



KING COUNTRY TRUST
PUBLIC TRUST DEED REVIEW MEETING OF TRUSTEES
HELD VIA ZOOM
FRIDAY, 25TH MARCH 2022 AT 10.00AM
AGENDA

SUBMISSIONS

Submitters will have the opportunity to put forward any final submissions on the proposed amendments to the Trust Deed.

TRUST DEED REVIEW – TRUSTEE DECISIONS

The Trustees will discuss the proposed amendments set out in the draft Trust Deed, and make their decision on whether to adopt each of the proposed amendments.

Others attending the meeting will have observer status only, and no speaking or voting rights.

References to proposed amendments are references to the tracked amendments published for consultation at [Trust Deed Review - King Country Trust \(kcpowertrust.co.nz\)](https://www.kcpowertrust.co.nz/Trust-Deed-Review), in the document "KCEPT-Trust-Deed-all-amendments-tracked-to-19-July-2021-35309176-v-1"

The proposed amendments for decision are:

Significant and Substantive Amendments

Review Shares

1. **Discussion Point:** That the requirement for the Trust to be wound up if the (Review) Shares are sold be removed, so that the Trust can continue to benefit Consumers through management of investments acquired in place of (Review) Shares, if sold.
2. **Discussion Point:** That accordingly, the review processes in the Deed be broadened to reflect that the key assets of the Trust may not always be the (Review) Shares.
3. **Motion:** That the proposed amendments to clauses 1.1(w) (definition of Shares), 1.1(t) (definition of Ownership Review), 1.1(x) (definition of Special Ownership Review), 4 (Review of Trust Fund) and 14.1 (Winding Up) be adopted.

Minor Variations

4. **Discussion Point:** That there would be a new ability for the Trustees to alter the Deed without requiring the Public Consultative Procedure where the amendment is:
 - of a minor, formal, administrative or technical nature (including changes to Schedules);
 - to correct a manifest error, to cure any ambiguity or to correct or supplement any defective or inconsistent provision; or
 - necessary or desirable to comply with the provisions of any law or the requirements of any statutory authority.
5. **Motion:** That the proposed amendments to clause 13.1 (Variations to Deed) be adopted.

Additional Trustee Appointments

6. **Discussion Point:** That the Deed is amended to allow the Trustees to appoint up to two additional Trustees, for a term of up to four years to allow the Trustees to co-opt additional expertise if required to complement the skills and experience of elected Trustees.
7. **Motion:** That the proposed amendments to Schedule 1, clauses 1.1 (Number of Trustees), 1.3 (Additional Trustee Appointments), 1.4 (Skills Based Approach to Additional Trustee Selection) and 1.8(g) (Eligibility of Trustees) be adopted.

Definition of Consumers

8. **Discussion Point:** That the Deed is amended to clarify that Consumers include persons who pay for line function services from The Lines Company Limited (**TLC**), but who do not necessarily own the connected premises.
9. **Motion:** That the proposed amendments to clause 1.1(e) (definition of Consumers) be adopted.

Definition of Default Beneficiaries/Electors

10. **Discussion Point:** That the name used for one of the classes of beneficiary be changed from Electors to Default Beneficiaries.
11. **Discussion Point:** That the definition of "Elector" be clarified.
12. **Motion:** That the proposed amendments to clauses 1.1(g) (definition of Default Beneficiaries) and 1.1(m) (definition of Electors) be adopted.

Distribute to Local Charitable Organisations

13. **Discussion Point:** That the Deed is amended to include an express power for Trustees to make a donation or grant (with or without conditions) to a Local Charitable Entity selected by the Trustees from time to time.
14. **Discussion Point:** The original proposal was to define Local Charitable Entity as a company, society, trust or other entity established and maintained exclusively for purposes that are charitable in accordance with New Zealand law, and not for private profit, and whose activities may provide a benefit in the District. The

Trustees subsequently considered submissions and may refine the proposed definition to tie the benefit more closely to Consumers.

15. **Motion:** That the proposed amendments to clauses 1.1 (r) (definition of Local Charitable Entity) and 5 (Income) be adopted, with the following change: amending limb (ii) of the proposed amendment that adds a definition of Local Charitable Entity to state, "whose activities may provide a benefit to Consumers in the District".

Unanimous Resolution of Trustees re Special Resolution

16. **Discussion Point:** That the requirement for a unanimous resolution of Trustees in writing be changed to a requirement for a Special Resolution in the following circumstances (Reserved Matters):
 - the power to change the name of the Trust; and
 - the power to amend the Deed.
17. **Motion:** That the proposed amendments to clauses 1.1 (r) (definition of Local Charitable Entity) and 5 (Income) be adopted.

Improvements to Review Process

18. **Discussion Point:** That Trustees are required to obtain professional advice as part of the review process.
19. **Discussion Point:** That Trustees are to review the Trust's investment policy statement in conjunction with the Trust's Ownership Review and more frequently, if necessary.
20. **Discussion Point:** That Trustees are able to requisition a Special Ownership Review of the ownership of all or part of the Trust Fund at any time that they consider that such a review is warranted.
21. **Motion:** That the proposed amendments to clauses 4.2(f) (Summary of Professional Advice), 4.9 (Update the Investment Policy) and 4.11 (Special Ownership Review) be adopted.

Combination of Annual Meeting of Consumers and Public Meeting

22. **Discussion Point:** That the provisions relating to the Annual Meeting of Consumers and the public meeting be combined to make it clear that these two meetings are held as one combined meeting, and to streamline procedural requirements accordingly.
23. **Motion:** That the proposed amendments to clauses 11.3 (Annual Meeting of Consumers) and 11.4 (Procedures for Annual Meeting of Consumers) be adopted.

Early Termination of Office

24. **Discussion Point:** That a Trustee ceases to hold office (in addition to other existing grounds) if the Trustee:
 - dies while holding office as a Trustee; or

- is removed from holding office as Trustee by special resolution of the Trustees that the Trustee is for any reason unable to effectively carry out his or her duties as a Trustee, or the other Trustees determine there is a risk that the reputation of the Trust will be adversely affected should the Trustee continue as a Trustee.
25. **Motion:** That the proposed amendments to Schedule 1, clause 2.2 (Early Termination of Office) be adopted.

Quorum Updated

26. **Discussion Point:** That the quorum of Trustees is amended to be a majority of the Trustees then in office (including Additional Trustees).
27. **Motion:** That the proposed amendments to Schedule 3, clauses 1.1 and 1.2 be adopted.

Execution of Documents

28. **Discussion Point:** That the requirements for the Trust's method of signing documents be updated to reflect best practice, by allowing documents other than deeds to be executed by one Trustee and the Secretary or other authorised persons.
29. **Motion:** That the proposed amendments to Schedule 3, clause 11 be adopted.

Modernisation and Technical Amendments

Shorten the Name

30. **Discussion Point:** The name of the Trust has been shortened from "King Country Electric Power Trust" to "King Country Trust". The Trustees will discuss updating the deed to record this.
31. **Motion:** That the proposed amendments to clause 2.1 (Name) be adopted.

General Trusts Act 2019 Update

32. **Discussion Point:** That the maximum duration of the Trust applicable to this Deed be extended to 125 years from the date of execution of the 1993 Deed, being 17 June 2118.
33. **Discussion Point:** That some of the specific powers of the Trustees (the power to employ, to appoint a custodian trustee and to appoint a delegate or attorney) become subject to the relevant Trusts Act clauses.
34. **Discussion Point:** That the powers of investment be updated to reflect the relevant Trusts Act clauses.
35. **Discussion Point:** That new obligations in relation to disclosures to beneficiaries be included.

36. **Discussion Point:** That the limitation of liability clause and the trustee indemnity be amended to include the gross negligence exclusion.
37. **Discussion Point:** That the Deed does not allow a person who is disqualified from being appointed as a trustee under section 96 of the Trusts Act to be a Trustee (replaces previous eligibility criteria that were in Schedule 1, clause 20.4).
38. **Motion:** That the proposed amendments to clauses 1.1(z) (definition of Termination Date), 1.1(bb) (definition of Trust Expiry Date), 1.3 (Trust Expiry Date), 9.3 (Power to Employ), 9.4 (Power to Appoint Custodian Trustee), 9.5 (Power to Invest), 10.3 (Exception), 12.4 (Disclosure to Beneficiaries), 12.5 (Request by Consumer), 16 (Liability of Trustees), 17 (Indemnity) and Schedule 1, clause 1.8 (Eligibility of Trustees) be adopted.

Definition of Dates

39. **Discussion Point:** That the definitions of Trust Expiry Date, Determination Date and Termination Date be updated to reflect the extension of the maximum duration of the Trust.
40. **Motion:** That the proposed amendments to clauses 1.1(h) (definition of Determination Date), 1.1(z) (definition of Termination Date) and 1.3 (Trust Expiry Date) be adopted.

Election Rules

41. **Discussion Point:** That the rules of elections be updated to reflect best practice, including by updating clause 3.5(b) (Roll Compilation) to avoid contravening the Privacy Act 2020 and allowing electronic voting processes.
42. **Motion:** That the proposed amendments to Schedule 1, clause 3.5 (Rules of Election) be adopted.

Introductory Provisions

43. **Discussion Point:** That the Background information in the Deed be updated to reflect the history of the Trust and the Deed and the purpose of the Deed amendment. Following consideration of submissions, the Trustees will consider whether to add an explicit reference to the fact that King Country Energy Limited established the Trust.
44. **Motion:** That the proposed amendments to the Background be adopted, provided that paragraph A of the Background will read as follows: "The Trust was originally established by King Country Energy Limited and the original trustees on the terms set out in the 1993 Deed dated 18 June 1993, and as further amended and consolidated in the Deed dated 19 October 2011".

Removal of King Country Energy Limited as a Party

45. **Discussion Point:** That King Country Energy Limited be removed as a party to the Deed and from the execution (signing) provisions for the Deed.

46. **Motion:** That the proposed amendments to the Parties and the execution panel be adopted.

Modernisation and Technical Amendments

47. **Discussion Point:** That various modernisation and technical amendments are made to the Deed, including changes to:
- reflect the current situation of the Trust
 - reflect changes in legislation;
 - reflect relevant technology developments such as virtual meetings; and
 - make it easier to read and understand the Deed.
48. **Motion:** That all of the remaining ancillary and technical amendments set out in the draft Trust Deed be adopted, together with any amendments approved by the Trustees as required to support any approved motion.

Written resolution

The Trustees note that they will formally record all amendments approved in motions passed at the meeting, or necessary to be made as a result of them, in a written unanimous resolution that will be prepared following the meeting, as required by the trust deed.