

Te Tātarakihi

October 2015





Te Tara Kowhai Orchard - Conversion to Turners and Growers Gold A19 in progress



Ahuareka Orchard - Hort 16 A fruit February 2015

Front Cover: Typical scene within the Trusts' forest showing pines still to be harvested, land that was harvested eighteen months previous and a stand of native forest in a gully.

Ngati Hine Forestry Trust – Panui 13

October 2015

Notice of the 2015 Annual General Meeting

We invite you as beneficial owners of the Trust to the 2015 AGM – Nau mai, haere mai ra e te iwi.

The arrangements for the hui are:

Venue: **Oromahoe Marae, Porotū Road, Oromahoe**

Date: **Saturday 31 October 2015**

Agenda

8.30 am Owner registration and morning tea

9.30 am Karakia and mihi

Meeting commences, Apologies, Trustee's Report, Financial Report for 2014/ 2015, Auditors Report, Appointment of auditors for 2015/2016, election for Trustees if needed

1.00 pm Karakia whakakapi

Lunch will be served at the conclusion of the hui.

Proxies:

A standard proxy form is to be completed by any owner who wishes to appoint another person to be their representative at the AGM election.

- To be valid and accepted by the Trust, the proxy form must be completed on the form attached to this newsletter (or down loaded from the web site www.ngatihine.maori.nz) and received by the Trust at least seven days in advance of the AGM, that is by 5 pm on Friday 23 October 2015.
- Late proxies will not be accepted after this date, or at the AGM.
- A schedule of proxies will be prepared and made available at the meeting.
- Photocopies of the proxy form are acceptable.
- Any mature, responsible person may be appointed as a proxy holder.

Nominations for election to be a Trustee:

A standard Trustee Nomination form is to be completed and signed by the proposer, seconder and nominee.

- Four of the seven Trustees are to stand down this year. They are Pita Paraone, Edward Beattie, Len Bristowe and Alex Critchfield.
- All nominations for Trustee must be in the form as attached to this newsletter, or by downloading it from the web site www.ngatihine.maori.nz
- Nominations for Trustees must be received by the Trust at least fourteen (14) days in advance of the AGM; that is by 5 pm on Friday 16 October 2015.
- Late nominations will not be accepted after this date or at the AGM.
- Two existing owners must nominate and second the nominee.
- The nominee must sign the form and should submit a statement of experience and capability (e.g. a CV) at least fourteen days before the meeting for consideration by the owners at the AGM, that is, by 5pm on Friday 16 October 2015
- Photocopies of the nomination form are acceptable.

Voting For Trustees:

The only people who are able to vote at the AGM election for Trustees are:

- Those who are recorded as individual owners on the Maori Land Court schedule of owners.
- Proxy holders for whom proxy forms were submitted seven days before the AGM.

Voting forms, if required, will be provided at the registration desk on the day of the AGM.

Election Process and Counting of Votes Options:

The current Trust Order states that the election for Trustees shall be carried out as follows:

- 4.8.7 If the number of valid nominations for the position of Trustee received by the Trust under clause 4.8.5 hereof exceeds the number of vacancies, then an election shall be held at the annual general meeting in such manner as the person acting as Chair of the meeting shall direct, provided however that:

- (1) Voting will be by secret ballot.

- (2) Before the election process commences, the Chair of the meeting shall determine from the meeting as to how the votes will be counted which will be either: -

BY Individual Beneficial owners present at the meeting or represented by proxy with each Beneficial owner or proxy of a Beneficial owner having one (1) vote;

OR:

If requested by at least twenty (20) individual Beneficial owners present at the meeting: -

BY a poll vote where the matter shall be determined by the Beneficial owners or their proxies voting in accordance with their shares or the shares represented by them.

Therefore, at the beginning of the election part of the agenda the Chairman will determine from those beneficial owners present or their proxies as to whether or not the votes will be counted by a poll vote (i.e. in accordance with their number of shares) or by one person/one proxy one vote.

Once the method of counting votes has been determined the nominees for the position of Trustee will be invited to address the meeting prior to the owners casting their vote.

Other Information

Harvesting of the Matawaia Forest:

The harvesting of the 416 hectares of the Matawaia pine forest crop is well underway. Planting of the initial 90 hectares of a second rotation pine crop was undertaken this winter.

The Matawaia Forest pine crop is owned by Taitokerau Forests Ltd (TFL) which has a forestry right (which is similar to a lease) over the trees. This means TFL own the trees. TFL awarded the Harvesting and Marketing contract to the Ngati Hine Forestry Trust and Kiwi Forestry International Ltd 50/50 Joint Venture Partnership Company.

This partnership involves the harvesting and marketing of the Matawaia first

rotation crop and for the planting and management for 28 years of the second rotation crop of the Matawaia Forest area.

This 50/50 JV partnership has a number of advantages to the beneficial owners; these being:

- The Trust being directly involved in the harvesting and marketing operation to ensure that employment opportunities for local people and contractors are maximised.
- The cost of planting the second rotation and managing the crop for 28 years will be met from income generated by undertaking the harvesting and marketing contract with TFL meaning that no cash is required from the Trust
- At the time of harvest of the second rotation crop in 28 years the Trust will receive 50% of the harvest proceeds
- The Trust will also receive the Crown grant monies via TFL during the current harvest as provided for in the loan arrangements with the Crown.

Despite the subsidiary companies of Kiwi Forestry; Harvest Pro and Smith and Davies ceasing to operate in March 2015 the entities involved in the Trust's JV partnership with Kiwi Forestry have continued operating.

Pita Tipene is a Director of TFL.

Ruatangata Forest – Trustees Forest Area (TFA):

This is an area of the forest comprising some 430 hectares of forest crop, which until February 2015 was included in the lease to TPL 4 with the forest crop owned by the lessee TPL 4 (Taumata Plantations Limited).

The Trustees successfully completed negotiations with the lessee TPL 4 and the Trust's mortgagee Housing New Zealand, which saw this forest area removed from the lease and the ownership of the pine forest crop transferred to the Trust at no cost. This action was undertaken in line with the Trust's strategic direction to become active managers of the assets of the beneficial owners, as opposed to being a passive landlord.

The Trustees also believe that by having gained 100% ownership and control of the Ruatangata Forest the Trust will be better placed to maximise the financial returns from this forest area for the benefit of you the owners.

After a comprehensive tender and due diligence process the Trust appointed Northland Forest Managers (1995) Limited as the Trust's harvesting and marketing contractor to manage the harvest and sale of the pine crop.

Harvesting is likely to commence between January to May 2016 if log prices are at a level that will ensure that a worthwhile profit is obtained.

Kiwifruit Orchards:

As you will be aware Psa V has arrived in Kerikeri two years ago with around 60 orchards being identified as having Psa V to date.

The Trust last year commenced a process to convert the Trust's orchards to other varieties of kiwifruit that are less susceptible to Psa V and also to be more profitable with respect of the Trust's three Green kiwifruit orchards. Last year one orchard Te Tara Kowhai was converted to A19 a Turners and Growers Gold variety. This year Ahuareka orchard has been converted from Gold Hort 16 A to Zespri Gold 3 with conversion of the remaining two orchards planned to take place over the ensuing years.

Manuka Honey:

During 2013 the Trust established a small joint venture as a trial with the aim, if successful, of establishing what is hoped to become over time a significant new business activity. This trial 50/50 joint venture of 50 hives with Tai Tokerau Honey Limited provided very promising outcomes with evidence that the Trust's forest lands are capable of sustaining a manuka honey operation.

The Trust has since established two separate 50/50 joint venture partnerships as the next step to the Trust's entrance into the manuka honey industry.

The first 50/50 joint venture is with Tai Tokerau Honey Ltd, building on the initial trial JV two years ago. This company is owned and operated by Rob Murray who has whanau links to Ngati Hine and resides in Ahipara. Rob Murray is a long established and successful beekeeper. This JV is an incorporated joint venture for which a Company called Puawai Honey Limited has been formed. Each party owns 50% of the company.

Puawai Honey Limited currently owns 450 single brood bee hives and so long as this enterprise remains successful it is intended to increase the number of hives on a gradual basis over time. The hives within this JV have been located on a number of other locations as well as on part of the Trust's forest lands

The second JV is with Nga Bush Honey Limited a company owned by local resident and bee keeper Jim Ngawati. This is a smaller unincorporated 50/50

joint venture operating predominately on part of the Trust's forest land comprising a total of 120 hives.

Considerable work has taken place researching and analysing how best the Trust should expand its manuka honey business including looking at cooperative models. The decisions to be made around how this business is to expand will be made during the coming year once due diligence activities are completed.

Review of Te Ture Whenua Maori Act 1993:

This Trust is administered in terms of Te Ture Whenua Maori Act 1993.

The Government has drafted a new Te Ture Whenua Maori bill for consultation to reform the governance and management of Maori land;

The proposed changes proposed within the bill will:

- Support and promote the retention and use of Maori land by its owners;
- Empower Maori land owners to pursue their aspirations for the sustainable development of their land;
- Enable Maori land owners to make decisions without needing Maori Land Court approval and encourage owner participation;
- Respect the intrinsic cultural significance of Maori land; and
- Provide an effective alternative to litigation to resolve disputes.

Full details can be obtained from Te Puni Kokiri web site www.tpk.govt.nz

The Future:

The Trustees remain focused on the Trust's strategic plan which concentrates, over time, on becoming 'active' managers of our collective assets after being 'passive' custodians since the Trust began.

As advised to the owners last year the Trustees are engaged in a process to develop an Alternative Land Management Model for the Trust's forests lands (based predominately on native species) and that it is called the **Paparata Kaupapa**; the vision and mission for this kaupapa are:

Te Pae Tawhiti – Vision

Our lands flourish with native flora and fauna providing a strong basis for commercial activities and enhanced well-being for our people.

Kaupapa – Mission

To restore our lands to native forest and apply sustainable activities to maximize the well-being of our people.

This Paparata Kaupapa takes a very long term view as to how the Trustees wish to see the whenua develop and evolve over time. The timeframe to change the current mono culture pine to native species is estimated to take 150 to 200 years. Last year the Trustees talked about mechanisms that could be used to transform as much of the pine harvested forest as possible into native forest through various initiatives including involving the community in some of the activities.

Considerable further work and research has been undertaken to find a way that the Paparata Kaupapa can be implemented that is achievable and affordable. To this end the Trust has had undertaken a land utilisation and mapping study to a fine level of detail of the Trust's 5,500 hectares of forest land. This information is now being analysed with the view to develop at a reasonably detailed level a land management plan that will underpin the implementation of the Paparata Kaupapa.

Research is also ongoing with respect of the potential income that could be gained from using nutraceutical elements derived from native plants for commercial purposes. Should such a business be developed within this space then the income could be used to offset the costs of implementing the Paparata Kaupapa and also to replace the income currently being received from the Trust's forest owning lessees when those leases expire. The Trust's entry into the manuka honey business also forms part of this objective to replace forest rental income, all of which will end no later than 2021.

In Summary:

Over the past year or so the Trust has undertaken the conversion of two orchards to two new kiwifruit varieties, has obtained the surrender from the lessee TPL 4 of the Ruatangata Forest and appointed a harvesting and marketing contractor to manage the harvest of this forest.

The Trustees have also undertaken work to further develop the manuka honey and nutraceutical businesses and has advanced detailed analysis which will underpin the eventual implementation of the Paparata kaupapa.

Na reira haere mai, nau mai, piki mai ra koutou



Pita Tipene
Chairman

Ngati Hine Forestry Trust Trustees:

Pita Tipene (Chairman)

Pita Cherrington (Deputy Chairman)

Edward Beattie

Pita Paraone

Alex Critchfield

Peeni Henare

Len Bristowe

Contact Details

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P O Box 108, Whangarei 0140



Ngati Hine Forestry Trust

PO Box 108, Whangarei 0140

Note – To be valid, this form must be received in the hands of the Trust at least fourteen days in advance of the annual general meeting, i.e. 5 pm on Friday 16 October 2015

Trustee Nomination Form

(Refer clause 4.8.5 of the Trust order)

We, (Name of proposer)

and(Name of seconder)

are beneficial owners in the Trust (i.e., recorded as beneficial owners in Ngatihine H2B on the schedule of owners maintained by the Maori Land Court) hereby nominate:

.....
(Name of Nominee – block letters)

of
(Address and phone numbers of Nominee – block letters)

as a candidate for the office of Trustee at the next General Meeting scheduled for Saturday 31 October 2015 or any adjournment thereof.

SIGNED thisday of2015

..... (Signature of Beneficial Owner - proposer)

..... (Signature of Beneficial Owner - seconder)

I (Name of nominee – block letters) hereby consent to this nomination and submit (to the Trust) a statement of my experience and capabilities for consideration by the Beneficial Owners at the General Meeting. I further consent to this statement being published in the Trustees annual or interim report to the Beneficial Owners or being otherwise presented to the Beneficial Owners at the General Meeting.

..... (Signature of Candidate)

Page 2 - The Fifth Schedule of the Trust Order

Desirable Qualities for Prospective New Trustees

Te Ture Whenua Maori Act 1993 - Section 222:

The Maori Land Court when considering whether or not to appoint a Trustee shall have regard to the ability, experience, and knowledge of the individual and shall not appoint an individual unless the Court is satisfied that the individual is broadly acceptable to the beneficiaries.

Trustee Qualities:

The Beneficial owners have directed that all Trustees and prospective Trustees will have the following qualities to provide the Trust with proper governance:-

The Trustees will be:-	The Trustees will have: -
Professional & competent	Knowledge of the Trust order
Committed to the Trust and all of the owners	Knowledge of the business of the Trust
Personally successful	Integrity
Experienced & respected	Proven leadership
Impartial	Time available for the Trust's business
Prudent but innovative and entrepreneurial	Ability to focus on big (Governance) picture issues
Personally accountable	No personal agendas
Able to work as part of a team	

Trustees Responsibilities' to Lenders:

The Trust has mortgages and other securities with both Westpac Banking Corporation and Housing New Zealand Corporation.

Both of these lenders have imposed certain conditions and requirements in terms of compliance within their loan agreements.

These requirements include that both lenders will give approval to the appointment of any new Trustee.

Both lenders will undertake credit reference and other checking as part of this process.

Both lenders have indicated that people with criminal convictions or who have been or are adjudged bankrupt will not be considered suitable in terms of their criteria.

This approval process is in addition to the process of approval by the Maori Land Court.

Once a new Trustee is approved by both lenders, the new Trustee will be required to sign a deed of assumption agreeing to take on the liabilities and responsibilities of the loan agreements entered into by previous Trustees.

Ngati Hine Forestry Trust

PO Box 108, Whangarei 0140

www.ngatihine.maori.nz

Note – to be valid, this form must be physically received by the Trust at least seven days in advance of the annual general meeting, i.e. 5 pm Friday 23 October 2015

Proxy Notice Form

(Refer clause 4.8.6 of the Trust Order)

I,(block letters)

of

Number of Shares?:.....

being a beneficial owner of the Ngati Hine Forestry Trust (i.e. recorded as a beneficial owner in Ngatihine H2B on the schedule of owners maintained by the Maori Land Court), hereby appoint:

..... (block letters)

of

or failing him/her, (block letters)

of

as my/our proxy to vote for me/us on my/our behalf at the General Meeting of the Trust, to be held on 31 October 2015 and at any adjournment thereof.

SIGNED thisday of2015

Signature of beneficial owner:

SIGNED in the presence of:

(Signature of Witness)

Full name of witness (block letters):

Occupation:

Address:

.....