

File Ref: 10/1

3 August 2010



PROPOSED CHANGES TO DEED OF TRUST

It is the Trust's practice to carry out a review of the election process and the associated Trust Deed provisions prior to each triennial election. The Trust, at its meetings held on 27 April 2010, 22 June 2010 and 27 July 2010, confirmed it proposes to make the following changes to its Trust Deed:

Rules Governing the Appointment, Retirement and Proceedings of the Trustees

THAT Rule 2.1 be amended to provide for the maximum number of Trustees to be seven (7) and the minimum number of Trustees to be five (5), with the quorum being four (4).

THAT Rule 2.18 regarding eligibility to vote be amended for clarity.

THAT Rule 2.20 be amended to accommodate postal delivery timeframes so that postal votes post-marked on or before the Election Date, and received by the Electoral Officer by noon on the 6th day after the Election Date, are valid.

The Trust has recently undertaken a benchmarking exercise with other lines trusts in New Zealand and has concluded that the proposed number of Trustees is appropriate.

During the 2008 election a substantial number of votes were invalid and unable to be counted because they were received after the Election Date, despite being post marked on or before Election Date. The Trust wishes to amend the Rules to accommodate postal delivery timeframes.

Full details of the current rules and the proposed changes are attached, and the Trust invites submissions from the public on the proposed changes.

Note: Submissions on the proposed changes must be received at the Trust office by **4.00pm, Friday 17 September 2010.**

An opportunity to be heard by the Trust on submissions lodged will be given, if requested. A date and time will be advised after the close of submissions.

All written submissions will be available to the public after the closing date.

Tricia Finn
MANAGER

1st Floor, WEL House, Cnr London & Victoria Streets, P O Box 1336, Hamilton 3240
Ph: (07) 838 0093 Fax: (07) 838 0070
Email: admin@welenergytrust.co.nz
Web: www.welenergytrust.co.nz

REVISED RULES

AMENDMENTS TO EXISTING RULES 2 AND 16 IN THE SCHEDULE OF RULES GOVERNING THE APPOINTMENT, RETIREMENT AND PROCEEDINGS OF THE TRUSTEES

ORIGINAL

2.0 APPOINTMENT AND ELECTION OF TRUSTEES

2.1 Number:

- (a) The number of TRUSTEES shall be eight (8).
- (b) If at any time the number of TRUSTEES falls below eight (8) and is not less than six (6) the remaining TRUSTEES may, but are not required to, appoint a person or persons to fill the vacancy or vacancies until the next election.
- (c) If the number of TRUSTEES is less than six (6), the remaining TRUSTEES must hold an election in accordance with Rules 2.12 to 2.29 inclusive to elect a person or persons as TRUSTEES, so that the number of TRUSTEES is at least six (6). If an election date for the election of TRUSTEES required by this clause (c) is within 12 months of the next scheduled triennial election, the TRUSTEES may resolve that the next scheduled triennial election be brought forward, with the Rules in this Schedule applying to that election. No change to the date of the next scheduled triennial election under this clause will affect the date of any subsequent election.

PROPOSED

2.0 APPOINTMENT AND ELECTION OF TRUSTEES

2.1 Number:

- (a) The number of TRUSTEES shall be **seven (7)**.
- (b) If at any time the number of TRUSTEES falls below **seven (7)** and is not less than **five (5)** the remaining TRUSTEES may, but are not required to, appoint a person or persons to fill the vacancy or vacancies until the next election.
- (c) If the number of TRUSTEES is less than **five (5)**, the remaining TRUSTEES must hold an election in accordance with Rules 2.12 to 2.29 inclusive to elect a person or persons as TRUSTEES, so that the number of TRUSTEES is at least **five (5)**. If an election date for the election of TRUSTEES required by this clause (c) is within 12 months of the next scheduled triennial election, the TRUSTEES may resolve that the next scheduled triennial election be brought forward, with the Rules in this Schedule applying to that election. No change to the date of the next scheduled triennial election under this clause will affect the date of any subsequent election.

ORIGINAL

2.18 **Eligibility to Vote:** The following provisions shall apply:

- (a) Every ELECTOR on the Roll will be entitled to one (1) vote.
- (b) Voters must vote for not more than eight (8) candidates.

PROPOSED

2.18 **Eligibility to Vote:** The following provisions shall apply:

- (a) Every ELECTOR on the Roll will be entitled to participate in the voting.
- (b) If First Past the Post is the electoral system selected by the TRUSTEES for the election, voters will have one vote for each unfilled position.

ORIGINAL

2.20 **Closure of the Poll:** A vote is invalid, and cannot be counted, unless the Electoral Officer receives the voting paper not later than noon on the Election Date ('Closure of the Poll').

PROPOSED

2.20 **Closure of the Poll:** A vote is invalid, and cannot be counted, unless:

- (i) The Electoral Officer receives the voting paper not later than noon on the Election Date, or
- (ii) For votes sent by post, the voting envelope is post-marked prior to noon on the Election Date and is received by the Electoral Officer not later than noon on the sixth day after the Election Date (in each case, 'Closure of the Poll').

ORIGINAL

16.0 **Quorum**

A quorum at meetings of the TRUSTEES will comprise 50% of the number of TRUSTEES holding office.

PROPOSED

16.0 **Quorum**

A quorum at meetings of the TRUSTEES will comprise four (4) TRUSTEES.
