

Statement of Intent

For InfraCore Ltd

For the three years commencing 1 July 2022

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1. INTRODUCTION - HE MIHI

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

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 (CCO) created as a commercially sustainable strategic partner to Rotorua Lakes Council to aid in the delivery 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 arborist 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.

In addition to the core offerings, InfraCore also has a capability to deliver professional services such as financial accounting services, Human resources including recruitment and training services, and HSEQ advisory services.

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 management, supervisory and 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 with wastewater 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 Service 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

Infracore will deliver the services as outlined in the service level agreements (SLAs) within a business model that is commercially sustainable, able to generate the appropriate surplus to service InfraCore's existing liabilities, and ongoing asset investment and business growth requirements. InfraCore and RLC will work in partnership to offer an unprecedented level of flexibility towards delivering all existing services, and any other that may be deemed appropriate by both parties into the future.

Rotorua Lakes Council are committed in supporting InfraCore to deliver the commercial and sustainable outcomes in partnership, as outlined in this statement of intent. InfraCore is committed to operating with purpose in alignment with the 7 goals of the Rotorua Lakes Council, contributing to the overall thriving community.

1. Tiakana to taiao | Enhanced Environment
2. He huarahi hōu | Employment Choices
3. He hāpori pūmanawa | A Resilient Community
4. Kāinga noho kāinga haumaruru | Homes that match needs
5. Whakawhanake pākihi | Business Innovation + Prosperity
6. Waahi pūmanawa | Vibrant City Heart
7. Papa whakatupi | Outstanding places to play

In addition to the commercial viability of the company, InfraCore is committed to delivering sustainable outcomes in accordance with the intent of Te Tiriti o Waitangi, best business practice, and the United Nations sustainable development goals framework¹. RLC support this direction of travel and support InfraCore's continued efforts to deliver upon this purpose. This is to include:

- Deepen our relationships with Māori through early and meaningful engagement, protect taonga tuku iho, and provide opportunities for Māori at Infracore [TToW Article 1, 2, 3; UN Goal 8; RLC Goal 1, 2 and 3]
- Create full and productive employment; pay our employees in accordance with fair and reasonable rates [TToW Article 3; UN Goal 1,8; RLC Goal 2]
- Promoting good health and wellbeing of our staff, and to value the diversity of the communities in which we operate [TToW Article 1, 2; UN Goal 3, 10; RLC Goal 5,6]
- Explore opportunities to increase community resilience with employment and training pathways through partnership/working agreements [TToW Article 1, 3; UN Goal 11; RLC Goal 6]
- Achieving gender equality, and valuing equal participation in decision making within InfraCore [TToW Article 1; UN Goal 5; RLC Goal 3, 5]

3.2 Vision

“To work in partnership with RLC delivering sustainable and commercial outcomes in accordance with the intent of Te Tiriti o Waitangi. To become the primary asset management provider in the rohe creating thriving communities by means of providing employment and training opportunities across the region”.

As a Council Controlled Organisation (CCO) we are well positioned to act in partnership to deliver the key operational objectives of Council. Over the past 3 years we have invested in quality systems and processes to drive efficiencies throughout our business. We understand our contractual obligations and are well positioned to deliver upon them effectively, as supported by our ISO9001 accreditation. Today's InfraCore provides a solid foundation on which to build a sustainable contracting arm of Council that is capable of delivering upon RLC's 7 strategic goals, in particular opening up employment and training opportunities that build resilient and sustainable communities. And because InfraCore is a CCO and the Shareholder is RLC, the economic plough back into the local economy is unprecedented and by far exceeds any alternative procurement model available to RLC. We are confident, ambitious and are ready for sustainable growth.

InfraCore is committed to working in partnership with Māori. This includes delivering the goals of the Te Arawa 2050 vision, and acknowledges the values identified by Te Arawa whānui. InfraCore will assist Te Arawa to achieve the goals identified in the seven strategic directions of the 2050 vision. InfraCore's manaakitanga will show through our quality service and through our ability to provide sustainable employment opportunities.

Mana Whenua values and tikanga will shape the way in which InfraCore completes work in our rohe. InfraCore will provide a sustainable opportunity where leadership and collaboration will be encouraged and supported. We will work with Mana Whenua trusts and entities to share efficiency gains and cost advantage through economies of scale and size.

InfraCore is committed to working with central and local Government to deliver sustainable 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 the Rotorua region.

¹ United Nations Sustainable Development Goals <https://sdgs.un.org/goals>

InfraCore will always treat our employees with respect and dignity, and to operating in accordance with our company values. We support paying an appropriate wage and believe that this is necessary to provide workers with an employment status that allows them to 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 sustainable communities.

In order to facilitate our vision InfraCore will:

- understand our financial position and manage investment and debt strategically.
- in partnership with RLC leverage off of all resource sharing opportunities by effectively drawing upon resources made available from our Board of Directors, and RLC as our Shareholder to deliver best value.
- operate as an efficient partner and, in collaboration with RLC, explore alternative contractual mechanisms that provide best value outcomes for the Rotorua rate payer
- operate as a fair and responsible employer, one that values its employees and treats them with respect and dignity
- reinvest surplus into debt repayment and capital investment to further increase our capability and commercial resilience over time.

3.3 Strategy

Infracore will diligently manage its business under strong leadership. The creation of key metrics will allow operational and commercial benchmarking and provide transparency and accountability of production rates and unit costs, with clear and appropriate performance measures in place to provide accountability for operational delivery.

To achieve our Vision InfraCore will:

- keep our people and public safe and well, by using best operational processes supported with best practice governance systems InfraCore will demonstrate that we are a safe and caring employer.
- align and partner with Rotorua Lakes Council vision and provide an unprecedented level of flexibility; partner and align ourselves to the Rotorua Lakes Council Vision 2030 key outcomes; maintain alignment by means of a partnership approach underpinned by a robust governance structure that includes regular meetings and strategic workshops
- work in collaboration with RLC to achieve long term security of committed work volumes, underpinned by revenue rates that support sustainability in accordance with the InfraCore purpose and vision.
- setting our standards high and paying an appropriate wage, in turn this will enable workers to live with dignity and to participate as active citizens in the Rotorua Region.
- partner with and ensure that Mana Whenua values and tikanga underpin 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
- invest in our people by means of creating career opportunities and training pathways that build upon our existing skills and capabilities.
- Where appropriate, InfraCore will strategically partner with 3rd party suppliers in order to further increase our level of capability and capacity

- align and partner with Central Government departments (including but not limited to the Ministry of Social Development and The Corrections Department) to create employment and training opportunities for local residents; to create a circuit breaker for long term beneficiaries
- provide transparency to RLC; confidence will be maintained by providing increased visibility of unit costs versus deliverable outcomes, risk and opportunity, and gain share / partnership mechanisms.

Key Business Metrics

Over the past 2 years InfraCore have invested heavily in data capture systems, process improvement and analytical capability. Field data capture allows InfraCore to manage the business effectively and provides confidence in the value that InfraCore is delivering. This capability also provides important inputs into our continuous improvement programme, with is designed to drive out unnecessary costs by focussing on resource utilisation and production rates, amongst other elements.

All key metrics and value driver metrics are made visible via dashboard reporting that can be tailored to our client's needs. All data is accurate and is shared in real time with our clients. This information is critical to the way we do business and allows us to:

- clearly report value drivers and our resource utilisation and production rates in a transparent and meaningful way
- Navigate through work volume peaks and troughs, and to redeploying resources to where they are required on the day
- understand our people development opportunities allowing us to constructively invest in our resources to increase employee engagement and motivation
- manage our risks and opportunities via a robust risk governance structure,
- strategically grow the business over a 3-year period, focussing on partnering with RLC, alignment, investment and sustainable growth,
- develop robust measures that measure and monitor the sustainable outcomes that InfraCore delivers to the Rotorua community.

Risk

InfraCore will manage our risk profile by:

- continuing with our established governance structure and discipline, to be reviewed at the quarterly Audit, Risk and Finance subcommittee,
- using our established and 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:

- Working with RLC to reset the SLA terms and associated rates to support the purpose of Infracore as outlined in section 3.1 of this Sol
- driving efficiencies to generate a surplus, reinvesting this surplus into capital expenditure, debt repayment and other sustainable actions

- Work with RLC on asset management principal partnership opportunities; explore design / construct and maintain opportunities with Rotorua Lakes Council

Ongoing work

The current portfolio supports InfraCore's indirect costs and organisational operating structure. We are committed to working in partnership with RLC to ensure that we deliver to industry standards, and to explore further opportunities together to leverage off of the current business capabilities. By retaining the current portfolio, InfraCore are able to:

- leverage opportunity from the existing business capability, which includes first class and accredited systems and processes to deliver outstanding results (HSE / Finance / HR / Training / Operations)
- provide sustainable outcomes in accordance with the UN sustainability goals, this includes economic plough back by means of creating positive employment opportunities for local people who live and work in the Rotorua region
- demonstrate that we are a safe and compliant operator, and that we care for our people
- partner and align with Rotorua Lakes Council; understand how we can further increase our value proposition to our key client and shareholder,
- work in partnership with RLC to deliver predefined outcomes and to a high standard, which in turn protects the viability and sustainability of the CCO into the future,
- demonstrate an enhanced level of flexibility to Rotorua Lakes Council as the InfraCore shareholder; demonstrate that InfraCore continues to add additional value by being more flexible than a purely commercial partner.

Sustainability

InfraCore will sustainably deliver the contracted services in accordance with the components of building a thriving community. This includes the wellbeing of our staff, their personal development and the creation of employment and training pathways. In order to deliver these outcomes InfraCore will:

- work in alignment with the UN Sustainable Development Goals framework
- work with RLC to uplift the wate rate framework to reflect the living wage
- partner with local and national organisations; create opportunities for people that are disadvantaged due to their personal history and reintroduce them back into the workplace, in a supported and respectful manner
- InfraCore will expect realistic support from RLC to enable delivery of the sustainability element. For open tendering opportunities InfraCore expects our sustainability purpose to be supported appropriately by the procurement evaluation process.

3.4 Objectives

In order to achieve our Vision InfraCore has set a number of objectives. The objectives in this section reflect and build on the Purpose, Vision and Strategy outlined above. 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

- Health, Safety, Environment, Sustainability and Well-being
 - To lead and create a positive Health, Safety, Environment, Sustainability and Well-being 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 with consideration for broader social outcomes.

- 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 maintain ISO 9001 and achieve 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 2022)

Member	Appointed
John McRae (Chair)	10 August 2015
Vivienne Scott	9 January 2019
Brent Whibley	9 January 2019
Geoffrey Rolleston (appointed 1 May 2021)	1 May 2021
Onno Mulder (appointed 1 May 2021)	1 May 2021
Tupara Morrison (appointed 1 May 2021)	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 Shareholders Funds to Total Assets Ratio

The Shareholder Funds to Total Asset Ratio is projected to be 68%. That means for every dollar of assets, the shareholders have a claim to 68 cents of that dollar.

5.3 Financial Performance Targets

Profit & Loss Projection - For the year ending 30 June 2023	Budget \$'000s
Revenue	
Revenue from Rotorua Lakes Council	12,160
Revenue from other sources	2,238
Project Revenue	3,300
Nursery Revenue	678
Total Revenue	18,376
Direct Costs	3,699
Staff Costs	10,836
Training and Development	354
Overhead Costs	2,961
Total Expenses	17,850
EBITDA	525
Depreciation and Amortisation	435
Interest Expense	13
Net Profit/(Loss) Before Taxation	78

Balance Sheet Projection – As at 30 June 2022	Budget \$'000s
Current Assets	2,538
Non-Current Assets	2,195
Total Assets	4,733
Current Liabilities	1,356
Non-Current Liabilities	130
Total Liabilities	1,486
Net Assets	3,247
Share Capital	2,366
Retained Earnings	881
Total Equity	3,247

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

	Performance measure	Target for FY23	Target for FY24	Target for FY25
1.	To achieve financial budget	To achieve financial budget allowing any future surpluses to be	To achieve financial budget allowing any future surpluses to be	To achieve financial budget allowing any future surpluses to be

		used to clear long-term debt and to enhance business capability.	used to enhance business capability.	used to enhance business capability.
2.	To work in partnership with RLC to grow the InfraCore capability into new commercially sustainable work streams.	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.
3.	Consolidated KPI scoring Parks and Open Spaces	83%	85%	87%
4.	Consolidated KPI Utilities	83%	85%	87%
5.	Targeting full employee engagement with health and safety.	80%	85%	90%
6.	Employee net promoter score percentage increase on a year on year basis. Assists with overall retention and satisfaction. <i>How likely are you to recommend our business as a place to work for your whānau and friends?</i>	Increase by 20%	Increase by 20% (July 2023)	Increase by 20% (July 2024)
7.	Annualised turnover target	47%	40%	35%
8.	Partner with Te Arawa (contributing towards Te Arawa Vision 2050) through collaboration with a number of Te Arawa trusts or entities.	2 Entities	2 Entities	2 Entities
9.	Number of employees engaged in external qualifications supported by InfraCore as a percentage of total headcount.	15%	20%	25%
10.	Commitment to Rotorua Reorua. Increased cultural awareness within our organisation.	2 x initiatives	3 x initiatives	4 x initiatives

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 MOTUHAKE

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**.