

1 August 2018

The Directors  
Rangitane Holdings Limited  
Rangitane Investments Limited  
Level 5, Rangitane House  
2 Main Street  
Blenheim



Te Rūnanga a Rangitāne o Wairau

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Tēnā koutou

## LETTER OF EXPECTATION FOR RHL/RIL 2018-2019

I am writing on behalf of Te Rūnanga a Rangitāne o Wairau Trust (the Trust) as the shareholder of the commercial entities Rangitāne Holdings Limited (RHL) and Rangitāne Investments Limited (RIL).

The intention of this letter is to aid direction and provide guidance to the Directors of the RHL and RIL about the expectations of the Trust as the appointing shareholder.

### PURPOSE

The role of RHL and RIL is to proactively grow the assets of the Trust on behalf of the members of Rangitane o Wairau wherever they reside<sup>1</sup>

### VISION

Our vision for Rangitāne o Wairau is:

**We are united in the protection of our history and identity,  
actively engaged in the social wellbeing, environmental integrity,  
cultural vibrance, economic advancement, and political activity of all our people**

### VALUES

The values which guide our interactions internally and externally are:

RANGATIRATANGA Chiefly Behaviour	KOTAHITANGA Unified	KAITIAKITANGA Guardianship	MANAAKITANGA Care	WHANAUNGATANGA Relationships
We act with honesty, integrity and transparency to enhance the mana of Rangitāne.  We lead with honour, courage and humility to secure a better future for our people.	We work with and for each other to ensure a collaborative, centralised approach.  We are tolerant, patient and aspire to keep a balance of strong, enduring relationships.	We act responsibly to maintain, protect and enhance that, which has been left for us.  We realise our unique identity and are steadfast in our duty to protect our tāonga for future generations.	We care for and respect each other's mana and treat everyone with respect and humility.  We are generous and offer our unconditional hospitality to all those who cross our path.	We value our relationships and connections in pursuit of the advancement of Rangitāne.  We work with a collective focus on inclusion to ensure we all share a sense of belonging.

<sup>1</sup> RIL Constitution-clause 5

## GENERAL EXPECTATIONS

1. Attendance – Directors are expected to use their best endeavours to attend all Board meetings and to prepare thoroughly. They are expected to participate fully, frankly and constructively in Board discussions and other activities and to bring the benefit of their particular skills, knowledge and abilities to the Board table
2. No surprises – A policy of “no surprises” is expected where the Trust, via the Chair and General Manager, are informed well in advance, of anything material or significant whether it be positive or negative.
3. Policies & Processes – It is expected that all RHL/RIL activities will adhere to the policies and procedures within the Rangitāne o Wairau Group operation including HR, Finance, Risk & Compliance, and delegated financial authority.
4. Employment Relations – RHL/RIL must ensure that all obligations under the Employment Relations Act 2000 are adhered to.
5. Health & Safety – RHL/RIL must ensure that all obligations under the Health and Safety at Work Act 2015 are adhered to and reported to the Trust on a monthly basis.
6. Legislative and regulatory – In addition to the Companies Act, directors must ensure that RHL/RIL comply with the requirements of the Maori Fisheries Act 2004 and the Charities Act 2005.

## LEGAL STRUCTURES AND COMPLIANCE

RHL and RIL are wholly owned subsidiaries of the Trust. In addition to the Companies Act, directors must understand and comply with the legislative and regulatory requirements of both RHL and RIL.

### ***Rangitane Holdings Limited (RHL) - 2006***

Rangitane Holdings Limited (RHL) is an Asset Holding Company established under the Te Rūnanga a Rangitāne o Wairau Trust Deed 2006 (section 8). The structure, constitution and activities of RHL are also subject to the Maori Fisheries Act 2004. RHL is a Māori Authority within the provisions of that Act.

As an Asset Holding Company, RHL’s primary function is to **hold and manage** settlement quota and income shares in Aotearoa Fisheries Limited. RHL is restricted from undertaking any direct fishing activities but may undertake activities in other non-fisheries related areas eg. shares.

### ***Rangitane Investments Limited (RIL) - 2014***

Rangitane Investments Limited (RIL) is an investment company established to **hold, protect and grow** the property assets of the Trust. RIL is a charitable company.

The accounting year runs from 1 April to balance date on 31 March.

## DIRECTORS

RHL/RIL share the same Directors and Chairperson. Directors are appointed by the Shareholder, Te Runanga a Rangitane o Wairau Trust, subject to the processes and terms in each constitution. The Directors are appointed for a 3 year term to perform duties as detailed in the Director Job Description.

## INVESTMENT PRINCIPLES

In addition to making sound investment decisions, the Trust considers the following investment principles are necessary to ensure investment decisions align with the broader vision and values of Rangitāne o Wairau:

1. **Socially Responsible Investments** – Investments should reflect generally recognised principles of socially responsible investment
2. **No sale of Settlement Assets** – No settlement assets can be sold without consultation with the Trust and consent as per the requirements of the relevant governance document eg. Trust Deed
3. **Land Acquisition** – Opportunities to purchase land within the Rangitāne o Wairau area of interest should be explored
4. **Local Investment/Job Generation** – Where possible within agreed investment strategies and plans, directors should seek to encourage and support opportunities that deliver direct return to whanau including job creation, local investment and other direct and indirect opportunities.

## RETURN ON INVESTMENT

RHL/RIL should have a goal return on investment of 7%.

## PLANNING REQUIREMENTS

### ***Statement of Investment Policies and Objectives (SIPO) – 5 year***

RHL/RIL are required to establish a Statement of Investment Policies and Objectives (SIPO)<sup>2</sup> for agreement with the Trust. The SIPO sets out the long term vision and investment strategies for holding, growing and protecting the assets of the Trust. The SIPO will be reviewed every 5 years and amendments approved by the Trust.

### ***Statement of Intent - Annual***

RHL/RIL are required to provide an annual Statement of Intent<sup>3</sup> to the Trust, no later than 31 August. The Statement of Intent must be consistent with the SIPO.

### ***Annual Plan***

RHL/RIL are required to provide an Annual Plan<sup>4</sup> as part of the annual planning process.

The Annual Plan is to include:

- The strategic vision and long-term goals of RHL/RIL
- An overview of the scope and nature of RHL/RIL's business activities
- An overview of planned investment focus for the year
- Annual financial performance targets and measures including planned progress/compliance against the SIPO and the key accounting policies for measurement of targets.

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<sup>2</sup> RIL Constitution 23.2b

<sup>3</sup> Trust Deed 8.4b, RHL Constitution sec 11, RIL Constitution clause 23.2d)

<sup>4</sup> RHL Constitution clause 11.7

- Targeted annual distribution and reinvestment
- Non-financial annual objectives
- Fisheries Act and Trust Deed Compliance

## REPORTING REQUIREMENTS

### *Regular Reporting to the Trust*

RHL/RIL will report to the Shareholder quarterly and be represented at the meeting to present the report. The reports will enable the Trust to monitor the performance of the RHL/RIL Board and will include:

- Financial Overview, including a summary and commentary on the previous quarter's financial performance and commentary on RHL/RIL's outlook to year end.
- Progress against non-financial annual objectives
- Update on key activities
- Update on any matters that expect to bring to RHL/RIL for approval within the next quarter (e.g. major investments)

### *Annual Reporting to the Trust and Iwi Members*

RHL/RIL must provide an Annual Report<sup>5</sup> to the Trust, no later than 31 August. The minimum requirements are set out in the Appendix. The Directors shall present their Annual Report at the Annual Shareholder Meeting. The Directors shall attend the Rangitāne o Wairau Annual General Meeting and present reports, as agreed with the Trust.

## CONSENT OF TRUSTEES

Consent from the trustees of Te Rūnanga a Rangitāne o Wairau is required for transactions as follows:

- Any capital expenditure item, share or asset acquisition, new participation in a joint venture, sale or disposal of the whole or part of its business or undertaking that exceeds 10% of the market value of RHL/RIL assets immediately before the transaction must be approved by the Trustees.
- When Trustees have identified a particular property as Taonga, the Trustees may at their absolute discretion declare it to be Taonga Property. Once declared as such it must be maintained on a register and any subsequent proposed sale or removal of the designation is deemed to be a Major Transaction. Trustees and RHL/RIL will agree any such assets that are to be held will ensure the requirements of the Trust Deed are complied with.
- The disposal of Settlement Fisheries Quota as per Trust Deed requirements
- The disposal of Shares as per Trust Deed requirements

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<sup>5</sup> RHL Constitution clause 11.7, RIL Constitution clause 26.3

e) The sale or transfer of Settlement Properties

This does not limit the statutory obligations of the company or its directors as per the requirements of the Companies Act 1993 in relation to major transactions whereby the consent of shareholders is required for any purchase or disposition of an asset to a value of/or in excess of one half of the Company's assets.

A handwritten signature in black ink, appearing to read 'Wendy Hynes', with a long horizontal line extending to the right.

Wendy Hynes  
**Chairperson**  
**Te Rūnanga a Rangitāne o Wairau Trust**

## APPENDIX

### STATEMENT OF INTENT

RHL and RIL must provide an annual Statement of Intent that is consistent with the SIPO and includes:

- a) the objectives of the Company;
- b) the key strategies for use and development of the assets held by the Company;
- c) the strategic priorities of the Company and/or any Subsidiary Entity;
- d) the guiding principles by which the business of the Company and/or any Subsidiary Entity is to be undertaken;
- e) the expected level of income to be derived from such assets held by the Company and/or any Subsidiary Entity; and
- f) the manner in which income derived from such assets is expended, including the manner in which and the amounts of any distributions to be made, as set out in the Charitable Trust's distribution policy;
- g) the level of expenditure as a percentage of the Company funds that may not be incurred without the prior written approval of the Charitable Trust, as set out in the Charitable Trust's Delegations Policy; and
- h) any proposal to change the constitutional documents of any Subsidiary Entity of the Company.

### ANNUAL PLAN

RHL and RIL must provide an Annual Plan that includes:

- (i) the key strategies for the use and development of the Settlement Quota and Income Shares and any other assets held by the Company;
- (ii) any programme to reorganise the Settlement Quota held by the Company or any of its subsidiaries established under sub-clause 4.1 as by buying and selling Settlement Quota in accordance with the Maori Fisheries Act;
- (iii) any programme to manage the sale of Annual Catch Entitlements derived from the Settlement Quota held by the Company or any of its subsidiaries established under sub-clause 4.1;
- (iv) the expected financial return on the Settlement Quota and Income Shares and any other assets held by the Company; and
- (v) any proposal to change this Constitution or the constitution of any subsidiary of the Company established under sub-clause 4.1.

### ANNUAL REPORT

RHL and RIL must provide an Annual Report that:

- (a) complies with each paragraph of section 211(1) of the Companies Act;
- (b) details matters relating to the Company's performance in the previous year, including:

- (i) the quantity of the Settlement Quota held by the Company at the beginning of the previous year;
- (ii) the performance of the Company and any of its subsidiaries established under sub-clause 4.1 in the previous year;
- (iii) the investment of the money of the Company and any of its subsidiaries established under sub-clause 4.1 in the previous year;
- (iv) the Settlement Quota Interests that were registered against the Quota Shares of the Company in the previous year;
- (v) the value of any Income Shares sold, exchanged or acquired by the Company in the previous year;
- (vi) the value of any Settlement Quota sold or exchanged by the Company in the previous year;
- (vii) the identity of the purchaser or other party to any exchange of the Settlement Quota by the Company in the previous year;
- (viii) any transaction with the Settlement Quota that resulted in a registered interest by way of caveat or mortgage being placed over the Settlement Quota in the previous year;
- (ix) the interactions of the Company with the Shareholders and any subsidiary of the Company established under sub-clause 4.1 in fisheries matters in the previous year; and
- (x) any changes made to this Constitution or the constitution of any subsidiary of the Company established under sub-clause 4.1 in the previous year;