

Report 16.489
Date 7 November 2016
File CCAB-8-849

Committee Council
Author Cr Chris Laidlaw, Council Chair

Appointment of directors to Council companies

1. Purpose

To appoint councillors as directors of WRC Holdings Limited and to remove certain existing directors from the Board of WRC Holdings Limited.

2. Policy on appointment and remuneration of directors

The Council is required to have a policy on the appointment and remuneration of directors of council organisations. The Council's holding company, WRC Holdings Limited, has two subsidiaries, Port Investments Limited and Greater Wellington Rail Limited.

The Council's policy sets out that there should be a common board of directors for all the WRC Holdings Group of companies.

The policy states that there should be a mix of independent and elected member directors. The constitution allows for between four and seven directors. Council can determine the mix between independent directors and Councillors.

The policy provides the default position that elected member representatives are not entitled to director fees unless the Council specifically resolves otherwise.

3. Directors

3.1 Current directors

Peter Blades and Samantha Sharif (Deputy Chairperson) are currently external directors of WRC Holdings Limited, and its two subsidiaries.

Prue Lamason (Chairperson), Barbara Donaldson, Christopher Laidlaw and Nigel Wilson were appointed in the 2013-2016 triennium as elected member directors.

Elected member directors remain in place until 31 December 2016, or until such time as they are either removed by the shareholder or resign.

3.2 Proposed director arrangements

3.2.1 External directors

Samantha Sharif is available to remain as an external director.

Peter Blades has advised that he will be resigning as a director with effect from 15 December 2016.

Officers are in the process of identifying a new potential external director.

3.2.2 Elected member directors

It is proposed that Christopher Laidlaw and Nigel Wilson be removed as directors.

It is proposed that Roger Blakeley, Barbara Donaldson, Prue Lamason and Ian McKinnon be appointed for the 2016-19 triennium as elected member directors.

3.2.3 Chairperson

Currently, Prue Lamason is appointed by Council as Chairperson of WRC Holdings Limited. It is proposed that an external director (to be determined) be appointed as Chairperson of WRC Holdings Limited with effect from 1 January 2017; Prue Lamason will become Deputy Chair of the company from this time.

While it is proposed that Prue Lamason remain as Chairperson until 31 December 2016, I propose that she does not receive payment for this role with effect from the date of the Council's resolutions relating to this report.

A report will be provided to Council in December 2016 setting out a proposed Chairperson.

4. Appointment and removal process

Because these appointments are made under the Companies Act 1993 and company constitutions, there is a formal process of appointment by way of special resolutions. These will be as follows:

4.1 Appointment of directors

- a) As a sole shareholder in WRC Holdings Limited, the Council is required to resolve by way of a special resolution to appoint each of WRC Holdings Limited's directors.
- b) As sole shareholder of WRC Holdings Limited, the Council is required to consent to WRC Holdings Limited passing special resolutions to appoint directors to Port Investments Limited and Greater Wellington Rail Limited and Limited.
- c) WRC Holdings Limited as sole shareholder of Port Investments Limited, and Greater Wellington Rail Limited, is required to pass special

resolutions to appoint directors to Port Investments Limited and Greater Wellington Rail Limited and Limited. A meeting of the Board of WRC Holdings Limited is scheduled on 14 December 2016 to pass these resolutions.

4.2 Appointment of Chairperson

- a) As a sole shareholder in WRC Holdings Limited, the Council is required to resolve by way of a special resolution the Chairperson of WRC Holdings Limited.
- b) As sole shareholder of WRC Holdings Limited, the Council is required to consent to WRC Holdings Limited passing special resolutions to appoint the Chairperson of Port Investments Limited and Greater Wellington Rail Limited.
- c) WRC Holdings Limited as sole shareholder of Port Investments Limited and Greater Wellington Rail Limited, is required to pass special resolutions to appoint the Chairperson of Port Investments Limited, and Greater Wellington Rail Limited. A meeting of the Board of WRC Holdings Limited is scheduled on 14 December 2016 to pass these resolutions.

4.3 Resignation of director

- a) As Peter Blades has advised he will be resigning, no formal action is required by the shareholder. Peter Blades' resignation will take effect on 15 December 2016.

4.4 Removal of directors

- a) As a sole shareholder in WRC Holdings Limited, the Council is required to resolve by way of a special resolution to remove certain WRC Holdings Limited directors (i.e. Chris Laidlaw, and Nigel Wilson).
- b) As sole shareholder of WRC Holdings Limited, the Council is required to consent to WRC Holdings Limited passing special resolutions to remove certain directors of Port Investments Limited and Greater Wellington Rail Limited.
- c) WRC Holdings Limited as sole shareholder of Port Investments Limited, and Greater Wellington Rail Limited, is required to pass special resolutions to remove certain directors from Port Investments Limited and Greater Wellington Rail Limited. A meeting of the Board of WRC Holdings Limited is scheduled on 14 December 2016 to pass these resolutions.

5. Communication

The Council's decisions will be reported to the next meeting of WRC Holdings Limited.

6. The decision-making process and significance

The matters requiring decision in this report have been considered by officers against the requirements of Part 6 of the Local Government Act 2002.

6.1 Significance of the decision

Officers have considered the significance of the matter, taking into account the Council's significance policy and decision-making guidelines. Due to the procedural nature of this decision officers recommend that the matter be considered to have low significance.

Officers do not consider that a formal record outlining consideration of the decision-making process is required in this instance.

6.2 Engagement

Due to its procedural nature and low significance, no engagement on this matter has been undertaken.

7. Recommendations

That the Council:

1. *Receives the report.*
2. *Notes the content of the report.*
3. *As sole shareholder of WRC Holdings Limited resolves as a special resolution by way of the written resolutions contained within Attachment 1 to appoint and remove WRC Holdings Limited's directors.*
4. *Consents to WRC Holdings Limited, as the sole shareholder of Port Investments Limited and Greater Wellington Rail Limited, passing its shareholder resolutions to appoint and remove the directors set out in Attachment 1.*
5. *Resolves that no remuneration shall be paid to the Chairperson of WRC Holdings Limited from 16 November 2016 to 31 December 2016.*
6. *Requests that the Chair of the Council confirms this consent in writing to WRC Holdings Limited.*
7. *Authorises the Chief Financial Officer to affix the Council's Common Seal to the resolutions of the sole shareholder (Attachment 1).*

Report prepared by:

Cr Chris Laidlaw
Council Chair

Attachment 1: Shareholder resolutions