

GENERAL MEETING MINUTES

Tahuwhakatiki Marae, Welcome Bay Road, Tauranga
Saturday, 18 February 2017 at 10am

Pirihima Whānau Trust did not reach a quorum at this meeting therefore; this was an update meeting to all shareholders. Today's quorum was 22 shareholders, totalling 2.103690 shares.

Present: Marita Ranclaud (Chairperson), Neihana Jacob, Wayne Hudson, Colin Reeder, Rhys Rushton (Seeka), Pani Robinson (Secretary) and assembled shareholders.

Karakia: Rehua Smallman

Time: 10.14am

1. Mihi

Marita Ranclaud.

2. Introduction of Trustees and Advisors

All trustees and advisors introduced themselves to the shareholders.

3. Apologies

From the floor

Wikitoria Taite, Pare Harvey, Margaret Harris, Sharon Taite, Karauna Taite, Rihari Taite, Iria Taite, Irene Ruka, Te Iringa Hikatangata, Leslie Hudson, Jennifer Karipi and Marilyn Pomare.

4. Lateness

Colin Reeder arrived at 10.55am.

5. Proxies Received

ID# 14306 - Marilyn Pomare appoints Rosina Bell

ID# 14289 - Jennifer Karipi appoints Rosina Bell

ID# 14274 - Leslie Hudson appoints Rosina Bell

ID# 14272 - Te Iringa Hikatangata appoints Mereheeni Hikatangata

Motion: That the Apologies and Proxies received be accepted:

Moved and Carried: Maureen Fraser

6. Minutes of the last General Meeting

There we're no minutes provided of the last General Meeting.

7. Chairperson's Report

The Chairperson's Report was distributed prior to the meeting. Marita went through her report with the shareholders.

Pirihima Whānau Trust Vision Statement: "Realizing the potential of the whenua for the wellbeing of the Pirihima whānau".

Patetu Lease/Farming – Pirihima are continuing to pay the debt owed to Patetu. Later, in the meeting when we cover financial opportunities, there may be an opportunity that this debt could get paid off much sooner. Also, there no longer any cows on this land.

Orchard Productivity – Marita advised the shareholders that the trustees walked around the orchard yesterday alongside Hinga Marsh from Tūhono Whenua Horticulture Limited. Tūhono Whenua was an initiative that supports specifically Māori kiwifruit growers to improve their orchard productivity and Pirihima are 1 of 5 orchards in Tauranga Moana that have taken up

this opportunity with positive results. Although the orchard has a long way to go in terms of getting the orchard 100% up to scratch, fruit production particularly in the Gold is looking very good for this coming year. The Trust has confidence in Seeka managing the orchards even though people doubt them and their work.

Pukenga JV Investment – this Joint Venture has been wound up and almost half a million dollars has been reimbursed back to the Trust.

Questions from the floor

Darryl Hudson - How are shareholders going to be notified before this money is invested?

Marita Ranclaud - That's why we are having a meeting today.

Darryl Hudson - Do you have any direction or when you get a direction of where you want to invest it, are the shareholders going to be informed before you sign off?

Marita Ranclaud – Yes so later in the presentation you will see that I have marked off some Strategic Priorities and there are some options within that but we do need to consider. We are very keen to get some feedback from shareholders.

Marita reiterated to shareholders that overall when you elect trustees to be a part of the Trust, you elect them to make bulk of those decisions on your behalf. Whilst being consultative, those decisions are not reliant on shareholder agreement or approval.

Darryl Hudson – Seems like your leaving the shareholders out of the picture a little bit here though.

Marita Ranclaud – I would disagree because we are meeting today.

Woodhouse Loan – as at yesterday, Michael Sharp (Woodhouse Whānau Legal Representative) has advised that Letters of Administration have been granted by the High Court in respect of Dolly Woodhouse's estate. The administrator of the estate will be making a claim against the estate of Terry Woodhouse regarding ownership of the property. Koning Webster (Pirihima Whānau Trust Legal Representative) will keep in contact with Mr Sharp.

Woodhouse Whānau and Pirihima Whānau Trust will hopefully be put in a position where they become representatives in terms of the house and we will be able to negotiate with them directly on how this loan gets repaid. It is currently all tied up in a Public Trust.

Te Roha Loan – a summary from yesterday was received and read; on the 19th August 2016 Judge Clark made an order vesting Pikowai Ohia's 0.11961 shares in Pirihima proportionally in the Pirihima beneficial owners. In effect, Pikowai Ohia used some of his shares to offset the loan. Once the court has processed all their paperwork, each of the shareholders will receive a proportion of that shareholding.

Papakainga – one of the shareholders/tenants would like to see a fence put up around the papakainga. Marita confirmed to arrange a Tenants Hui with the Trustees and this will give the tenants an opportunity to discuss any queries, repairs, maintenance etc. that they may have.

ACTION: Trustees arrange a Tenants Hui.

Questions from the floor

Darryl Hudson – With that papakainga, is there a bit of a conflict of interest with Colin being on Ngā Potiki and Pirihima Whānau Trust? Who was the Project Manager for Pirihima Whānau Trust?

Marita Ranclaud – I was, myself and Irene until her departure as trustee. Colin sat on that project on behalf of Ngā Potiki.

Investment Land – Seeka presented to us yesterday, with a Lease Agreement which we have declined. We don't want to lease that block but they have confirmed that our plan to go forward with some GEM Avocado is absolutely on the cards.

Avocado Block - Sandra Le Leivre received some of this land as a koha at some point before Pirihima Whānau Trust owned it. Pirihima Whānau Trust bought the block in whole but on the understanding that she occupied a portion of it. The land has never been properly divided off and Pirihima Whānau Trust are still paying full rates and maintenance on the property. Now with a mortgage over it, if something happens and Pirihima Whānau Trust could no longer pay the mortgage, Sandra would also lose her home. This is a piece of work that needs to be tidied up.

Request for Land for Use as Urupā – the Trust paid for surveyors to come in and survey out a block where the old church was. It was identified that the Marae have a block of land there that they could potentially use without us gifting anything else.

Biodiversity – stage 1 of planting has been completed.

Questions from the floor

Darryl Hudson – Why are we retiring land for trees and once we plant the natives we won't be able to use the whenua?

Marita Ranclaud – Environment BOP, remember our vision, all the usage of that whenua particularly around cattle and horticulture pollute the river. Several studies have been made on that river is home for spawning grounds and a range of other things. We're not just about making money.

Darryl Hudson – Yes, there are wetlands but why plant out the paddock and not be able to use this whenua for anything else in the future?

Marita Ranclaud – We had a conversation around that and 2 years ago, the Trust did present the Biodiversity Plan/Map at a shareholders meeting. The plan includes potentially some planting along B Block.

Wayne Hudson – In saying that, it hasn't been determined yet how much of that area will be planted.

Darryl Hudson – It would be nice to see an actual map and the areas marked out.

Wayne Hudson – As Marita said, there was a map shown and in the future, we will have a discussion and bring it back to the whānau in terms of how much we plant on this block. There are high value areas in there but it doesn't come right into the block. You can see how far it comes in during high tide so trees are being planted far away from the water due to the high tide.

ACTION: Darryl Hudson requested a map of the plantation areas in the blocks.

Rehua Smallman – Has there been any rates reviews regarding the lands retired?

Marita Ranclaud – No.

Darryl Hudson – Are there any other partners involved in the planting and retiring of land?

Marita Ranclaud – Environment BOP (fund 75% of the work).

Darryl Hudson – How many neighbouring properties are on board with this?

Marita Ranclaud – I don't know the exact number but I have met 2 of them. The Waitao River initiative won the National Environmental Award in November 2016. It has been a collective effort across several different agencies depending on where you are along the river. Pirihima was one of the last to come on board.

In New Zealand, today, Kiwifruit is still (horticulturally) the crop that will yield you the most money per hectare. Very lucrative and worth investing in and at the end of the day, generates income for the Trust.

**Marita tabled the Chairperson Report as accepted.
Carried.**

8. Financial Report

The 5 Year Financial Summary was distributed prior to the meeting and taken as read.

Income

• 2016 Income from the Pirihima Green and Gold Orchards	\$362,172
• 2016 Income from Rentals	\$29,860
• 2016 Income from Other (Dividends and Interest)	\$40,465
• 2016 Total Income	\$432,497

In 2016, the Income from the Green and Gold Orchards do not include the fruit from Patetu Trust as shown in the previous years.

Pirihima Whānau Trust have a few interests and shares. Major investment is our shareholding in Te Awanui Huka Pak Limited, Trustpower and Zespri. Pirihima also have shares in Ballance.

Expenses

• Farming (Repairs to the Shed)	\$12,440
• Kiwifruit Green	\$149,988
• Kiwifruit Gold	\$25,621
• Pinelands (Forest Rates and Insurance)	\$3,586
• Rental – Kairua Road (Rates and Insurance)	\$1,985
• Trust (Cost to run the Trust)	\$107,083
• Total Expenses	\$300,703
• Net Surplus/Profit	\$131,794

(Compared to 2012 this is a 200% increase)

Pirihima Whānau Trust are no longer in farming.

In 2016, the Kiwifruit Green Expenses have dropped back considerably compared to 2015 because it is just the Pirihima Orchard only.

The Trust Expenses include \$17K in Legal Fees and a loss in the Joint Venture of \$42K. The Trust can claim this loss as a tax deduction and now that it's all been sold and get all the proceeds from the sale of the property, the Trust don't pay any tax on that.

Balance Sheet

• Total Equity	\$4,487,907
• Working Capital	\$781,844
• Fixed Assets	\$2,827,552
• Pukenga Holdings JV	\$612,442
• Zespri Gold 3 Licence	\$4,843
• Shares in Listed Companies	\$520,786
• Less Non-Current Liabilities	-\$259,563

Debts (as at YE March 2016)

- | | |
|-----------------|-----------|
| • Patetu Trust | \$77,000 |
| • ANZ Bank Loan | \$260,000 |

The Total Equity figure has jumped due to Papakainga (asset) being built with funding and the selling of the Kiwi360 property.

Pirihima Whanau Trust are in a position now to wipe off these loans and be completely debt free. This could be one option for the cash received from the Kiwi360.

Pirihima Whanau Trust have over half a million dollars invested in shares which includes \$390k in Te Awanui Huka Pak Limited, \$2k in Zespri and \$45k in Trustpower.

Questions from the floor

Virginia Kahotea requested that the Trust Expenses and Shares in Listed Companies be itemised separately and shown in the Financial Report, going forward.

Nick Dykzeul advised the shareholders to see him if they would like a full copy of the Financial Statements which includes the breakdown of Other Income, Trust Expenses and Shares in Listed Companies.

ACTION: The Secretary will circulate a copy of the full Financial Statements to the shareholders.

9. Orchard Report – Rhys Rushton (Seeka)

The Orchard Report was distributed prior to the meeting and taken as read.

Rhys arrive to the meeting at 11am and introduced himself to the shareholders and apologized on behalf of Ray Gordon (Orchard Manager) who couldn't attend.

Health and Safety – There have been no injuries on Pirihima orchards thus far. The danger points are around harvest and winter pruning.

Neihana confirmed to the shareholders that due to the new legislation that came out last year, Pirihima Whānau Trust are hugely liable if an accident and/or fatality occurred on our whenua. This report from Seeka is crucial. Rhys also confirmed that any incidents or injuries that occur on Pirihima orchards, get reported to the trustees.

Kiwifruit Orchard Summary

- 2016 – Harvest 48,000 trays (11,387 trays of Gold and 36,615 trays of Hayward).
- On a whole the orchard performed above expectation also remembering that there was no crop back in 2015.
- With the male work that has been completed, Seeka are cutting out some of the males that are not doing so good and grafting in better variety males.
- There is a bit of Armillaria in the Hayward which kills the vines. Ray has sloosed this Armillaria before with some anti-fungal in the soil. Ray has planted plants beside the sick plants to take its place when they eventually die.
- Gold - 13,719 trays per hectare.
- Hayward – 9,896 trays per hectare.
- Industry average – 11,000 trays per hectare.
- Reject Rate for Gold – 3.9%.
- Reject Rate for Hayward – 11.9%.
- Average count size – 32 Gold and 36 Hayward.

- Taste (TZG) – 0.74 Gold and 0.51 Hayward. The TZG you get, the more money you make.
- Increase Orchard Production – Seeka are confident that this will happen over the next few years.

Questions from the floor

Colin Reeder – What's the potential of the orchard increasing production and generating income?

Rhys Rushton – About improving production, over the next couple of years. For the Hayward, it's mainly getting the males and Armillaria under control. There is no cure for Armillaria and there is another strain of Armillaria that is killing the Willows but doesn't affect kiwifruit.

Rehua Smallman – What's the potential to cut over the existing Green?

Rhys Rushton – That's no problem. It's just a matter of getting the graft wood for the Gold and the cost of the licence.

Rehua Smallman – Is it likely to come down?

Rhys Rushton – The market is driving it.

Marita advised that we go over any G3 Licence matters later in the meeting.

Venus Hika – Can I ask about the 5.3million trays of fruit being dumped?

Rhys Rushton – Last year we had more fruit than what we could sell in the market. Zespri is the marketer and they decide what happens to the fruit. Once the fruit hits market, it belongs to Zespri. Seeka or the Trusts don't have a say.

Marita Ranclaud – Is it our fruit being dumped?

Rhys Rushton – No. Michael Franks (CEO of Seeka) approached Zespri at the time and asked if we could buy our shares of the 5.3million trays. Zespri said no.

Avocado Orchard Summary

- Pirihima's avocados we're one amongst the first to be picked this year in September.
- Total of 242 trays which consisted of 160 trays of marketable fruit (128 export / 32 local market) and 82 bins of waste (72 bins of waste / 10 bins of small fruit).
- There is still room for improvement for this orchard.
- Gary Moore applies fertilizer every month to keep the trees healthy.
- Theft is bad in the area unfortunately and this is due to easy access and the prices were too high earlier on.

Maryjayne Hika – Where does Armillaria come from?

Rhys Rushton - Armillaria is in the soil and it's always there. Some areas are worse than others. It's been sluiced every year but it only slows it down, doesn't necessarily get rid of it.

Virginia Kahotea - Who oversees the OSH part of things in the Orchard? Do you have an onsite induction for any contractors that come on board?

Rhys Rushton - Seeka. Yes, we have a Health and Safety team. We use compliant contractors and they must show us everything otherwise we won't let them work. Compliant costs are massive with this new legislation.

Virginia Kahotea - What sort of changes do you have physically showing down by the shed?

Rhys Rushton - It's all about signage, which is in place.

**Marita tabled the Orchard Report as accepted.
Carried.**

10. Strategic Priorities

12-18 Month Plan

- We will continue to have a critical focus around orchard productivity.
 - We asked Seeka to prepare for us a CAPEX with all the improvements on the orchards so we can start an investment plan.
 - We do want to shift our tray production up. The Gold is capable of producing around 15,500 trays per hectare.
 - We want to remain in the KiwiStart program. The difference is about \$2.00 extra per tray.
 - Create Armillaria Management Plan.
 - Can we shift some of our crop from Green (Hayward) to Gold? Last year, Zespri had an amount of Gold Licence put out to the industry through a tender process. The average price paid was around \$200,000 per hectare. Depending on what happens in terms of the conversations around our other investment lands, there is potential for this Trust in March to put in a tender bid for a hectare of G3 Licence.
- Pirihima are now in a position of clearing debt.
- We want to build our Governance capability. Getting the right people to run the Trust so shareholders know what's going on and they continue to return shareholders with some profit is imperative.
- Investments Lands – 224 Kairua Road and the Le Leivre property have issues that need to be tidied up.

2 Year Plan

- Forestry block. This is due for harvest in 3-4 years so we will need to think about what the harvest plan will be and what do we do with the block after this.
- Phase 2 and 3 of the Biodiversity Plan.
- Collectivisms to increase our footprint in kiwifruit. There are other Trusts in this region that may have land, pūtea and/or the experience. What would happen if we all worked together as a syndicate to look at purchasing other kiwifruit orchards because as individual growers we are too small.

11. Sale of Maori Freehold Land – 224 Kairua Road

Questions we're raised if the sale included the house or the whole area. Marita confirmed that it is the land the house sits on and the house itself, not the block because there are avocados on it.

The current situation is that Andrea Kiwi lives in this property. ABC Homes completed a review and advised that the property would require renovations costing approx. \$110,000. Shareholders were asked to think about this amount of money and whether they want to complete the renovations (7%-9% return) or to go on G3 Licence, orchard repairs or dividends etc.

If we choose not to renovate the property, then ethically as a Trust we cannot continue to rent the house so Andrea could lose her home.

Questions from the floor

Darryl Hudson – Potentially you need to get more quotes other than just the one from ABC Homes?

Marita Ranclaud – The benefit of ABC Homes, is that they have a long-term relationship working with us. They built the papakainga and we know all their pricings have been benchmarked against industry standards.

Virginia Kahotea – How much would it cost to demolish the whole thing and build a standard new house? This could be an option.

Marita Ranclaud – We haven't done that work.

Sylvia Pakeho - If there is a potential that Andrea could lose her home, is there an opportunity for Pirihima Whanau Trust to support Andrea into a new home?

Darryl Hudson – No. Going with that, Ngā Pōtiki have a housing project coming up maybe she should go into one of those houses? As far as investing money into G3, surely the money returned from the investment should be enough for the licence?

Marita Ranclaud – I don't think it's enough for the licence and to make us debt free.

? - Is it the Trust responsibility to care for the person in the house (Andrea)?

Marita Ranclaud – My understanding is that Andrea Kiwi is whānau but she is not a shareholder of the Trust. First responsibility as a trustee is to the shareholders of this Trust. That's not to say we couldn't be generous. I don't think the key issue is whether we do, don't or how we might support her, the issue is we are in this difficult position, and need to make decisions about focusing on being a landlord or investing in core business, our kiwifruit.

Janice Harrison informed shareholders that Rehua and herself we're trustees at the time when the block of land was bought. She would like to see the property knocked down and look at something else to go on that land because the Trust has spent a lot of money cleaning up this property in the past. If Andrea gets stuck finding a house, then maybe she could come to the Trust and ask for help.

Rehua Smallman – I agree with Janice in terms of the whenua and the history but I'd like to see the Trust increase the value of the block, utilize the area and put up a new house. That way Andrea is still in the picture.

Marita Ranclaud – So confirming the korero from our shareholders, there is no appetite to sell the land but there is a reasonable amount of support for the Trust to have a further conversation of potentially exiting the tenancy and re-thinking options of utilizing the block? Those in attendance agree to this course of action.

It was asked if the Papakainga Units are for the shareholders or can you just whakapapa to Pirihima Whānau Trust? Marita confirmed that the current tenants all whakapapa but are not all shareholders. The current policy has not been agreed to yet which is why the trustees cannot say whether you must be a shareholder or whakapapa to Pirihima Whānau Trust.

Virginia Kahotea – I remember bringing this up at the last AGM and asking what the criteria was to be able to apply for one of the units and I know you had to be a shareholder. So how does it change from that AGM to this AGM?

Marita Ranclaud – Because the policy around that hasn't been agreed. Ngā Pōtiki take Property Management role with these units and we haven't been able to firm up with them, these policies. That's what it says in the policy but until it is signed off I can't say.

Virginia Kahotea – So why did the trustees agree to that policy?

Marita Ranclaud – If you go back to the process of the papakainga, there was a grant from the Social Housing unit and the grant could only be given to an entity that had the right infrastructure. Pirihima Whānau Trust did not have the infrastructure. The government could only give Ngā Pōtiki the money and as a part of that relationship (Memorandum of Understanding) that says that Nga Potiki will be the manager.

In the papakainga units, there's only one person who is not a shareholder for whom the paperwork was incorrectly filled out and led us to believe they we're a shareholder. The other person who is not a shareholder has a guarantor.

Andrea Kiwi was offered a papakainga unit but she declined it.

If the house on 224 Kairua Road was demolished and a new home was built, Andrea would not have first right of the new property. It should go through the standard process.

12. Trust Order

At the last AGM, there was a discussion for the quorum to be dropped. Pirihima Whānau Trust took it back to Koning Webster Lawyers and their advice was to wait until the changes to the Te Ture Whenua Act would be made otherwise any Trust Order they implemented would be immediately out of date. The current quorum is at least 10 beneficial owners holding or representing by proxy 40% shareholdings, must be present at the meeting.

ACTION: Trustees will ask Koning Webster Lawyers to review the current Pirihima Whānau Trust Order. A draft will be presented to the trustees and the trustees will present this to the shareholders to agree on before taken to the Maori Land Court.

13. Trustee Nominations

Only one nomination form was received before the close-off date from Titihuia Pakeho. Colin Reeder and Neihana Jacob both retire by rotation. Colin Reeder offers himself for re-election and Neihana Jacob does not seek re-election.

The trustees are suggesting that the one nomination received should be accepted. The current Trust Order is silent about when you can elect new trustees. The business of the AGM shall be to elect persons to fill vacancies in the membership of the trustees.

The one existing vacancy and late nominations received from Rehua Smallman and Leslie Hudson will be put forward to the next AGM.

***Motion: That the nomination and election of Titihuia Pakeho be accepted.
Carried.***

Karakia: Titihuia Pakeho.

Time: 12:37pm

Signed: _____ **Date:** _____
(Marita Ranclaud – Chairperson)

Assembled Shareholders

Maryjayne Hika

Jolene Phillips

Jane Hepi

Poihipi Phillips

Sheryl Hudson

Candice Clifton

Maxine Marsh

Hohepa Topia Toby Mihaka

Rose Bell

Darryl Hudson

Rhonda Honiana-Hapi

Tahi Aitken

Venus Hika

Valmai Jacob

Waitai Reeder

Alice Kingham

Janice Harrison

Maureen Fraser

Virginia Moana Kahotea

Anamaria Watene

Titihuia Sylvia Pakeho

Ronald Honiana-Hapi

Rehua Smallman