

# Statement of Intent

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**For InfraCore Ltd**

**For the three years commencing 1 July 2021**

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## 1. INTRODUCTION - HE MIHI

Tūtawa mai i runga  
Tūtawa mai i raro  
Tūtawa mai i roto  
Tūtawa mai i waho  
Kia tau ai te mauri tū  
Te mauri ora ki te katoa  
Haumi ē. Hui ē. Tāiki ē!

This Statement of Intent (SoI) is prepared in accordance with Section 64(1) of the Local Government Act 2002. The SoI specifies for InfraCore Limited the objectives, the nature and scope of the activities to be undertaken, and the performance targets and other measures by which the performance of the company may be judged in relation to its objectives.

The SoI is a public and legally required document, reviewed and agreed annually with the Shareholder, Rotorua Lakes Council (RLC) and covers a three year period. RLC has entered into partnership with Te Arawa and therefore InfraCore is also reflecting this partnership throughout the SOI.

Contact details for both the Chairman and Chief Executive Officer are at InfraCore's registered office:

Address:

1061 Haupapa Street, Rotorua  
Private Bag 3029, Rotorua  
Telephone: 07 348 4199

Email: [Information@Infracore.co.nz](mailto:Information@Infracore.co.nz)

InfraCore Limited is a Council-Controlled Organisation (CCO) for the purposes of the Local Government Act 2002. It was originally formed under the name Rotorua Contracting Limited with the name being changed to InfraCore Limited in February 2017.

## 2. NATURE AND SCOPE OF ACTIVITIES – NGĀ MAHI

### 2.1 Core Work

InfraCore is a Council Controlled Organisation created as a social enterprise to deliver essential services to Rotorua Lakes Council, and its residents and visitors. InfraCore is in the business of maintaining, managing and constructing infrastructure and facilities assets. The company's main service offerings are:

- Asset management of above and underground infrastructure assets including planned and reactive activities, life cycle data analysis and capital build activities.
- Maintaining and constructing parks infrastructure, including but not limited to public gardens, reserves, playgrounds, sports fields and tree surgeon services.
- Maintaining and constructing drinking water, wastewater and storm-water infrastructure networks.
- Civil construction and maintenance work associated with transport solutions including footpath, paving and street furniture type assets.
- Providing janitorial services, street cleaning and maintenance services for public and park infrastructure assets.

- Cemetery and Crematorium management and operation services.
- Nursery services, including plant propagation, sale, lease and care services.
- Project management of capital budget works from build through to asset management of new and existing infrastructure networks.

InfraCore's traditional capabilities are in the management of the programming and physical execution of these works and as such we employ a wide variety of field staff, with a diverse array of skills and capabilities.

## 2.2 Emergency Response

As the core provider of asset management and reactive maintenance of core public infrastructure (including fresh and storm water, and waste water capabilities) InfraCore provides a 24/7 callout response to localised incidents and issues to its clients.

Beyond this, as the Rotorua Lakes Council's CCO delivering essential services, InfraCore has multiple resources that can be drawn upon almost instantly in times of emergency including civil defence situations. These include:

- A large site that can be used to house a control centre, plant and equipment, emergency supplies and temporary accommodation.
- A management team that can be used to coordinate operations and direct field staff.
- A dispatch centre that can be used as a diverse call centre to field resident calls and information distribution.
- Assisting the community to gain access to Te Arawa marae facilities.
- A workflow management system that can be used to coordinate and prioritise workflow during emergency situations.
- 150 field staff covering a plethora of work types, all of which can be used to conduct emergency tasks.
- Various plant and equipment that can be used for emergency related tasks.

## 3. PURPOSE, VISION, STRATEGY AND OBJECTIVES – NGĀ WHĀINGA, KIA KŌKIRI

### 3.1 Purpose

A **social enterprise** is an organization that applies commercial strategies to maximize improvements in financial, social and environmental well-being.

Infracore's purpose is to partner and support the Rotorua Lakes Council operational requirements in alignment with the Vision 2030 – The Rotorua Way.

InfraCore is committed to developing partnerships with Te Arawa Iwi and Hapū and to also align its operational requirements to the Te Arawa 2050 Vision, and the aspirations of Mana Whenua.

For Infracore as a business, this translates into improving the quality of life for Rotorua residents and visitors by cultivating and maintaining the areas in which they work and play. We do this by ensuring that the essential services are delivered appropriately and efficiently.

In summary, InfraCore's purpose is to:

- Partner with Rotorua Lakes Council and Te Arawa Mana Whenua in creating liveable communities.
- To offer asset management and social enterprise opportunities and solutions in order fulfil RLC's 2030 and support the Te Arawa Vision 2050 goals and the aspirations of Mana Whenua.
- Provide high quality, cost effective solutions efficiently to fulfil RLC's 'Vision to Action' priorities.
- To deliver the core services as contracted to InfraCore:
  - service and maintain Rotorua's Parks and Open Spaces to predetermined Council specified standards
  - construct and maintain Rotorua's Waters infrastructure by conducting planned and unplanned maintenance activities
  - maintain the CBD and Premium sites with city cleaning activities
  - propagate and supply of nursery products both to service the CBD flower bed displays and wider Bay of Plenty residents
- Operate the business in an efficient and sustainable way; to be able to clearly demonstrate that goods and services delivered are to industry standard and compliant to all laws, by-laws and Industry standards. Where practicable, best practice should be followed.
- To work in partnership with Local and Central Government to actively support local youth and adult return to employment initiatives; to explore wider opportunities to support social good and well-being initiatives in order to further contribute towards the well-being of Rotorua Incorporated (Rotorua Inc).
- To provide Rotorua Lakes Council an increased flexibility and partnership model that isn't present with pure commercial arrangements, including the delivery of services and projects that are not currently contracted out to InfraCore.

### 3.2 Vision

InfraCore has a vision to become a cornerstone to delivering the Rotorua Lakes Council priorities, many of which are invisible to the residents and visitors. By acting in partnership and operating efficiently, InfraCore will become the partner of choice not only by delivering a quality product, but by also delivering other tangible benefits to the region.

InfraCore is committed to work in partnership to assist in delivering the goals in the Te Arawa 2050 vision and acknowledges the values identified by Te Arawa whānui. InfraCore's manaakitanga will show through the quality service and through the ability to provide sustainable employment opportunities. Te Arawa Mana Whenua values and tikanga will shape the way in which InfraCore completes work in the rohe in which it operates. InfraCore will provide a sustainable opportunity where leadership and collaboration will be encouraged and supported. We will work together with the Te Arawa Mana Whenua entities to gain efficiency and cost advantage through economies of scale and size and to assist Te Arawa to achieve the goals identified in the seven strategic directions of the 2050 vision, and contribute to the aspirations of Mana Whenua Iwi and Hapū.

InfraCore is committed to working with central and local Government to deliver positive social outcomes, by providing an opportunity for Rotorua residents to constructively enter or re-enter the workforce and to break the cycle that leads to negative life choices. In the long-term, this will reduce the burden on the ratepayer and lead to more positive, sustainable outcomes that provide a bright future for Rotorua inc.

InfraCore is committed to treating our employees with respect and dignity, and to operating to our company values. We believe that this is necessary to provide workers with an employment status that allows them build a life and to contribute towards the Rotorua region as active members of the community. InfraCore supports the belief that active employment contributes towards making positive life choices and therefore supports Rotorua Incorporated.

InfraCore will achieve this by:

- Aligning and partnering with Rotorua Lakes Council vision and providing an unprecedented level of flexibility.
- Aligning behaviours to the values identified in the Te Arawa 2050 vision and partnering with Te Arawa Iwi and Hapū.
- Aligning and partnering with Mana Whenua in the rohe in which we operate
- Aligning and partnering with Central Government departments including the Ministry of Social Development and The Corrections Department
- Strategically partnering with 3<sup>rd</sup> party suppliers in order to further increase the level of opportunity.
- Creating opportunities for Rotorua residents, to work locally in an environment that is meaningful to them.
- Setting our standards high and paying an appropriate wage, and in turn enable workers to live with dignity and to participate as active citizens in the Rotorua Region.
- Being a good place to work, by supporting our employees to be the best that they can be.
- Growing to become a high quality, high value organisation that delivers more than operational outcomes for the region, the employee and the ratepayer.

### 3.3 Strategy

Infracore will diligently manage its business under strong leadership in order to deliver upon our vision. The creation of key metrics will allow benchmarking and provide transparency and accountability of unit costs, with clear Key Performance Measures to provide accountability for operational delivery.

To achieve our Vision InfraCore will:

- Partner and align ourselves to the Rotorua Lakes Council Vision 2030 key outcomes; maintain alignment by means of a robust governance structure including regular executive meetings.
- Partner with and ensure that Te Arawa Iwi and Hapū values and tikanga feature in our work.
- Live by our InfraCore Values that are aligned with delivering the best outcomes for Rotorua Lakes Council, their residents and the InfraCore Board of Directors, in partnership.
- Keep our people and public safe: by using best practice lead and lag indicators InfraCore will demonstrate that we are a safe and caring employer.
- Invest in our people by means of wellbeing, creating career opportunities, and building upon our existing skills and competencies base.
- Provide transparency to RLC; confidence will continue to be enhanced by providing increased visibility of unit costs versus deliverable outcomes.
- Develop a network of strategic alliances in order to lower unit costs and strengthen our position and market capability.
- Work with national and local organisations to deliver socioeconomic outcomes, leveraging off of the opportunity for InfraCore to offer fit for work type work programmes to fulfil labouring portions of capital works projects.

In order to facilitate our vision InfraCore will:

- Understand our financial position and manage investment and debt strategically.
- As part of partnering with RLC leverage off of all resource sharing opportunities by utilising resources made available from our Board of Directors and our Shareholder to deliver best value.

- Operate as an efficient supplier offering value for money services rendered.
- Reinvest profit into capital investment, to further increase our capability and capacity.
- Work with government departments to offer placements that result in social enterprise opportunities for the betterment of Rotorua inc.

### Key Business Metrics

In order to continually improve our efficiencies and partnership value InfraCore will measure our key business metrics. This will allow us to:

- Constructively seek capital investment to strengthen our balance sheet; re-evaluate our biological assets to meet standard valuation methodologies.
- Strategically grow the business over a 3 year period, focussing on partnering with RLC, alignment, investment and sustainable growth.
- Invest in our people and continue to strengthen our leadership team.
- Manage our risks and opportunities via a robust risk governance structure.
- Devise robust measure to monitor the level of social enterprise that InfraCore delivers to Rotorua inc.

### Risk

InfraCore will manage our risk profile by:

- Introducing a strengthened governance structure and discipline, to be reviewed quarterly at Board level.
- Means of using a robust risk profile methodology based upon unmitigated risk, mitigation actions and residual risk management. All mitigations are to have actions, owners and a timeline.
- Recording operational risks and opportunities against budget, to be reviewed monthly.

InfraCore will manage its funding investment over time by:

- Driving efficiencies to generate a profit margin; reinvesting margin into capital expenditure.
- Work with RLC on asset management principle partnership opportunities; explore design / construct and maintain opportunities with Rotorua Lakes Council for targeted asset management.

### Retaining work

It is essential that InfraCore continues to deliver the essential services to Rotorua Lakes Council and its residents. In order to retain work Infracore needs to:

- Work together with RLC maintaining a high standard of work and solid relationships
- Be able to clearly demonstrate the *value* that we add to Rotorua Incorporated, both financially and from a well-being and social enterprise perspective
- Be able to demonstrate beyond reasonable doubt that we are a safe and compliant operator, and that we care for our people
- Be competitive on a 'like for like' delivery basis; use best practice wherever practicable
- Partner and align with Rotorua Lakes Council; understand how we can further increase our value proposition to our key client and shareholder
- Demonstrate an enhanced level of flexibility to Rotorua Lakes Council as the InfraCore shareholder; demonstrate that InfraCore continues to add value by being more flexible than a purely commercial partner
- By retaining the existing contracted work InfraCore are able to encourage economic plough back into Rotorua by means of sustaining positive employment opportunities for the local people

### Growing the InfraCore business

To maximise our efficiencies InfraCore will seek additional work outside of, but complimentary to the Rotorua Lakes Council portfolio. In order to achieve this InfraCore needs to:

- Be efficient
- Be competitive
- Be trusted in the market, with a good reputation and solid safety record

### Social Enterprise

Aside from technical delivery InfraCore will contribute towards the social well-being of Rotorua incorporated. In order to deliver these outcomes InfraCore will:

- Partner with local and national organisations. Create opportunities for people that are disadvantaged due to their personal history and / or long term beneficiaries, to break the cycle and reintroduce them back into the workplace
- Engage with the local community and seek realistic opportunities to assist
- InfraCore will expect realistic support from RLC to enable delivery of the social enterprise element. For Capital and operational project works InfraCore expects to be supported by means RLC adopting a social procurement process whereby InfraCore's social contribution is scored appropriately

### 3.4 Objectives

In order to achieve our Vision InfraCore has set a number of objectives. These are:

- To live and operate by our **Ngā Mātāpono | Values**
  - **Dynamic** – be flexible and innovative. Be proactive, progressive and energetic
  - **Authentic** – Do what we say, be committed to our community. Have the courage to speak up
  - **Accountable** – take ownership for what needs to be done. Take responsibility to get things done. Deliver only quality solutions
- Our underlying principle as an organisation will always be fair and respectful; in nature, workmanship and pricing methodologies,
  - To our people
  - To our customers and stakeholders
  - To Mana Whenua
  - To our whenua and wai
- Health, Safety Environment and Well-being
  - To lead and create a positive HSE culture where human, flora and fauna, wellbeing and the wider environment is understood, valued and protected.
- To drive for positive socioeconomic opportunities leading to positive outcomes for Rotorua's disadvantaged
  - To partner with local and national organisations
  - To partner with RLC to be awarded work packages that support the social enterprise element, with tender submissions evaluated under social procurement terms
- To drive for Innovation and Client Engagement
  - To partner with RLC and to deliver on our commitments, obligations and promises



- To be courageous and to actively seek new ways and methodologies to reduce costs
- To present win : win prices to RLC as our partner
  
- People, Capability and Team Engagement
  - To lead a motivated and competent team
  - To invest in the skills and competencies required to deliver the contracted outcomes
  
- Financial and Commercial
  - To deliver on the Budgetary commitments, to be monitored by means of key metrics
  - To ensure solid financial discipline to drive positive cash flows
  - Sound Capital Investment decisions are made in alignment with the desired outcomes
  
- Continual Improvement and Process Simplification
  - To achieve and maintain ISO 9001 and 45001 Standards
  - To maximise the use of technology, and the systems deployed
  - To review all processes with an intent to eliminate waste and to drive efficiency

## 4. GOVERNANCE – TE MANA WHAKAHAERE

### 4.1 Board Role and Responsibility

InfraCore's Board of Directors is responsible for the corporate governance of the company within the parameters of the governance framework as set down in the company's constitution.

The Board and management are committed to ensuring the company operates to the recognised principles of best practice governance and adheres to high ethical standards.

### 4.2 Responsibility to the Shareholder

InfraCore's Board of Directors is appointed by the Shareholder, and is responsible for the direction and control of the company's activities.

The primary objective of the Board is to build long-term Shareholder value with due regard to other stakeholder interests. The Board does this by setting strategic direction and context and focusing on issues critical for its successful execution.

The role and responsibilities of the Board are formalised in the Board Charter, which is reviewed periodically. The purpose of the Board Charter is to provide high standards of corporate governance and clarify the Board's role and responsibilities. Some of the Board's responsibilities are delegated to Board Committees and the role and responsibilities of those committees are similarly set out in charters for those committees.

The Board has approved a formal delegated authority framework for management under which the Board has delegated to the Chief Executive Officer the day-to-day leadership and management of the company.

The Board endorses and adheres to the principles of the Institute of Directors of New Zealand and the Four Pillars of Governance Best Practice for New Zealand Directors.

### 4.3 Board Composition

The company's Constitution provides that the Board will consist of between four and six Directors. Currently the Board comprises six independent non-executive Directors.

Directors retire and are eligible for re-appointment after serving the term for which they were appointed, but no director may serve more than three consecutive terms. The Shareholder has the right to appoint the Chairperson of the Board while the Board must elect the Deputy Chairperson for such periods as it sees fit.

The Board supports the separation of the role of Chairman and Chief Executive Officer. The Chairman's role is to manage and provide leadership to the Board and to facilitate the Board's interface with the Chief Executive Officer.

### 4.4 Board Members

(As at 1 June 2021)

- John McRae (Chair)
- Vivienne Scott
- Brent Whibley
- Geoffrey Rolleston (appointed 1 May 2021)
- Onno Mulder (appointed 1 May 2021)
- Tupara Morrison (appointed 1 May 2021)

## 5. FINANCIALS – TE KETE PŪTEA

### 5.1 Financial Overview

The financial management focus for InfraCore is to build robustness, flexibility and agility into the business.

As such the following are the key objectives;

- Ensuring InfraCore's core services are self-sustaining financially, able to cover the businesses core direct, indirect and reasonable overhead costs.
- Ensuring the business is able to tolerate reasonable market and work volume fluctuations
- Driving efficiency and productivity improvements in existing operations, supported by key metric reporting to drive ongoing improvements
- Building the financial capacity within the business to support investment in developing the capacity and capability of the organisation.
- Remain competitive within the wage market to ensure we retain quality employees and are able to remunerate fairly our organisation.

## 5.2 Financial Performance Targets

<b>Profit &amp; Loss Projection - For the year ending 30 June 2022</b>	<b>Budget \$'000s</b>
<b>Revenue</b>	
Revenue from Rotorua Lakes Council	11,528
Revenue from other sources	658
Project Revenue	1,863
Nursery Revenue	918
<b>Total Revenue</b>	<b>14,968</b>
Direct Costs	2,659
Staff Costs	9,241
Training and Development	256
Overhead Costs	2,670
<b>Total Expenses</b>	<b>14,912</b>
<b>EBITDA</b>	<b>333</b>
Depreciation and Amortisation	273
Interest Expense	4
<b>Net Profit/(Loss) Before Taxation</b>	<b>56</b>

<b>Balance Sheet Projection – As at 30 June 2021</b>	<b>Budget \$'000s</b>
Current Assets	4,591
Non-Current Assets	1,860
<b>Total Assets</b>	<b>6,451</b>
Current Liabilities	1,223
Non-Current Liabilities	2,810
<b>Total Liabilities</b>	<b>4,033</b>
<b>Net Assets</b>	<b>2,418</b>
Share Capital	2,366
Retained Earnings	52
<b>Total Equity</b>	<b>2,418</b>

## 6. DISTRIBUTIONS TO THE SHAREHOLDER – TE RERE O NGĀ HUA

In accordance with the RLC's long term planning assumptions InfraCore's social enterprise intent, InfraCore is not forecasting to generate any dividend for its shareholder over the next three years.

Should a situation arise where distributions to the shareholder could be considered, the Board will take into account the following elements in any distribution it may consider:

- The Company's working capital requirements
- Maintenance of the desired ratio of equity to total assets
- The retention of an appropriate level of earnings for reinvestment in the business and capital needs

## 7. PERFORMANCE TARGETS – NGĀ ĀHEINGA

### 7.1 Key performance measures

The performance measures outlined in Table 4 reflect the key metrics the company has set to track its success in pursuing its objectives as outlined in this Sol.

**Table 4 – Performance Targets**

	<b>Performance measure</b>	<b>Target for FY22</b>	<b>Target for FY23</b>	<b>Target for FY24</b>
<b>1</b>	To achieve financial budget	To achieve financial budget allowing any future surpluses to be used to enhance business capability.	To achieve financial budget allowing any future surpluses to be used to enhance business capability.	To achieve financial budget allowing any future surpluses to be used to enhance business capability.
<b>2</b>	To secure additional revenue within this financial year that upon completion has a positive contribution to margin.	To secure additional revenue streams within the financial year that increases EBITDA compared to budget. This will be measured upon project completion, and monitored on a monthly basis.	To secure additional revenue streams within the financial year that increases EBITDA compared to budget. This will be measured upon project completion, and monitored on a monthly basis.	To secure additional revenue streams within the financial year that increases EBITDA compared to budget. This will be measured upon project completion, and monitored on a monthly basis.
<b>3</b>	Consolidated KPI scoring Parks and Open Spaces	80%	80%	80%
<b>4</b>	Consolidated KPI Utilities	80%	80%	80%
<b>5</b>	Targeting full employee engagement with Health and Safety	90%	95%	98%
<b>6</b>	Individual performance plan in place per employee	100%	100%	100%
<b>7</b>	Develop and document social enterprise project of work (Can include project specific, contracts or MoU's achieved or maintained in the period)	1	2	3
<b>8</b>	Understand the satisfaction level of the beneficiaries of the social enterprise's activities from a community stakeholder perspective (via Engagement survey or written comms) *note 1	80%	85%	90%

	<b>Performance measure</b>	<b>Target for FY22</b>	<b>Target for FY23</b>	<b>Target for FY24</b>
<b>9</b>	Partner with Te Arawa (contributing towards Te Arawa Vision 2050) and Mana Whenua through collaboration with a Te Arawa Iwi and Hapū entities.	1 entity	3 entities	5 entities
<b>10</b>	Development and implementation of InfraCore reorua strategy. Commitment to Rotorua Reorua. Increased cultural awareness within our organisation.	Development of InfraCore reorua strategy and implementation of Y1 initiatives.	Implementation of Y2 initiatives.	Implementation of Y3 initiatives.

Note1: Engagement survey to be undertaken post-employment for each beneficiary to measure their satisfaction in accordance with Noya, A. (2015), "Social Entrepreneurship - Social Impact Measurement for Social Enterprises", *OECD Employment Policy Papers*, No. 10, OECD Publishing, Paris, <https://doi.org/10.1787/5jrtpbx7tw37-en>.

## 8. RELATIONSHIP WITH THE SHAREHOLDER – WHANAUNGATANGA

### 8.1 No Surprises

The company will operate on a 'no surprises' basis in respect of significant Shareholder-related matters, to the extent possible in the context of commercial sensitivity and confidentiality obligations. Any sensitive issues that could result in media attention or issues will be communicated to the Shareholder as soon as possible.

### 8.2 Reporting Requirements

Quarterly reporting will be presented to the Rotorua Lakes Council and the O&M Board accordingly. Monthly reporting will be presented to the InfraCore Board of Directors.

#### 8.2.1 Statement of Intent

The statement of Intent will be presented to the Shareholder annually, as required by the Local Government Act 2002. The Directors will include any other information they consider appropriate. Where appropriate, revised forecasts will be submitted to the Shareholder when required.

#### 8.2.2 Annual Report

An Annual Report will be submitted to the Shareholder within three months of the end of the financial year. The report will include the information required to be included by:

- (a) Sections 68 and 69 of the Local Government Act;
- (b) the Statement of Intent; and
- (c) the Companies Act.

This will include audited financial statements and such other information as necessary to permit an informed assessment of the company's performance and financial position during the reporting period.

### 8.2.3 Half yearly reporting

Half yearly reports will be provided to the Shareholder. These reports will include financial results for the year to date, performance compared to Sol and an operational overview. It will also report on health and safety practices and performance within the company.

### 8.3 Commercial Relationship with the Rotorua Lakes Council (RLC) Group

InfraCore acknowledges that there may be commercial opportunities within, or in partnership with, other group companies that can be developed to benefit InfraCore, RLC and the Rotorua region. InfraCore will work actively with other RLC group companies to explore any opportunities that could be mutually beneficial.

InfraCore as a purchaser of materials and equipment, actively participates in the “All of Government” procurement initiative to maximise the value from this spend.

## 9. ACQUISITION / DIVESTMENT PROCEDURES – NGĀ TIKANGA HOKO/TUKU RAWA

The subscription or acquisition of securities in any company or organisation, or a divestment of part of the existing business, will only be considered where it is consistent with the long-term commercial objectives of InfraCore.

When the subscription, acquisition or divestment is considered by Directors to be significant to the company’s business operations, it will be subject to consultation with the Shareholder. Major transactions as defined by the Companies Act 1993, Section 129(2), will be subject to the Shareholder’s approval by special resolution.

Where the company decides to incorporate or subscribe for shares in subsidiaries to undertake its commercial activities, the company will ensure effective management. Board control of any subsidiary is exercised by InfraCore’s Directors and staff.

## 10. SPECIAL SHAREHOLDER REQUESTS – NGĀ TONO MOTUHAKA

At the request of the Shareholder, the company may undertake activities that are not consistent with normal commercial objectives. Specific financial arrangements will be entered into to meet the full commercial cost of providing such activities. Currently, no such activities are undertaken or contemplated.

## 11. ACCOUNTING POLICIES – NGĀ KAUPAPA HERE TIAKI PŪTEA

The financial statements for the company are prepared in accordance with New Zealand Generally Accepted Account Practice (NZ GAAP) and in accordance with the Public Benefit Entity Standards Reduced Disclosure Regime (PBE-RDR). The financial statements also comply with the Companies Act 1993, the Local Government Act 2002 and the Financial Reporting Act 1993. A full set of accounting policies are available on request and will be detailed in each annual report the company produces.

## 12. COMPENSATION – TE UTU

Contracts for services as required will be entered into between the Company and its clients.

The Company may, at its discretion, seek reimbursement for any redundancies and loss of overhead recovery resulting from a loss of work streams removed from the current service offering.

Other than the above the Company will not be seeking any other compensation.

### **13. ESTIMATE OF COMMERCIAL VALUE OF SHAREHOLDERS INVESTMENT – TE HAUMITANGA, TE HUA**

Effective 30 June 2022, InfraCore's projected balance sheet valuation is estimated to be **\$2.4m**.