

Te Tumu Kaituna 14 Trust

Proposed Trust Order Review

The trustees propose the following amendments to the Trust Order for discussion and approval.

1. <u>Clause 3 (a)</u>	
<i>CURRENT CLAUSE</i>	<i>PROPOSED NEW CLAUSE/AMENDMENTS</i>
In furtherance of the objects of the Trust and except as hereinafter may be limited to do all or any of the things which they would be entitled to do if they were the absolute owners of the land PROVIDED HOWEVER that the Trustees shall not alienate the whole or any part of the fee simple by gift or sale other than by way of exchange on the basis of land for land value and then by Court Order or in settlement of a proposed acquisition pursuant to the Public Works Act or similar statutory authority.	In furtherance of the objects of the Trust and except as hereinafter may be limited to do all or any of the things which they would be entitled to do if they were the absolute owners of the land PROVIDED HOWEVER that the Trustees shall not alienate the whole or any part of the fee simple by gift or sale other than in pursuance of an order of the Court under section 135 and/or section 137 of the Act and other than for roads, utilities, services, reserves to serve the land or in settlement of a proposed acquisition pursuant to the Public Works Act or similar statutory authority.
<i>COMMENTS</i>	<i>This variation will assist the Trust with accessing development funding and facilitate land improvements and rationalising the land for development.</i>
2. <u>Clause 3 (b) (i)</u>	
<i>CURRENT CLAUSE</i>	<i>PROPOSED NEW CLAUSE/AMENDMENTS</i>
To acquire any land or interest in land whether by way of lease purchase exchange or otherwise PROVIDED HOWEVER that no purchase or exchange shall be effected except through the agency of the Maori Trustee or by such other means as shall ensure that the land so acquired can be vested in the appropriate beneficiaries as Maori freehold land and be made subject to the Trusts hereof.	To acquire any land or interest in land shares or assets whatsoever whether by way of lease purchase exchange or otherwise.
<i>COMMENTS</i>	<i>Any land purchased by the trustees can be so purchased without the assistance of the Maori Trustee and any land purchased should be held as general land, so the trustees are free to deal with that land, without the restrictions of the Te Ture Whenua Maori Act. The new clause also empowers trustees to acquire any other assets for the benefit of the trust and to facilitate land matters under the future land development programme.</i>

<u>3. Clause 3 (b) (viii) – Power to Pay Own Costs</u>	
<i>CURRENT CLAUSE</i>	<i>PROPOSED NEW CLAUSE/AMENDMENTS</i>
From the revenues derived from the operation of the Trust to pay all costs expenses and disbursements incurred by them including the costs of any person employed by them in the administration of the Trust and of any Advisory Trustees or in the furtherance of any of the objects of the Trust, and if approved by the Court, including also the reasonable fees costs and travelling expenses of the Trustees in attending the meetings of the Trust or in respect of any Trust business and it is hereby agreed that the meeting fees shall be fixed at \$100 gross per meeting for each Trustee attending to a maximum in each income year of \$12,000.00 .Travelling expenses are also allowed at rates approved from time to time by the Inland Revenue Department rates.	From the revenues derived from the operation of the Trust to pay all costs expenses and disbursements incurred by them including the costs of any person employed by them in the administration of the Trust and of any Advisory trustees or in the furtherance of any of the objects of the Trust, including also the reasonable fees costs and travelling expenses of the trustees in attending the meetings of the Trust or in respect of any Trust business, at a meeting fee of \$300 gross for each trustee for each meeting or attendance to Trust business meeting plus travelling expenses at rates as approved from time to time by the Inland Revenue Department.
<i>COMMENTS</i>	<i>The Trustees fees were set in 1999 and the new level reflects an appropriate rate paid to Trustees of similar Ahu Whenua Trusts.</i>

<u>4. Clause 3 (b) (x) – Power to Distribute</u>	
<i>CURRENT CLAUSE</i>	<i>PROPOSED NEW CLAUSE/AMENDMENTS</i>
Subject to their being satisfied that proper provision has been made for reserves as referred to in clause 3(b)(vi) hereof to distribute to the beneficial owners in accordance with their share the whole or such part of the net proceeds as the trustees shall in their sole discretion from time to time determine with power to pay monies to the Maori Trustee for the purpose of effecting a distribution to the beneficial owners.	Subject to their being satisfied that proper provision has been made for reserves as referred to in clause 3(b)(vi) hereof to distribute dividends to the beneficial owners in accordance with their share or by way of grants in lieu of dividends to shareholders, on such terms as agreed with owners, the whole or such part of the after tax profit as the trustees shall in their sole discretion from time to time determine.
<i>COMMENTS</i>	<i>This amendment removes the reference to making distributions through the office of the Maori Trustee and provides for clarity by including the power to pay grants instead of dividends, which power is contained in s 218 of the Act.</i>

5. Clause 4	
CURRENT CLAUSE (PART)	PROPOSED NEW CLAUSE/AMENDMENTS
..... <u>PROVIDED HOWEVER THAT</u> any Trustee attending on Trust business not involving a trustee meeting shall be entitled to an attendance fee of \$100 plus travelling expenses at rates approved from time to time by the Inland Revenue Department. <u>PROVIDED HOWEVER THAT</u> any Trustee attending on Trust business not involving a trustee meeting shall be entitled to an attendance fee of \$300 gross plus travelling expenses at rates approved from time to time by the Inland Revenue Department.
COMMENTS	<i>This will line up the clause with 3 (b) (viii)</i>

6. New Clause	<i>To form companies or partnerships and to subscribe for and acquire shares in companies or make loans to companies or partnerships under the companies Act 1993 or the Limited Partnerships Act 2008 and to adopt and change constitutions to further the interest of the Trust to enable the companies or partnerships to be managed to facilitate the overall objects of the Trust PROVIDED THAT the Trustees may be paid fees including those based on fees expected to be paid to directors in commercial enterprises in similar business which the Directors are involved and the Trustees are entitled to retain the same provided that they shall ensure that the details of such fees are included in the annual accounts of the companies or partnerships.</i>
COMMENTS	<i>This clause will authorise the Trustees to establish companies or partnerships to facilitate the better ongoing development of the Trust and operational management and continuity.</i>
	PROPOSED NEW CLAUSE/AMENDMENTS
7. Clause 7 (a) (ii) (ii) No general meeting shall be deemed to be constituted unless at least 30 beneficial owners are present in person throughout the meeting.	(ii) No general meeting shall be deemed to be constituted unless at least 20 beneficial owners are present in person throughout the meeting.
COMMENTS	<i>Reduces the annual meeting Quorum to 20 in line with other Trusts.</i>

8. Registration of Land Titles

The 2002 amendments to Te Ture Whenua Act 2003 include the ability under S220A for land titles to be registered in the name of a Trust or Tipuna Trust rather than the names of Trustees. The advantage of doing this would be that every time a Trustee resigns, retires or dies it will no longer be necessary to change the names of Trustees on all of the land Titles. S220A allows a certificate to be issued by a Registrar of the Maori Land Court certifying who the Trustees are and this a much simpler, faster and more cost effective way of dealing with future changes of Trustees and administration of future land development.

The proposed Resolution is:

RESOLVED: “That in terms of Section 220A (4) (c) of Te Ture Whenua Act 1993 the Trustees are authorised to direct the Registrar- General of Land that land registered or registrable under the Land Transfer Act 1952 be registered in the name of Te Tumu Kaituna 14 Trust.”

Moved.....

Seconded.....