting.

Trust Tairāwhiti chair, John Clarke, welcomed all to the annual meeting and thanked people for attending and noted those attending online. A special welcome was made to Tā Derek Lardell and the new trustees were introduced.

2. APOLOGIES

The list of apologies was read, noted and accepted.

3. MINUTES

Copies of the Annual Meeting minutes held on 22 August 2022 have been provided to all attendees.

Moved by Michael Muir seconded Rehette Stoltz.

That the minutes of the Annual Meeting of the Trust held on 22 August 2022 are taken as circulated be confirmed as a true and correct record.

CARRIED

4. MATTERS ARISING

No matters arising.

5. YEAR IN REVIEW

The chair discussed the focus areas of the strategic plan, which are future generations, economic development and supporting communities. He also noted how He Rangitapu, He Tohu Ora, the Trusts wellbeing framework is used to guide decisions.

The Trust's core purpose is to provide for beneficiaries and to preserve the capital of the Trust which started in 1993 and over three decades the Trust fund has grown for \$20 million to \$543 million.

The Trust have also distributed or invested \$140 million into a diverse range of initiatives and operations over that time.

Trust Group assets have reduced by \$45 million down to \$919 million and liabilities have decreased by \$136 million to \$375 million from the 2022 financial year.

The Trust's distributions, investments and strong asset base is largely made possible through the ownership of Eastland Group Limited, which makes up 80 per cent of the Trust Group assets.

Eastland Group

The chair of Eastland Group gave a mihi and acknowledged Tā Derek Lardelli along with everyone who had gathered this evening.

It was a tough operating year for the business and although the underlying profit was \$92 million on the back of the sale of the Network the operating loss was \$6.3 million. This was impacted by several one-off transactions that wouldn't normally occur.

Trading was impacted by multiple severe weather events, the lingering effects of the COVID pandemic, disruptions to the global supply chain and other operational challenges.

Eastland Group supported regional responses to Cyclone Gabrielle and other weather events: Port stood up emergency coastal shipping service; airport provided a vital transport hub; Network restored power to communities.

The sale of Eastland Network Limited was a fantastic result. The book value of assets at 31 March 2023 was , with a \$190m while the proceeds received from the sale to Igneo Infrastructure Partners were \$257.7 million. The network has subsequently been rebranded to Firstlight Network. The profit of \$92.8m on the sale enabled the Group to pay a special dividend of \$50 million to shareholder Trust Tairāwhiti, along with repaying \$30 million of capital notes. In total, Eastland Group made distributions and repayments to the Trust of \$90 million.

The journey since 2003 was discussed along with the developments that have occurred over the past 20 years. The total value created for the shareholder over the time is \$549 million, with \$211 million distributed to Trust Tairāwhiti with a compounded annual growth rate of 13.34%.

Long-term planning is bearing positive results and after two decades of expansion, investing in regional infrastructure and delivering value for our shareholder Eastland Group are taking steps to reposition the company in preparation for future opportunities.

Eastland Generation is becoming a significant national developer of renewable energy and recently announced a strategic capital raise to fund the strong pipeline of projects for the generation business. The development of TOPP2, a 49MW geothermal power station in Kawerau is underway and Taheke Geothermal Project (35MW) resource consenting is in progress. The construction of Te Ihi o te ra utility scale solar farm (5.2MW) is due to be commissioned in September and further solar sites have been secured in Uawa and Wairoa.

Eastland Port expects to complete the wharf 7 rebuild in September, this has run to programme and on-budget. The Twin Berth Stage 2 resource consent was submitted last year with a hearing due to take place in October. The Twin Berth project is another key step towards permanently establishing containerisation and future-proofing the Port.

The head office at Eastland Group has slimmed down and are working through a process which is likely to see head office changing further.

Flick investment, works well if spot price low, not when high. Eastland Group acquired to see if there was potential in gentailer opportunities and although this year disclosed a \$0.9 million profit the overall loss was \$8 million loss on sale.

The salary bands were discussed. These increased from last year as a result of long term incentive schemes, some redundancy costs, retention and other related payments associated with the Network sale. They may appear high compared to others in the community, however these will not be discussed further as these are private staff matters.

Trust Tairāwhiti

The Trust chair discussed the importance of the Network sale and the resulting contribution to the Trust. This saw \$80 million returned to the Trust and contributed to the growth in the Trust Fund from \$452 million in FY2022 to \$543 million in 2023.

The Trust has subsequently provided the company with \$30m capital notes to support the TOPP2 project which will earn interest and will be repaid upon the successful conclusion of the generation capital raise.

The Trust CEO gave a mihi and spoke to other key highlights for the year.

The Trust is the Regional Economic Development Agency and through Regional Business Partner Network and Callaghan Innovation supported the region's businesses and industries to thrive. A significant area of work came after Cyclone Gabrielle where the Trust had a key role in leading the region's immediate business response and broader economic recovery. The Trust delivered the Government's Gabrielle business support grants and over eight weeks distributed \$16.3m to 730 local businesses to help them get back up and running.

The Trust continued further investments into local wood processing at the Dunstan Road Prime Site which aim to maximise direct and flow-on benefits for the region, reduce the reliance on international log markets, and to increase the supply of high-value wood products for the local construction sector. Two major projects with a total capital expenditure of \$23m were completed, with over 50 percent of this funding supported by Kanoa Regional Economic Development & Investment Unit. These projects included the installation of new state-of-the-art equipment to modernise the sawmill manufacturing process, and a new building to house a second manufacturing line that will increase production.

Tourism is another sector in Tairāwhiti with growth potential and as the Regional Tourism Organisation the focus continues on destination development and marketing, showcasing our unique attractions, our people and our place. Cruise ships were also welcomed back which brought 14,000 visitors over 18 visits between October and March.

The Trust distributed \$4.39m to 68 community groups over the year for projects and initiatives that supported regional wellbeing.

YEAR IN REVIEW

The chair acknowledged Gavin Murphy who resigned as CEO in June. Mr Murphy guided the Trust through the amalgamation of the Economic Development Agency and Regional Tourism Organisation, and subsequent

rebrand to Trust Tairāwhiti along with the introduction of the Trust's wellbeing framework, He Rangitapu He Tohu Ora.

Acknowledgement was also given to farewellled trustees, Dr Jill Chrisp and Kristen Kohere-Soutar at the end of June and the Trust welcomed Rawinia Kamau and David Battin as new trustees.

Thanks was also given to fellow Trustees, the Trust's cultural advisors, Tā Derek and Lady Rose Lardelli and the staff of Trust Tairāwhiti.

Together, we are all working towards achieving the Trust's vision to benefit the people of Tairāwhiti.

6. 2022/2023 ANNUAL REPORT AND 2023/2024 STATEMENT OF INTENT

The statement of Intent was discussed and the workstreams identified that the Trust will deliver in the 2023/24 financial year that contribute towards delivering the strategy, Te aka rautaki ki te tau 2026.

The Statement of Intent has been available online and at this AGM. It can also be collected from the office.

7. MOTIONS

7.1. 2022/23 Financial Statements and Annual Report

Trust Tairāwhiti Consolidated Financial Statements and Annual Report for the year ended 31 March 2023 be received and noted.

Moved by Shannon Dowsing, seconded by Tina Karitiana.

CARRIED

An opportunity was provided to ask questions on the annual report. No questions were raised.

7.2. Statement of intent

That the Statement of Intent for the 2023/2024 year be received and noted.

Moved by Karen Johansen, seconded by Moera Brown.

CARRIED

7.3. Appointment of Auditor

Having noted that the Auditor General has appointed Deloitte as the auditor for Gisborne Airport, and Eastland Group has appointed Deloitte as their auditor.

In the interest of efficiency and cost effectiveness, Beneficiaries reappoint Deloitte as Trust Tairāwhiti's auditor for the period from the conclusion of this Annual Meeting until the conclusion of the next Annual Meeting.

Moved by Ron Aitken, seconded by Alice Pettigrew.

CARRIED

7.4. Auditor Fee

The remuneration of the Auditor of Trust Tairāwhiti for the period from the conclusion of this Annual Meeting until the conclusion of the next Annual Meeting, is to be fixed by trustees.

Moved by Joe Martin, seconded Lyall Evans.

CARRIED

8. GENERAL BUSINESS AND QUESTIONS

The Trust began a strategy review to ensure the strategic focuses align with the evolving needs of the communities and the economy. The Trust vision remains the same – for our people, whanau and communities of Tairāwhiti to live the lives we value in ways that matter to us.

Questions had been presented to the Trust prior to the meeting in relation to related party loans, which are interest bearing with repayment terms, the return generated by the capital notes in Eastland Group which is 10%, and the Trusts response to Cyclone Gabrielle.

The floor was opened for further questions.

Discussion occurred on the reliance of Eastland Port on China and the need to accelerate thinking on what Eastland Group do with the key strategic regional asset, which is reliant on businesses using the Port for transportation rather than trucking.

Discussion also occurred on whether Eastland Group directors felt they had good information for decision making. The board get good information, supported by consultants when required and they have robust discussions when making decisions. Comments were also made on the level of salaries received, and it was noted that it is not appropriate to discuss salary packages.

Acknowledgement was given to the Trust for supporting various groups and initiatives were made.

9. CLOSE OF MEETING

The chair thanked the beneficiaries for their attendance and extended an invitation for refreshments.

There being no further business, the meeting closed at 7:20 pm.

10. CLOSING KARAKIA

Tā Derek Lardelli provided the closing Karakia to close the meeting.

..... Confirmed

..... Date