



NOTICE OF MEETING OF SHAREHOLDERS
RUAPEHU ALPINE LIFTS LIMITED

Having regard to the COVID-19 pandemic, Ruapehu Alpine Lifts Limited has decided to hold a special meeting of shareholders virtually. You will be able to vote and ask questions at the virtual meeting. Procedural notes on how to join and vote the meeting have been outlined in **Appendix A**.

Notice is hereby given that a Special Meeting of shareholders of Ruapehu Alpine Lifts Limited (“RAL” or “the Company”) will be held at:

Where: www.virtualmeeting.co.nz/RALLSGM21

When: Friday 26th November 2021 at 11:00am

BUSINESS OF THE MEETING

The Explanatory Notes in Appendix B provide background information to the proposed business of the meeting.

The business of the meeting will be to consider and, if thought fit, pass the following resolution:

As a Special Resolution - Restructure of the Assets and Business of the Company

That the Company transfer all of the Company’s business assets, debts and obligations into a new entity to be established at a date to be determined by the Board on or following 1 December 2021 with the consideration for the transfer of those assets and obligations being done such that Ruapehu Alpine Lifts Limited retains 100% of the new entity and that there is no change to the value of shareholder funds.

By order of the Board

Geoff Taylor, Chair
Director
8 November 2021



APPENDIX A: PROCEDURAL NOTES TO THE BUSINESS OF THE MEETING

VIRTUAL SPECIAL MEETING

Shareholders will only be able to attend and participate in the Special Meeting virtually via an online platform provided by Link Market Services at www.virtualmeeting.co.nz/RALLSGM21. To attend online via the virtual meeting platform, you will require your CSN/Holder Number for verification purposes.

Shareholders attending and participating in the Special Meeting virtually will be able to vote and ask questions during the Meeting. More information regarding virtual attendance at the Special Meeting (including how to vote and ask questions virtually during the Meeting) is available in the Virtual Meeting Online Portal Guide available at <https://bcast.linkinvestorservices.co.nz/generic/docs/OnlinePortalGuide.pdf>

VOTING ENTITLEMENT

The persons who will be entitled to vote on the resolutions at the Annual Shareholders' Meeting are those persons who will be the shareholders of Ruapehu Alpine Lifts Limited at 5.00pm on Wednesday, 24th November 2021.

The Chair will require voting at the Special Meeting to be conducted by poll, of the Company's shareholders entitled to vote and voting.

PROXIES

A shareholder who is entitled to vote at the meeting may appoint a proxy to attend and vote instead of the shareholder. A proxy need not be a shareholder.

If you appoint a proxy, you may either direct your proxy how to vote for you or you may give the proxy discretion to vote as they see fit. If you wish to give your proxy discretion, then you should make the appropriate election on the Proxy Form to grant your proxy that discretion. You will be deemed to have given your proxy discretion if you do not make an election in relation to the resolution.

The Chair of the Meeting or any other Director is willing to act as proxy for any shareholder who appoints him or her for that purpose. If, in appointing your proxy, you do not name a person as your proxy in the Proxy Form, or if your named proxy does not attend the annual meeting, the Chair of the Meeting will be your proxy and may vote only in accordance with your express direction.

Where the Chair of the Meeting or any other director is appointed as a discretionary proxy, the Chair of the Meeting and all other Directors intend to vote in favour of the resolution.

PROXY FORM

Accompanying this notice of meeting is a Proxy Form which, if used, must be lodged with Link Market Services Limited, in accordance with the instructions set out on the form by 11:00am on Wednesday, 24 November 2021.

Shareholders can elect to vote their proxies on-line by visiting <https://investorcentre.linkmarketservices.co.nz/voting/RALL> or by scanning the QR code on the Proxy Form with your smartphone. You will need to enter your Holder Number and Authorisation Code (FIN) to securely complete your proxy appointment.

MAJORITIES REQUIRED FOR RESOLUTIONS

The resolution which is to be considered at the Special Meeting is a **Special Resolution** which requires a majority of 75% of the votes of shareholders of RAL entitled to vote and voting at the Meeting (whether in person or by proxy)

“MAJOR TRANSACTION” - RESOLUTION 1 - Restructure of the Assets and Business of the Company

The proposal is a “major transaction” as defined in s.129 Companies Act 1993 because the value of the assets being transferred across to the new entity exceeds one-half of the value of the assets of the Company.

As a consequence, shareholders are required by law to approve the acquisition by special resolution. If the resolution is approved, the Companies Act provides that shareholders who vote against the proposal are entitled to require that the company buy back their shares at a fair and reasonable value determined as at the day prior to the date of the meeting. The Companies Act requires the Board of the Company to offer a price to these dissenting shareholders which the Board considers is fair and reasonable calculated at a date immediately preceding the date on which shareholder approval is sought, which, if rejected by dissenting shareholders, is required to be determined by arbitration.

Shareholders who vote against the resolution and who wish to exercise this right to require the Company to buy back their shares must within 10 working days of the passing of the resolution, give written notice that they require the company to buy back their shares.

APPENDIX B - EXPLANATORY NOTES

These explanatory notes provide background information to the proposed business of the meeting.

Resolution 1: as a special resolution - Restructure of the Assets and Business of the Company

The following notes provide background to and the reason for the proposal:

Requirement for restructure

The Company was incorporated in 1953 and is a public benefit entity with a constitutional requirement to reinvest all profits into the “*promotion and development of amateur mountain sports activities for the general public and the promotion and development of the Tongariro National Park area*”¹.

This structure has served us well, where through a combination of profits and life pass sales we have been able to give confidence to our lenders that we could borrow to finance both the working capital in the business and also some portions of the lifts. However, that came to an end last year when COVID-19 hibernation resulted in us securing emergency finance from our lenders (ANZ and MBIE). That position has worsened with the latest lockdowns and while our lenders have again supported us, retaining their support is conditional on us restructuring to allow new capital to flow into the business.

We accept the condition and acknowledge that it is lower risk for our lenders and in the best interests of our customers to accelerate the replacement of old lifts by sourcing new capital. So, there are two streams of work – the first is the company restructure to put us in the position to raise new capital, and the second is to raise new capital. The shareholder approvals being asked for are for the first stream of work only.

This first step simply creates a “New Entity” that will be 100% owned by RAL. By transferring all business assets and liabilities into a new entity all the positions of shareholders, creditors and staff will remain the same.

For the purpose of the company restructure business assets have been interpreted to comprise the following:

- Tangible and intangible property, plant and equipment (PPE) including freehold and leasehold interests in land and patents, trademarks and brands
- Licenses, permits, consents, tenancies
- Customer database
- Employment contracts

¹ Ruapehu Alpine Lifts Limited Company Constitution



- All Supplier contracts
- Business systems, manuals and know-how
- Life Pass finance plan
- Debtors
- Prepayments

For the purpose of the company restructure, business debts and obligations have been interpreted to comprise the following:

- Finance Lease liabilities
- Trade and other payables
- Bank Borrowings
- Revenue in advance of the upcoming season
- Life pass deferred revenue
- MBIE loan
- RDC loan
- Tourism Infrastructure bonds

If, at a later date, we then have an offer to invest in the New Entity we will then go through a separate and normal process of seeking shareholder approval. RAL Trust, as the controlling shareholder of RAL, had been consulted on our capital raising intentions, and indicated their support would be conditional on:

- Transparency with shareholders
- Life pass benefits being preserved
- Any new capital being introduced at fair value
- A shareholder vote being required
- Staff being protected in any transaction

It is with the above guidelines in mind that we would consider recommending any transaction to shareholders.