

MINUTES FROM THE ANNUAL MEETING OF BENEFICIARIES OF TRUST TAIRAWHITI

Held on Thursday, 12 August 2021 at 5:45 p.m. at Gisborne Airport, Aerodrome Road

PRESENT:

Trustees: John Clarke(Chair), Dr. Jill Chrisp, Kristen Kohere-Soutar, Shannon Dowsing, Dr. Warren Williams and Lyall Evans.

IN ATTENDANCE:

Staff: All

Meeting attendance record: 180 attendees

Quorum

The secretary confirmed after reviewing the attendance record that a quorum was present, and the meeting could commence.

Welcome

1. OPENING KARAKIA/ WELCOME

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

Tiopira Rauna, who worked with architects to design and create the carvings for the new airport terminal building, provided a brief overview and shared stories of the different carvings inside and outside of the building which make it special to Tairāwhiti and were instrumental in this whare being nominated for architectural awards.

Health & Safety

Matt Cairns provided a housekeeping and health and safety briefing regarding fire and evacuation exits and meeting points.

Welcome/Mihi

Trust Tairāwhiti chair, John Clarke, welcomed all to the annual meeting and noted how special it was to use this building as the venue. It is an excellent example of what can be achieved by working in collaboration for a best-for-Tairāwhiti outcome. The airport terminal is a Gisborne District Council owned asset, managed by Eastland Group who worked closely on the build project with mana whenua – Ngai Tawhiri. The Trust supported the project with the largest ever single distribution of \$5m which was matched with government monies of \$5m along with Eastland Group investment.

2. APOLOGIES

The list of apologies were read, noted and accepted.

3. MINUTES

Copies of the minutes of the Annual Meeting held 30 July 2020, having been provided to all attendees.

Moved by John Clarke seconded Michael Muir.

That the minutes of the Annual Meeting of the Trust held on the 30 July 2020 are taken as circulated be confirmed as a true and correct record.

Carried

4. MATTERS ARISING

Matters arising from the 2020 AGM were:

- to declare directors fees separately in the financial statements, this has now been disclosed.

- the timeliness of releasing key documents such as the SOI and annual report to allow time for beneficiaries to review. This was adjusted for this year's meeting and the documents were available prior to the AGM.

5. YEAR IN REVIEW

The chair reflected on the 2020/21 year on both the successes and challenges, in particular the shared challenges of COVID.

Key highlights included:

- Trust assets have grown to \$834m, up from \$735m with liabilities of \$404m giving a Trust fund of \$430m compared to \$377m in FY2020.
- Under our Trust Deed, we are required to preserve the capital value of the Trust. GDC is the capital beneficiary of the Trust. Preserving capital is key to our financial sustainability and has increased to \$293m this financial year, compared to \$249m in FY2020.
- The amount allocated to income beneficiaries has increased to \$136m, compared to \$128m in FY2020. A significant part of the income beneficiary allocation has been left in Eastland Group to allow the company to grow.
- Eastland Group continues to be the engine room of Trust assets and makes up 90 percent of total assets, the Trust formally acknowledges their strong financial performance.

Eastland Group

Matanuku Mahuika, chair of Eastland Group, spoke to the company's performance and key projects and focusses.

In April 2020 there was uncertainty with the country in lockdown due to COVID-19 pandemic. However, the diversity of the Group ensured the group's resilience with the electricity generation and distribution sectors allowed to operate as essential services. These operations and the strong performance of the Port once it re-opened, limited the financial impact of the pandemic.

The Company has a number of key projects it has delivered or are currently working on.

- The new airport terminal is the most sustainable in NZ, and the chair thanked those who played a part in creating this iconic gateway to our region.
- The Twin Berth project, when finished, will allow two 185-200m log ships to berth supporting the forestry industry and regional economic development.
- The renewable energy generation continues to grow, with the recent purchase of the TOPP1 geothermal plant. The strategy is to have 100MW of renewable generation by 2025.
- The Company is committed to a low carbon future and has joined the Climate Leaders Coalition along with the Trust. To support this, the first company-wide sustainability policy and environmental initiatives have been introduced and they are looking at renewable energy opportunities in Tairāwhiti.

Eastland Group chair acknowledged trustees, Eastland Group directors and Eastland Group CEO Matt Todd and his team for having developed a diverse portfolio of assets with the board which were key in the recovery of the company after COVID. He also thanked Dr. Paul Reynolds and Ailsa Cuthbert for their contributions as trustees and John Rae, who after ten years of service on the Eastland Group board has retired as a director.

Eastland Group chair explained the salary table in the financial statements and noted the increase in some salary ranges were the result of disestablishing a short-term incentive scheme which has brought forward the accounting of these into the 2021 financial statements.

The Trust chair thanked Eastland Group directors and management for their efforts which enables the Trust to deliver on our strategic plan, Te aka rautaki ki te tau 2026.

It was noted that the Trust and Eastland Group have jointly agreed to undertake a review of the group's capital structure as part of the Trust's three-yearly ownership review of Eastland Group. The review is to ensure that Eastland Group has the best possible capital structure to meet its commercial objectives and the needs of Trust Tairāwhiti and its current and future beneficiaries.

Trust Tairāwhiti and economic development initiatives

Trust chair, John Clarke, spoke to the key activities of the Trust.

- Investment into wood processing continued with capital projects of \$50 million underway which will continue through to 2023. For every dollar invested by the Trust \$8 has been funded by Kānoa – Regional Development & Investigation Unit and private investment.
- Regional tourism performed incredibly well despite the lack of international visitors due to COVID-19 with the region showed the highest growth in the country during the last quarter of 2020. The Trust continues to support this sector.
- The Trust distributed \$2.3 million to 59 organisations. He Rangitapu he Tohu Ora, the Trusts wellbeing framework is used as an assessment tool to help understand the impact these distributions make.
- As a Climate Leaders Coalition signatory, the Trust, in partnership with Eastland Group, has committed to measuring our greenhouse gas footprint and making the information publicly available. We have set a bold target to reduce emissions from all our businesses and operations by 21 percent by 2025. Progress towards this target will soon be available on our website.
- Regional Infrastructure continues to be a focus and will continue to collaborate with iwi, the Council, central government and other key stakeholders on critical projects.

The Trust chair acknowledged the hard work of staff, the Trust's cultural advisors Ta Derek and Lady Rose Lardelli, and fellow trustees.

The chair paid special tribute to Dr Paul Reynolds, Ailsa Cuthbert and also retiring Eastland Group Director, John Rae. The chair also introduced Dr Warren Williams and Wi Pere Mita as new trustees, who both have strong whakapapa to the region.

6. 2019/2020 ANNUAL REPORT AND 2020/2021 STATEMENT OF INTENT

The Statement of Intent for the 2021/22 financial year identifies the workstreams that will work towards delivering the strategy, Te aka rautaki ki te tau 2026.

The Statement of Intent is available at the AGM, online or can be collected from the office.

7. MOTIONS

7.1. 2020/21 Financial Statements and Annual Report

Proposed Motion: Trust Tairāwhiti Consolidated Financial Statements and Annual Report for the year ended 31 March 2021 be received and noted.

Moved by Michael Muir, seconded Shannon Dowsing.

Carried

7.2. Appointment of Auditor

Proposed Motion: That Deloitte be reappointed as the Trust's auditor (which includes Eastland Group Limited) for the period from the conclusion of this Annual Meeting until the conclusion of the next Annual Meeting be approved.

Moved by Matanuku Mahuika, seconded Amohaere Houkamau.

Carried

7.3. Auditor Fee

Proposed Motion: The remuneration of the auditor for the period from the conclusion of this annual meeting until the conclusion of the next annual meeting:

In the case of Trust Tairāwhiti, be fixed by trustees, noting the 2021 fee was \$44,000.

In the case of Eastland Group Limited, be fixed by the directors of Eastland Group Limited and approved by trustees in their capacity as shareholders, noting the 2021 fee was \$355,000.

Moved by Selwyn Parata, seconded John Clarke.

Carried

7.4. Statement of intent

That the Statement of Intent for the 2021/2022 year be received and noted.

Secretarial note: The Chair raised this motion with the expectation that beneficiaries will approach us to discuss, which is welcomed.

8. GENERAL BUSINESS AND QUESTIONS

The chair announced that Trust Tairāwhiti will fund up to \$15m in the Community Facilities over the next 5 – 10 years. The first tranche of funding from the Trust are projects that are largely shovel ready, and include waka ama storage facilities at ANZAC and Marina parks, the skate park redevelopment and new pump track, resurfacing of Victoria Domain courts and a temporary shared code space. Other projects to receive funding include developments at Whakarua park, pool heating at Ruatoria, Tokomaru Bay, Tolaga Bay and Ilminster School and a play zone at Tokomaru Bay. These facilities have been under resourced for some time, despite high use numbers so trustees look forward to seeing great outcomes from these initiatives. It was noted for every dollar invested in recreational facilities returns \$1.91 in social benefits.

The floor was opened for questions and a number of beneficiaries and community groups expressed gratitude for the support the Trust has provided.

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 7:10 p.m.

10. CLOSING KARAKIA

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

..... Confirmed

..... Date