

Subject: Gisborne Holdings Ltd - Governance

Prepared by: Lindsay McKenzie (Chief Executive)

Meeting Date: 29 July 2010

Report to COUNCIL for decision

SUMMARY

Council will be aware that the Directors of Gisborne Holdings Limited (GHL) have undertaken a process to amalgamate Tauwhareparae Farms Limited (TFL) and Tauwhareparae Holdings Limited – the surviving entity. The process has been completed and I have sighted the certificates of amalgamation and incorporation of the new company. The name of the surviving entity was changed to Tauwhareparae Farms Limited in the process. These actions were endorsed by Council as shareholder and supported by your staff.

The Directors have met to discuss the future corporate governance and directorships of the companies now that the Port Companies Act does not apply. The Directors seek the advice of Council as shareholder on those matters. The Chairman (Mark Egan) has been authorised to liaise with Council on the governance options considered most appropriate for GHL and TFL given the purpose of the amalgamation.

Although there is no urgency this is the right time to review the company constitutions to ensure that they meet the shareholder's and companies' needs. The provisions relating to the number of directors (currently 3 – 9) need review. The statement of intent for TFL will also need to be updated.

One way forward would be to invite the Chairman to the August Finance & Monitoring Committee meeting and to report the outcome of that meeting through to the August meeting of Council for adoption; including with advice about the process.

RECOMMENDATIONS

That the Council

1. receives the report
2. invites the Chairman of Gisborne Holdings Limited to the August Finance & Monitoring Committee meeting for an in-committee discussion on future company governance and directorships with a view to obtaining Council's endorsement of the outcome and process at its August meeting.