



RUAPEHU ALPINE LIFTS LIMITED
NOTICE OF ANNUAL SHAREHOLDER MEETING

SATURDAY 28 MAY 2022

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RUAPEHU ALPINE LIFTS LIMITED

NOTICE OF ANNUAL SHAREHOLDER MEETING

Notice is hereby given that the sixty-ninth Annual Shareholder Meeting (ASM) of Ruapehu Alpine Lifts Limited ("RAL" or "the Company") will be held on Saturday 28 May 2022 at 10:30am (NZT) upstairs in the Alpine Café at the Tūroa Ski Area, Top of the Ohakune Mountain Road, Mt Ruapehu, online via the Link Market Services virtual meeting portal at www.virtualmeeting.co.nz/ral22 and via telephone from New Zealand by dialling **0800 449 170** or from Australia by dialling **1800 896 574** (refer [Appendix A](#) for procedural notes to the business of the meeting).

BUSINESS OF THE MEETING

- **Apologies**

- **Chair's address**

- **Appointment of Directors Resolutions**

In accordance with Clause 32.3(a) of the Company's Constitution, Geoff Taylor and John Foley retire by rotation and, being eligible, have offered themselves for reappointment. The Board support these appointments.

In addition to those Directors retiring by rotation the Company has received two further nominations for the appointment of Directors.

In accordance with Clause 32.1 of the Company's Constitution, the number of Directors shall be not less than four nor more than six.

All four appointments have been put forward and will be voted on at the meeting.

Resolution 1: As an Ordinary Resolution – Re-elect Geoff Taylor to the Board of Directors

In accordance with the Constitution Geoff Taylor retires by rotation and, being eligible, offers himself for reappointment. Refer [Appendix B](#) for further information.

Resolution 2: As an Ordinary Resolution – Re-elect John Foley to the Board of Directors

In accordance with the Constitution John Foley retires by rotation and, being eligible, offers himself for reappointment. Refer [Appendix B](#) for further information.

Resolution 3: As an Ordinary Resolution – Elect Sam Clarkson to the Board of Directors

In accordance with the Constitution Sam Clarkson has been nominated and is eligible for election. Refer [Appendix B](#) for further information.

Resolution 4: As an Ordinary Resolution – Elect Robert Eller to the Board of Directors

In accordance with the Constitution Robert Eller has been nominated and is eligible for election. Refer [Appendix B](#) for further information.

- **Appointment of Auditor Resolution**

Resolution 5: As an Ordinary Resolution – Reappoint Deloitte as the auditor and determine remuneration

To confirm the reappointment of Deloitte as auditor and authorise the directors to determine their remuneration for the ensuing year.

- **Takeovers Code Resolutions**

Resolution 6: As an Ordinary Resolution – Approve past acquisitions of shares by the Ruapehu Alpine Lifts Trust (the “Trust”)

Refer [Appendix C](#) for explanatory notes and further information on resolution.

Resolution 7: As an Ordinary Resolution – Approve the increase in the Trust’s control percentage of voting securities following the 2019 forfeiture of shares

Refer [Appendix C](#) for explanatory notes and further information on resolution.

Resolution 8: As an Ordinary Resolution – Approve of historic changes in the Trustees of the Trust

Refer [Appendix C](#) for explanatory notes and further information on resolution.

- **Restructure of Assets and Business of the Company Resolution**

Resolution 9: As a Special Resolution – Approve the restructure of the Assets and Business of the Company

Refer [Appendix D](#) for explanatory notes and further information on resolution.

- **Shareholder Proposals and Resolutions**

In accordance with Clause 12 of the Company’s Constitution shareholders can provide written notice to the Board of a matter that the Shareholder proposes to raise for discussion or resolution at the next shareholder meeting. The following resolutions and proposals have been raised in accordance with Clause 12 of the Constitution. The shareholders that have raised these, and the Company, will speak to each resolution at the meeting before any voting is conducted.

Resolution 10: As an Ordinary Resolution – Approve the cost of legal advice sought by the RAL Trust to be funded by the Company and to report on it annually.

To approve that the Company, on written request on each occasion by the Trustees of RAL Trust, fund the cost of legal advice sought by RAL Trust for the purpose of making considered decisions it is required to make on matters affecting it and Ruapehu Alpine Lifts Limited, and in particular the cost of legal advice on seeking Directions from The High Court pursuant to Section 133 of The Trusts Act 2019; and that the Company report annually separately on the cost and purposes of funding so provided.

Refer [Appendix E](#) for explanatory notes and further information on resolution.

Resolution 11: As an Ordinary Resolution – Disclose the details of the Convertible Note as referenced in the letter of support by the RAL Trustees

Refer [Appendix F](#) for explanatory notes and further information on resolution.

Resolution 12: As an Ordinary Resolution – That the Directors issue shares to Life Pass Holders until the RAL Trust shareholding returns to its original 45%

Refer [Appendix G](#) for explanatory notes and further information on resolution.

Resolution 13: As an Ordinary Resolution – That the Directors issue shares under Regulation 7 of the RAL Constitution and amendments, until the RAL Trust shareholding returns to its original 45.5% AND that these shares be issued for a minimum share price of \$250 each and carry 1 vote, AND under Regulation 7.1 that these shares shall also be offered to all RAL Life Pass Holders.

Refer [Appendix H](#) for explanatory notes and further information on resolution.

Resolution 14: As an Ordinary Resolution – That the Directors advise what action they have taken in the last 24 months to refinance or restructure the short term ANZ debt with a long term facility or with another more committed lender. That the Directors advise when they will issue another round of Life Pass Sales.

Refer [Appendix I](#) for explanatory notes and further information on resolution.

Resolution 15: As an Ordinary Resolution - That the Directors of RAL provide to all shareholders and Life Pass Holders, the alternative report dated 9 November 2021 titled Ruapehu Alpine Lifts Limited Financial and Operational Risk Monitoring Assessment Program by a Group of Shareholders and Life Pass Holders.

Refer [Appendix J](#) for explanatory notes and further information on resolution

Resolution 16: As an Ordinary Resolution - That this meeting complies fully with section 5.1(b) of Schedule 1 of the Ruapehu Alpine Lifts Limited Constitution or be adjourned.

Refer [Appendix K](#) for explanatory notes and further information on resolution

Resolution 17: As an Ordinary Resolution – That the “Special Resolution – Restructure of the Assets and Business of the Company” be delayed until the Directors provide full transparency as to how the rights of existing shareholders in RAL in the New Company Constitution will be protected.

Refer [Appendix L](#) for explanatory notes and further information on resolution

Resolution 18: As an Ordinary Resolution – That the RAL Directors issue the latest version of the Alternative report dates 9th May 2022 to shareholders and that the RAL Directors present monthly Profit and Loss Statements, Balance Sheet and Cash flow on the Ruapehu Alpine Lifts Entity and/or any other Subsidiaries Companies for which Ruapehu Alpine Lifts Holds ownership in.

Refer [Appendix M](#) for explanatory notes and further information on resolution

Resolution 19: As an Ordinary Resolution – That the RAL Directors lodge a complaint to the Banking Ombudsman for the actions the ANZ Bank have taken to restructure their debt 100% short.

Refer [Appendix N](#) for explanatory notes and further information on resolution

- **General Business**
- **Close**



Jessie L Watling
Chief Financial Officer & Company Secretary
11 May 2022

APPENDICES TO THE BUSINESS OF THE MEETING

APPENDIX A: PROCEDURAL NOTES TO THE BUSINESS OF THE MEETING

The Directors confirm that the ASM being held on Saturday 28 May 2022 will be in a format that complies with Clause 5.1(b) of Schedule 1 of the Constitution and section 124 and Schedule 1 of the Companies Act 1993.

Shareholders have the option to attend the meeting in person, online or via telephone call/audio link with details on each provided below.

In person participation

Registration for those attending in person will open at 10:00am and will be downstairs in the Alpine Café at the Tūroa Ski Area.

Online participation

To participate at the meeting online use the following link to the virtual meeting platform:

<http://www.virtualmeeting.co.nz/ral22>

Shareholders attending and participating in the meeting virtually via the online platform will be able to vote and ask questions during the meeting. If you will be participating online you will require your Holder number, found on your voting/proxy form, for verification purposes.

More information regarding virtual attendance at the meeting (including how to vote and ask questions virtually during the meeting) is available in the Virtual Meeting Online Portal Guide, which is available at:

<https://bcast.linkinvestorservices.co.nz/generic/docs/OnlinePortalGuide.pdf>.

Telephone participation

Shareholders who participate by phone will be able to hear the meeting, ask questions and vote at the appropriate times during the meeting. Voting will be conducted at the conclusion of the meeting. Please follow the voting instructions provided by the call facilitator. To participate in the meeting by telephone in New Zealand please dial **0800 449 170** or from Australia please dial **1800 896 574**. Shareholders attending by phone will require their unique telephone access code for verification purposes. Your unique telephone access code can be found at the top of the Proxy Form/Admission Card that accompanies this notice. Please disregard the telephone access code on your Proxy Form/Admission Card if you will be attending virtually via the online portal.

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 Friday 27 May 2022. The Chair will require voting at the Special Meeting to be conducted by poll (in accordance with Clause 5(4) of Schedule 1 of the Companies Act 1993), of the Company's shareholders entitled to vote and voting.

Voting and Proxies

Your right to vote may be exercised by:

- a. attending the meeting and voting in person or participating virtually and voting via the online platform or by telephone using the phone number details provided; or
- b. appointing a proxy (or representative in the case of a corporate shareholder) to attend and vote in your place.

A proxy need not be a shareholder of the company.



Further details of how to direct your proxy to vote or give your proxy discretion to vote are set out on the in the enclosed proxy form/admission card (also available on the Mt Ruapehu website

<https://www.mtruapehu.com/ral/annual-reports>. Alternatively, you can appoint a proxy online at: <https://investorcentre.linkmarketservices.co.nz/voting/RALL>.

You will require your Holder Number and PIN (found on your proxy form/admission card) to complete your proxy appointment online. Your completed copy of the proxy form must be received by Link Market Services Limited, or your online appointment completed, no later than 10:30am, Thursday 26 May 2022, 48 hours before the Annual Shareholder Meeting.

Proxy forms received after this time will not be valid for the Annual Shareholder Meeting. If attending in person, please bring the enclosed form to the meeting. The barcode is required for registration.

Questions

Shareholders attending the Annual Shareholder Meeting or participating virtually or by telephone will have the opportunity to ask questions during the meeting. If you cannot attend the meeting but would like to ask a question, you may submit a question online at <https://investorcentre.linkmarketservices.co.nz/voting/RALL> or by completing the question section on the proxy form/admission card and returning it to Link Market Services. Questions must be submitted by 10:30am, Thursday 26 May 2022.

The main themes will be aggregated and responded to at the meeting. The company reserves the right not to address questions that, in the Chair's opinion, are not reasonable in the context of an Annual Shareholder Meeting.

Voting Outcome

The outcome of the polls on each resolution will be announced after the meeting via email and/or post to all shareholders once all votes are tallied.

APPENDIX B: DIRECTOR APPOINTMENT PROFILES AND EXPLANATORY NOTES

Geoff Taylor

Geoff Taylor joined the Board as a Director in July 2015, he was reappointed to the Board in September 2018 and is seeking re-election at this year's ASM. The current Board of Directors support his appointment.

Geoff is a professional director, with a finance background. Current (independent) directorships include:

- Chairman of a large pastoral farming company
- Chairman of Ruapehu Alpine Lifts
- Ngapuhi Investment Fund Limited

Geoff's Board experience, across twenty years, is biased towards the finance and agribusiness sectors, with a background in corporate finance, risk, and investment management, and has experience in chairing audit and investment subcommittees.

Geoff established and managed a private equity fund into the NZ dairy sector that across fifteen years has produced upper quartile rates of return. Within that fund he has held a number of governance positions on investee companies.

Geoff also co-founded TDB advisory in 2002 www.tdb.co.nz. While Geoff's primary activity has been the management of the private equity fund, his TDB Advisory experience ranges across a number of sectors, including energy, finance, investment management and private equity.

Positions previously held include Group Treasurer of Fonterra during the merger of NZ Dairy Board and dairy manufacturing companies, and GM of corporate finance for NZ Dairy Board with responsibility for funding the Group balance sheet and providing support for all M&A activity. Previous roles to these included working in financial markets both offshore, and in NZ for BNZ.

Geoff is a former member of the Institute of Chartered Accountants, is a member of Institute of Directors, and is a fellow of the Institute of Finance Professionals of NZ.

John Foley

John joined the RAL Board as Director in June 2019 and having served the 3 year term, he is seeking re-election at this year's ASM. The current Board of Directors support his appointment.

John has an extensive leadership background in brand strategy, communications and advertising – having spent 17 years with the Saatchi & Saatchi global network working with some of the world's biggest brands. Spending the first 6 years at the then world-renowned Wellington agency, John spent 11 years in Asia and Australia. Initially heading up the networks Asia-Pacific Toyota and Lexus business – John soon added CEO roles of the Singapore, Malaysia and Australia agencies to his remit. During that time John was elected on to the Saatchi & Saatchi Worldwide Toyota Board. And while living in Kuala Lumpur was a board member on the Malaysia New Zealand Business Council.

On returning to New Zealand, John established his own sports marketing company - Commsport Marketing, where he has been engaged by major sporting organisations (including NZ Rugby, NZ Golf, Netball NZ and Hockey NZ, Drug Free Sport NZ) on various high level commercial, strategic and marketing and advertising projects. In more recent years, John also launched a sports film production company Sportive Productions - where with the support of Dan Carter and some of biggest household names in NZ sport, he proactively launched BeSportive.Kiwi – a youth sport platform educating coaches and parents on how to play a more positive role in youth sport (or the very least not ruin it!). The campaign has now gained the full support of Sport New Zealand



and all major sporting codes. John is currently also engaged on the Hockey New Zealand board commercial sub-committee.

During his time to date on the RAL Board, John played a pivotal role in the development of the company's new purpose lead Strategic Plan – working closely with the CEO and Executive team – with a particular focus on identifying and engaging with the key stakeholder groups.

John also represents RAL on both the Te Pae Maunga and Te Pae Toka boards – working closely with Ngāti Tuwharetoa and Ngāti Rangī respectively to ensure that, as kaitiaki guardians, we ensure the best means of protecting and enriching the Mana of the Maunga.

John passionately believes that, while navigating RAL through this unprecedented covid pandemic has proved incredibly challenging, it has brought about an acute focus and determination from the wider RAL whanau to bring all key stakeholders together to ensure a prosperous future for alpine sport, adventure and tourism on Mt Ruapehu and the wider Tongariro National Park region.

Sam Clarkson

Anyone who has followed RAL AGMs will be familiar with my questioning the Board & the Trust over many years as I have repeatedly raised my concerns re the direction I have seen the company heading and the general kaupapa of the governance.

I started out at Ruapehu with my parents bringing me skiing as a kid, as members of Havelock ski club. I have been completely immersed in the ski industry my entire adult life, working as a ski instructor, liftie in Happy Valley, in (the original) Knoll Ridge café, that said I have never actually been in RAL's employ. I operated Chateau Service Station back in the day, which included AA breakdown and running the chain hire. I have owned and operated Edge to Edge Ski, Snowboard & Alpine specialists for 30 years. I now am director of Skotel Alpine Resort.

I ski, I snowboard, I ski tour, I have been a guide in the Tongariro National Park both above and below the snowline. I am proud to have been instrumental in setting up the National Park School ski academy. I spent years on the Ruapehu Snow Sports committee furthering youth snow excellence. My greatest joy was governing and running the annual North Island Primary School Ski/Board champs (NIPS), I understand to be the largest snowsports event in New Zealand. To say I have roots deep in our maunga is an understatement. I am a qualified instructor and a modestly expert skier. I doubt anyone else can claim to have a stronger connection to our park and you the park user whether you might be first time visitor right through to top level athlete.

Further I have experience as an industrial pipe fitter and maintenance fitter, this is relevant to understanding lifts and the mechanical side of the industry. I know how to get my hands dirty. I have training in energy efficiency, something we all need to do better in.

I have steered Skotel through exactly the same stormy waters as RAL re covid and the downturn in tourism. I have felt the pain of lockdown exactly as has RAL. I have learned the tricks to pivot, rationalise and adapt. I believe Skotel will come out the stronger for that.

I am practical and pragmatic, something I believe the RAL board needs. They have been on a corporate journey for quite some years now and I believe the results speak for themselves.

I am very much of the get-back-to-basics ilk.

While the board have been bedazzled by corporatism and NewCo they have been paying scant attention to lifts and the all-important staff that are essential to maintaining and running them. I was very much part of the



Alternative Risk Assessment report that was tabled to the Board & Trust at the time of the announcement of the NewCo SGM in November last year, I hope you have read it. I am not afraid to ask the hard questions. I am here to see RAL turned around and to see it thriving, it won't be easy, nor do I claim to have all the answers, but I do believe I have some of them.

Robert Eller

I Robert Eller hereby state that I am willing to be nominated to the board of directors of RAL.

From the 70s till now Mt Ruapehu has been my home mountain. As they say if you can ride Ruapehu you can ride anywhere in the world.

To this end I want to ensure that people of all types can engage in snow sports on Mt Ruapehu, to do this the mountain needs to be run by people who have the passion as well as a vision for the future.

Having travelled and done many jobs over my working career combined with gaining qualifications in a number of fields, I don't claim to have all the answers, but I do have passion and experience as well as practicality.

I believe in RAL having a strong governance process. I was instrumental to changes in BOD members after many years where RAL was not tendering out multi million dollar building contracts, which meant these contracts had conflicts of interest with existing members of the Board and their related parties.

Thankfully things have changed but there is still a long way to go to bring RAL back to its former glory. I really want to get shareholders engaged and the users of RAL services who really are us to make the decisions that will carry RAL forward. To achieve these goals I will be focused promoting and working towards the following objections:

- To protect the tax fee status of RAL to ensure 100% of the profits are reinvested into our operations
- Work with the existing Board and RAL management to focus on improving winter profitability. To achieve this RAL Executive Management need to prioritise the following objectives:
- Be Serviced focused. This means Whakapapa and Turoa ski fields are adequately staffed with the right people in the right jobs so that lifts are open promptly, well maintained and reliable, therefore distributing ski traffic across the mountain and minimising lift wait times and skier dissatisfaction
- Strong liquidity management. This means structuring existing debt in a manner that is financial sustainable. Tendering out ANZ short term bank debt to lower risk longer term financing arrangements. Building stronger relationships with other financing partners such as Life Pass Holders, MBIE, Ruapehu District Council, and Tourism Bond holders
- Maintain RAL Life Pass Crowd funded business model. We have seen from the Turoa experience that Private enterprise business models are not financially sustainable on Mt Ruapehu. This is not by chance that they have failed within four to ten years. Whakapapa and Turoa ski fields have significantly more challenges than their South Island comparators. Mt Ruapehu has three key operational challenges that have lead to the failure of previous privatisation attempts:
 - Remoteness of location – not easily accessible to the international tourism market due to distance of international airports and major cities
 - Weather risk – severely weather affected which means a higher number of closed and poor weather days which results in loss revenue. Extreme rime icing regularly damaging lifts and equipment
 - Volcanic/geological risk – RAL operates on an active volcano that erupts approximately every 10 to 15 years

RAL has been operating for nearly 70 years because profits are kept in the company which has enabled the company to survive the harsh environmental and location barriers. It is important to have the members of the Board understand this concept.

APPENDIX C: TAKEOVERS CODE EXEMPTION RESOLUTIONS AND EXPLANATORY NOTES

Introduction:

The need for resolutions 6, 7 and 8 arises because the Company, having more than 50 shareholders, acquired the status of being a “Code Company” and with effect from 1 July 2001 become subject to the law and rules set out in the Takeovers Act 1993 and the Takeovers Code. The Act and the Code govern the manner in which a shareholder and their associates are permitted to increase their shareholding beyond 20% of a company’s voting shares.

It was not until consideration was recently given by the Board to capital financing options and capital structures that the Board was independently advised of the status of the Company as a “Code” company and the need to seek an exemption from the Takeovers Panel for historic, unintended breaches of the Code which Resolutions 6, 7 and 8 now address.

The Takeovers Panel which monitors compliance with the Code has recently granted exemptions to the Company for those historic breaches subject to the condition (among others) that shareholders approve the Trust’s increases in the holding or control of the voting shares in the Company. The exemptions will lapse if shareholder approval is not granted. If that were to occur, the Panel, after making a formal determination of breach of the Code, may apply to the Court for one or more of a suite of remedies under section 33J of the Takeovers Act, for example restraining acquisitions of shares or the exercise of voting rights attached to shareholdings. If the Panel does not apply to the Court, the Takeovers Act (section 35) permits a limited list of parties, including shareholders, to do so.

Separately, as explained in Note 2. below, the Panel has also granted an exemption for any future changes to the board of trustees. That exemption does not require shareholder approval.

Resolution 6: As an Ordinary Resolution – Approval of past acquisition of shares by the Ruapehu Alpine Lifts Trust

The increases in the holding of voting securities by the Trust resulting from the following acquisitions be and are hereby approved:

- a) 40 voting securities on or about 6 April 2006 with a consequential increase in the Trust’s control percentage of 0.19%;
- b) 11 voting securities on or about 1 April 2011 with a consequential increase in the Trust’s control percentage of 0.05%;; and
- c) 3 voting securities on or about 6 March 2015 with a consequential increase in the Trust’s control percentage of 0.01%;.

Note 1: The Trust, and any associates, may not vote on this Resolution

Explanatory information: In 1983 the Trust was established to protect the interests of the Company. This was done to prevent control changes into private hands at the expense of the public benefit entity status of the Company. Upon establishment, the Trust subscribed for and acquired 10,000 ordinary shares in the Company. This shareholding represented an effective controlling voting interest in the Company.

The Trust also holds 62 shares acquired by it in a piecemeal fashion from shareholders in the years following the issue to the Trust of its 10,000 shares (often as a result of gifts from deceased shareholder estates). When the Code came into force, the Trust already held 8 of these additional shares. The acquisition of the remaining 54 shares occurred in the 9 year period between 2006 and 2015 as set out in Resolution 6 – at a time when the Code was in force. Although de minimis in number, and inadvertent given that the Company was not aware of its “Code” status, the acquisition of these shares by the Trust breached the Code.

The Takeovers Panel exemption for the breaches arising from the 62 historic share acquisitions will lapse without the approval of shareholders to Resolution 6.

Resolution 7: As an Ordinary Resolution – Approval of the increase in the Trust’s control percentage of voting securities following the 2019 forfeiture of shares

The increase in the control percentage of voting securities held or controlled by the Trust, arising from the Company’s forfeiture of shares in 2019, from 45.51% to 56.42%, be and is hereby approved.

Note 1: The Trust, and any associates, may not vote on this Resolution

Explanatory information: From the 1990’s the Company started losing contact with a number of its shareholders. This was a product of the ageing of its shareholders and their withdrawal from active participation in skiing. In order to address the issue, a provision was inserted into the company’s Constitution which provided for the forfeiture of the shares of shareholders who failed to respond to contact from the Company. The Constitution was also amended to prohibit the issue of shares or the transfer of shares that would result in a shareholding in aggregate of more than 100 shares.

Forfeiture action was not taken until 2019 when the number of “gone-no-addresses” had ballooned to unmanageable levels representing almost 50% of the shareholders on the register.

Consequently, 4,277 shares held by 2,011 shareholders were forfeited on 31 July 2019. The forfeiture represented 21% of the shares on the register. The consequence of the forfeiture was to increase the percentage holding of the Trust from 45.51% to 56.42%. That increase in control breached the Code.

Subsequent to the forfeiture, and in accordance with the Constitution, some shareholders (or their families or estates as the case may be) made contact with the Company resulting in the reinstatement to the share register of 408 shares. This reinstatement reduced the shareholding of the Trust from 56.42% to 55.16%.

The Takeovers Panel exemption for the historic breach arising from the forfeiture of shares in 2019 becomes effective immediately following the approval of shareholders to Resolution 7.

Resolution 8: As an Ordinary Resolution – Approval of historic changes in the Trustees of the Trust

The changes in the composition of the Trustees in the period 2005 through to 2021, occurring by reason of retirement or appointment which result in an increase in the control of voting securities of the continuing trustees following a retirement of a trustee, and the increase in the control of voting securities of an appointed trustee, be and is hereby approved.

Note 1: The Trust, and any associates, may not vote on this Resolution

Explanatory information: Upon establishment of the Trust in 1983, the original trustees were Messrs Sir Roy McKenzie, Peter Scott and Bryan Todd. Between the establishment of the Trust and March 2000, Messrs Scott and Todd retired and were replaced by Messrs Ingram, Fraser and Manthel who joined the continuing trustee, Sir Roy McKenzie. That group remained unchanged until 2005.

In 2005, Mr McKenzie retired as trustee and a Mr Huppert was appointed. In the years following, subsequent retirements and consequential appointments of trustees were effected, in ignorance of breaches on each occasion, in breach of the Code. These changes from 2005 (set out in the table below) breached the Code. This is because the consequence of a retirement is that the voting control of the continuing (remaining) trustees technically increases and similarly the voting control of a person appointed as a trustee increases:

Date on which changes to the Trustees occurred	Appointment	Retirement	Resultant Board of trustees
29/05/2005	Mr Huppert	Mr McKenzie	Messrs Ingram, Fraser, Manthel and Huppert
23/04/2008	Mr Parker		Messrs Ingram, Fraser, Manthel, Huppert and Parker
09/03/2009		Mr Ingram	Messrs Fraser, Manthel, Huppert and Parker
12/03/2013		Mr Fraser	Messrs Manthel, Huppert and Parker
20/12/2017	Ms Bouchier		Messrs Manthel, Huppert, Parker and Ms Bouchier
28/03/2019		Mr Manthel	Messrs Huppert, Parker and Ms Bouchier
3/11/2020	Mr Royal		Messrs Huppert, Parker, Royal and Ms Bouchier
20/02/2022	Mr Fraser		Messrs Huppert, Parker, Royal, Fraser and Ms Bouchier

The Takeovers Panel exemption for the breaches arising from the historic retirement and appointment of trustees becomes effectively immediately following the approval of shareholders to Resolution 8.

Note 2: Separate Panel exemption for future changes to the trustees

Separately to the exemptions for the historic breaches, the Panel has granted an exemption for future changes in the composition of the board of trustees of the Trust which may occur in the ten year period to 18 January 2032. This ensures that on the retirement or appointment of trustees during that period separate exemption applications will not be required to be made to the Takeovers Panel. The company may lodge a fresh application to the Panel in the future seeking a similar exemption to take effect from the expiry of the current exemption.

Shareholder approval is not required for this exemption.

APPENDIX D: NEW ENTITY RESOLUTION AND EXPLANATORY NOTES

Resolution 9: 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 2022 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.

Explanatory information:

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"*.

This structure has served the Company well, where through a combination of retained profits and life pass sales the Company has been able to provide confidence to its lenders over successive years that it could borrow to finance both the working capital in the business and also infrastructure investments. However, that changed in 2020 when COVID-19 hibernation forced the Company to secure emergency finance from its lenders (ANZ and MBIE). This position worsened with the 2021 lockdowns and while the Company's lenders have again provided support, a continuation of their support is conditional on the Company restructuring to allow new capital to potentially flow into the business if offered.

The Company accepted this condition in its agreement with its lenders, acknowledging that it is lower risk for the lenders and in the best interests of Mt Ruapehu guests to enable the company to more efficiently fund working capital and infrastructure investments.

Therefore, there are two independent steps here. The first is the company is required to restructure as part of its lending agreements to put the Company in a better position to raise new capital to fund working capital and future infrastructure investments. The second step is clearly to raise new capital at some future point in time (if possible) and this would require a separate shareholder approval at the time if this new capital was offered.

The shareholder approval being sought is for the first step **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.

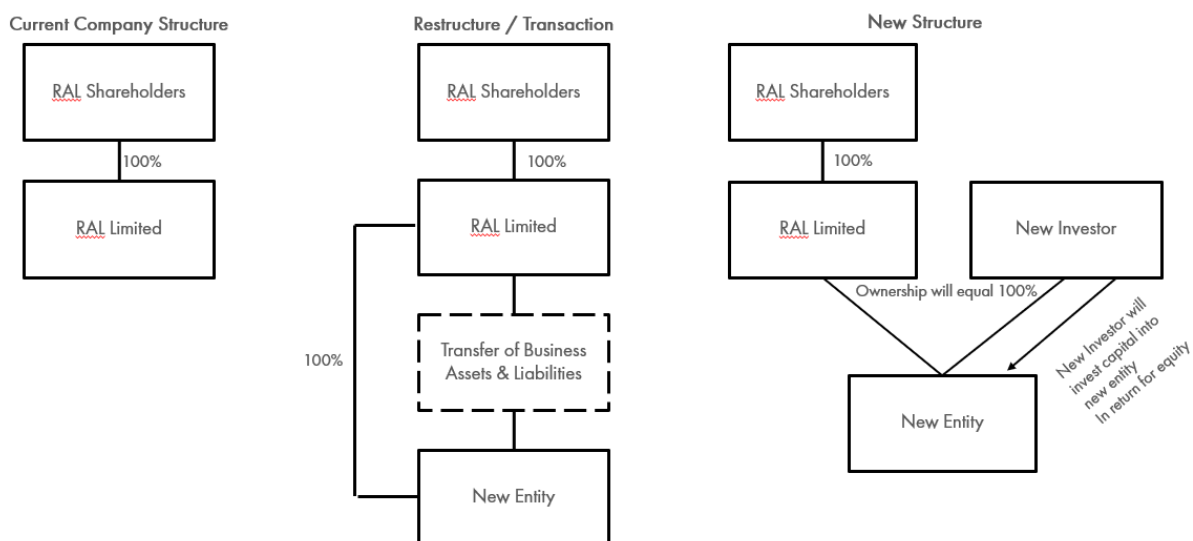
For the purpose of the company restructure business assets have been interpreted to comprise the following:

- 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
- 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 loans
- RDC loan
- Tourism Infrastructure bonds

The diagrams below illustrate this restructure:



For the avoidance of any doubt the Company has not received any offers to invest into the New Entity and this resolution is thereby only a formal requirement to satisfy the conditions of ANZ and MBIE (The Company's lenders).

If, at a later date, there is an offer to invest in the New Entity the Company will go through a separate and normal process of seeking shareholder approval. The RAL Trust, as the controlling shareholder of RAL, has been consulted on the Company's 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; and,
- Staff being protected in any transaction.

It is with these guidelines from the RAL Trust in mind that the Company would consider recommending any transaction to shareholders.

The proposal set out in Resolution 9 and explained above 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. Any shares bought back will be made available to purchase by those who have expressed interest in becoming a RAL shareholder in the past and are currently on the share purchase wait list.

APPENDIX E: SHAREHOLDER RESOLUTION – TRUST LEGAL ADVICE RESOLUTION AND EXPLANATORY NOTES

What is now termed RAL Trust was created by Deed dated 22 September 1983 and was issued with 10,000 “D” Shares in the capital of Ruapehu Alpine Lifts Limited (RAL). Its creation was conceived in order to thwart a perceived takeover threat. Its purpose is to promote sport and recreation on Mt Ruapehu, preserve the tax free status of RAL, and to promote the wellbeing of RAL in relation to the former purposes. Its beneficiaries are the shareholders of RAL on the date of distribution; all current shareholders of RAL are contingent beneficiaries. By virtue of its shareholding, it was the major shareholder of RAL with effective control of RAL, and with the recent purging of the register of shareholders it is now the majority shareholder with actual control.

For many years the RAL Trust was a sleeping entity. It did nothing to involve itself in the direction and involvement of RAL. That started to change from 2015, when it started to come under scrutiny from activist shareholders. Since then, RAL Trust and its trustees have come under much greater scrutiny, with a push to have new trustees, to have the trustees get reported to by RAL, for the trustees to meet with RAL directors on a regular basis, for the trustees to involve the trust as controlling shareholder in oversight of RAL, and to have trustees report to shareholders as the contingent beneficiaries. The new laws around trusts are new, complex, and difficult. Given the circumstances of RAL, the RAL Trust is in the position where it is going to have to make decisions as the controlling shareholder that have lasting impact on RAL, the shareholders, and all stakeholders of which the Life Pass Holders have the most to lose.

Whatever one’s view of how RAL Trust has operated in the past, it needs to be in the position to make good, sound, considered, proper and justifiable decisions. RAL Trust should have access to legal advice, and particularly the opportunity to seek High Court directions under the Trusts Act 2019. To do so it needs money, and at present RAL has no access to money. A past AGM refused a proposal for RAL to pay travelling expenses of RAL Trust trustees. This is different. That proposal was to pay money to trustees for their travel; this proposal to fund RAL Trust for some purposes benefits RAL Trust, its beneficiaries, and the company which it substantially owns.

The proposal is limited in its scope and contains four elements

- RAL Trustees must make a written request to RAL for funding
- the funding must be for legal advice (not, for example, for accounting advice)
- the funding must be for the described purpose (and not, for example, for where trustees may face litigation)
- RAL must report annually on the cost and purpose of the funding

In summary, the proposal is for the RAL Trust to receive RAL funding for certain purposes so that the trustees of RAL trust can get legal advice to assist in making appropriate decisions.

Shareholder Name: Kenneth Craig Ewington
Holder Number: 204051
Address of proposing shareholder: P O Box 2180, Auckland 1140
Email address: craig.ewington@outlook.com

APPENDIX F: SHAREHOLDER RESOLUTION – CONVERTIBLE NOTE RESOLUTION AND EXPLANATORY NOTES

To the Company Secretary and Directors of Ruapehu Alpine Lifts Limited Dated 10 February 2022

That the following resolutions be put to the next Special Meeting and or AGM, whichever occurs first, for a vote by Shareholders under Section 12 of Schedule 1 of Ruapehu Alpine Lifts Limited Constitution.

Preamble

Ruapehu Alpine Lifts Limited released as a result of a request, by shareholders under Regulation 23 of the RAL Constitution, the original RAL Trustees letter of support dated 3 September 2020 to the Directors of RAL. Resulting from that release, a further request of details of the convertible notes issue referred to in that letter was made. That request was denied by email on 3 February 2022 at 3.35pm by the RAL as follows:

The information referenced in the letter is commercially sensitive to both RAL and MBIE and therefore under section 178(4)(a and b) of the Companies Act 1993 we won't be providing it. However, please note that key terms within the final convertible note agreement will be included in the disclosures to our financial statements which are currently being audited by Deloitte.

This suggests the convertible notes issue has been actioned by RAL and a lender.

This suggests any convertible note conversion will be for the issue of shares in breach of the 100 share limit in the RAL Constitution amendment of 26 September 1998.

This suggests the convertible notes issue, when converted into shares, will have dividend rights attached in breach of the regulation 4 of the RAL Constitution.

It is likely this financial instrument is saleable by the lender to another party, providing rights to RAL shares.

Purpose

The purpose of the following resolutions is to ensure the RAL Board provides time for shareholders to undertake due diligence of any proposals put forward to meetings of shareholders. To enable shareholders, if they so wish, to exercise their rights under Schedule 1 section 12, which requires the Board to notify any shareholder resolution or shareholder proposal to shareholders.

Resolution: Shareholders Ordinary Resolution (to be voted at the meeting and prior to any Take Overs Panel Exemption Resolution, if any)

That details of the convertible notes issue disclosed in the letter of support by the RAL Trustees of 3 September 2020, be advised to shareholders not less than 28 working days prior to any AGM or Special General Meeting. Should these details not be provided, that the meeting be postponed until 28 working days from the date this information is provided to enable shareholders to undertake due diligence.

The details requested include specifically:

Who the lender/purchaser/holder of the convertible note is.

The issue value of the convertible note (how much RAL received)

The expected number of shares to be issued at maturity, prior to any discount or premium. The dividend rights of the shares to be issued at maturity

Will the instrument be saleable by the lender to any other party? Who holds the financial instrument now?

Signed/Moved

David Laurence Krebs

Seconded/Signed Rob Eller



Shareholder Name :	David Laurence Krebs	Shareholder Name	Rob Eller
Holder Number	R299869	Holder Number	198330
Address of proposing shareholder	130 Ranui Road RD3 Kawakawa 0283	Address of seconder shareholder	22B Verbena Road Birkdale Auckland 0626
Email address	david.krebs.nz@outlook.com	Email address:	robrips@gmail.com

3 September 2020

Murray, Geoff

Thank you for your time last week taking the Trustees through the term sheet in regards to the convertible note proposed, as we have already communicated the trustees have agreed to the proposal in principle with one condition.

We understand RAL has significant financial challenges due the COVID 19 circumstances and 2019 outturn due to a poor ski season and that the company has had to seek external funds to progress urgent maintenance at Turoa.

The trustees understand that if NewCo was to progress there is not likely to be a Trustee arrangement required, to that end the trustees would like to communicate a number of principles that should be understood by the RAL and NewCO boards if any transaction proceeds.

- The constitution of NewCo should include the requirement to preserve skiing and other forms of recreation on the Maunga
- There should be complete transparency with shareholders around this transaction at the appropriate time
- A shareholder vote is required around any transaction
- Life Pass benefits and should be preserved in NewCo and where possible any future transaction
- Staff should be protected in any transaction
- Any equity introduced should be at fair value

We are cognisant of the amount of time you and the board have put into progressing this funds injection and appreciate the effort and challenges required to get the transaction to this point.

Thank you for your communication on this matter and as always we are open to discuss further.

Regards
Tomas Huppert
RAL Trustee chair



david.krebs.nz@outlook.com

From: Ruapehu Alpine Lifts Ltd. Company Secretary
<companysecretary@mtruapehu.com>
Sent: 3 February 2022 3:35 p.m.
To: Rob Eller
Cc: DAVID KREBS; jo.bouchier@hotmail.co.nz; phil.royal@hotmail.com; Sam Clarkson;
liz.brooker@gmail.com
Subject: RE: SGM/Information Meeting

Kia ora Rob

The information referenced in the letter is commercially sensitive to both RAL and MBIE and therefore under section 178(4)(a and b) of the Companies Act 1993 we won't be providing it. However, please note that key terms within the final convertible note agreement will be included in the disclosures to our financial statements which are currently being audited by Deloitte.

Ngā mihi,

Jessie Watling

Chief Financial Officer and Company Secretary

www.mtruapehu.com



From: Rob Eller <ralshareholders@gmail.com>
Sent: Tuesday, 1 February 2022 8:05 PM
To: Ruapehu Alpine Lifts Ltd. Company Secretary <companysecretary@mtruapehu.com>
Cc: DAVID KREBS <david.krebs.nz@outlook.com>; jo.bouchier@hotmail.co.nz; phil.royal@hotmail.com; Sam Clarkson <sam@edgetoedge.co.nz>; liz.brooker@gmail.com
Subject: Re: SGM/Information Meeting

Hi Jessie,

Thanks for this reply, upon re reading it I would like to request a copy of the "term sheet" where it mentions "the convertible note" mentioned in the paragraph quoted below that The trust is referring to. It would be unlikely that the BOD ie Geoff and co would have had an online meeting without written notes of some sort and as a shareholder we are able to request these notes as well thanks.

Ruapehu Alpine Lifts Ltd, Bruce Road,
Private Bag 71902, Mt Ruapehu 3951
Ph: 07 892 4000, Fax: 07 892 3732
www.MtRuapehu.com



"Thank you for your time last week taking the Trustees through the term sheet in regards to the convertible note proposed, as we have already communicated the trustees have agreed to the proposal in principle with one condition."

Your response to this request is asked for within 5 working days. Regards

Rob Eller

On Wed, Dec 29, 2021 at 12:06 PM Ruapehu Alpine Lifts Ltd. Company Secretary <companysecretary@mtruapehu.com > wrote:

Kia ora Rob

There was no written material supplied to the Trust but instead several discussions were held with the Trust and Chair regarding the Company's capital raising intentions and proposed resolution re the establishment of a New entity. The outcome of these discussions resulted in the Trust providing a letter of their intent to support subject to a number of conditions which have been discussed at the AGM held in May, and also referenced in the recent shareholder updates. We will get a copy of this letter onto our website in the new year once the team that manage the website are back from leave.

Your initial information request was under section 23 of the Constitution and we have provided a response with a indicated timeline for getting the letter online in accordance with section 178 of the Companies Act (which the Constitution also refers to).

Ngā mihi,

Jessie Watling

Chief Financial Officer and Company Secretary

www.mtruapehu.com



RAL note in response to Resolution 11 and Appendix F:

The Ruapehu Alpine Lifts Limited 2021 Annual Report and audited financial statements (accessible here: <https://www.mtruapehu.com/ral/annual-reports>) provide detailed disclosures around the \$5m loan (the 'convertible note' as referred to within resolution 11 and Appendix F) with the Ministry of Business, Innovation and Employment (MBIE).



Detailed disclosures are provided within Note 1.2 'Basis of Preparation' (page 34) and Note 9.1 'Borrowings and Banking Arrangements', specifically the disclosures around the 'Ministry of Business, Innovation and Employment Loan' (page 43), within the audited financial statements in the Annual Report.

Note 1.2 also outlines the steps taken by the Company to satisfy the conditions within both the ANZ and MBIE lending agreements.

Note 9.1 outlines that the Company and MBIE entered into a loan agreement to the value of \$5m and that these funds were specific to the 2020/2021 capex programme. It highlights that the loan has the same terms as the initial \$10m loan with MBIE with the exception of:

- A specific security deed over items purchased under the new facility;
- Additional clauses relating to the establishment of a NEWCO; and
- A clause which allows, at MBIE's sole discretion, for the additional loan to be converted into a number of shares in NEWCO equal in value to the amount of the loan outstanding.

For the avoidance of doubt, it is important to highlight that this loan is not convertible into equity of RAL but instead a new entity which the establishment of is subject to shareholder approval (refer resolution 9 and Appendix D).



APPENDIX G: SHAREHOLDER RESOLUTION – ISSUE SHARES TO LIFE PASS HOLDERS RESOLUTION AND EXPLANATORY NOTES

To The Company Secretary and Directors of Ruapehu Alpine Lifts Limited Dated 10th February 2022

That the following resolutions be put to the next Special Meeting and or AGM, whichever occurs first, for a vote by Shareholders under Section 12 of Schedule 1 of Ruapehu Alpine Lifts Limited Constitution.

Preamble

On 27 January 2022 the Take Over Panel announced an Exemption from Rule 6(1) of the Takeovers Code to allow RAL Trustees to hold their increased voting power in Ruapehu Alpine Lifts Limited **subject** to a vote by shareholders excluding the RAL Trustees or their associates. This increase of voting power that breached the Code was largely the result of the forfeiture by RAL of 4,277 shares on 31 July 2019.

Why did RAL Directors not simply issue shares to existing life pass holders to correct this breach? Why did RAL Directors not realise this when they forfeited the shares?

RAL Trust are holding over 50% of the shareholding of RAL. If this exemption were to be approved, then there is an inherent risk that the RAL Trust could technically force a takeover to buyout existing RAL Shareholders over time. Of particular concern and **red flag** is that the RAL Trustees contend that RAL shareholders are not presently beneficiaries of the RAL Trust.

Should Shareholders approve the exemption they will have removed the protections provided for in the Takeovers act 1993 and Takeover's regulation 2000

This would mean the following:

The RAL Trust can maintain and grow its 55% shareholding (Legally should be 45% Shareholding), therefore have voting power to enable a takeover. This significantly undermines the voting rights of A, B, & C Shareholders

5% shareholding growth creep is permitted each year over a 12-month period.

Resolution

That the Directors issue shares to Life Pass holders until the RAL Trust shareholding returns to its original 45%.

Signed/Moved Rob Eller

Seconded/Signed

Shareholder Name Rob Eller

Shareholder Name David Laurence Krebs

Holder Number 198330

Holder Number: R 299869

Address of proposing shareholder
22B Verbena Road Birkdale Auckland 0626
Email address robrips@gmail.com

Address of seconder shareholder:
130 Ranui Road RD3 Kawakawa 0283
Email address: david.krebs.nz@outlook.com

RAL RISK MONITORING ASSESSEMENT PROGRAM – ANALYAIS OF THE TAKEOVER CODE
(RUAPEHU ALPINE LIFTS LIMITED) EXEMPTION NOTICE 2022

RAL Trust has breached the Takeovers code rule 6 (1) due to increasing its original shareholding from 45% to 55%. This is due to the following:

- Forfeiture by RAL of 4,277 shares on 31 July 2019
- Share acquisitions (approximately 54 shares between 2005 and 2015 per takeover exemption notice)

RAL Trust hold 10,062 shares out of total of 18,241 shares per slide 18 of the RAL 26th November 2021 presentation

RAL Directors could have re-issued the 4,277 forfeited shares to avoid the RAL Trust being in breach of the Takeovers code.

- Re-issuing forfeited shares to Life Pass holders would have been the logical option to prevent a breach!
- What are the RAL Trustees thinking? The mandate of their Trust deed is to prevent a takeover of RAL, not to encourage one by allowing their voting power to grow beyond their 45% holding!

Takeovers code Rule 6 (1) (a)

20% or more of the voting rights in a code company may not become the holder or controller of an increased percentage of the voting rights in the code company.

Takeover Code (Ruapehu Alpine Lifts Limited) Exemption Notice 2022 was issued on the 27th January 2022

- This notice will exempt the RAL Trust from their breach of the takeovers code
- The exemption is conditional on approval by majority of shareholders (excluding the RAL Trustees) on or before 31 May 2022

**Shareholders BEWARE OF APPROVING THE TAKEOVER
EXEMPTION!**

KEY RISKS AND DANGERS IF SHAREHOLDERS VOTE TO APPROVE THE TAKEOVER EXPEMPTION NOTICE:

RAL Trust are holding over 50% of the shareholding of RAL. If this exemption were to be approved, then there is an inherent risk that the RAL Trust could technically force a takeover to buyout existing RAL Shareholders

- Shareholders by approving the exemption would have removed the protections provided for in the Takeovers act 1993 and Takeover's regulation 2000

This would mean the following:

- **The RAL Trust can maintain and grow its 55% shareholding** (Legally should be 45% Shareholding), therefore have **voting power to enable a takeover**. This significantly **undermines the voting rights of A, B, & C Shareholders**
- **5% shareholding growth creep** is permitted each year over a 12-month period. This means the RAL Trust can continue to grow its shareholding above its 55% and **gain further control of RAL**

Recommendation: RAL Shareholders should **vote NO!** against the Takeover exemption. Request that the **Directors re-issue shares to Life Pass holders** until the **Trust shareholding returns to its original 45%**. This will best protect shareholder rights to preserve RAL in its current form as philanthropic crowd funded business model - 69 years of success and counting!



To the Company Secretary and Directors of Ruapehu Alpine Lifts Limited

In the email from Ruapehu Alpine Lifts Limited (RAL) dated 21 February 2022, the RAL Chairman has referred to the Take Overs Panel Exemption and the RAL Trust breach of the Takeovers Act.

RAL has received a retrospective exemption from the Takeovers Panel for this breach. The exemption provides a path for RAL to cure this breach by (i) obtaining shareholder approval at the ASM, and (ii) the RAL Trust has provided an undertaking to reduce their shareholding back to 45.50%. Legal advice as to the exact mechanism to undertake this reduction is currently being obtained.

Please provide the letter of undertaking from the RAL Trust, that the RAL Trust will reduce their shareholding back to 45.50%.

Please explain how the RAL Trust will undertake to reduce its shareholding back to 45.50% and how you see this complies with the RAL Trust Deed, specifically clause 3.3:

3.3 Until the date of distribution, the Trustees shall have no power to sell, transfer or otherwise assign the shares or encumber them in any way.

It appears very unlikely that the Directors exemption will receive shareholders' approval (excluding the RAL Trust). In addition under the RAL Constitution Section 24, such an approval will require a Special Resolution of 75%.

We ask your support for the attached resolution we forwarded to the Directors of Ruapehu Alpine Lifts Limited on 10 February 2022. You have accepted in your recent updates that Life Pass holders while being the major contributor of capital to RAL, have little representation by shareholding. You will no doubt agree this needs rectifying.

Further, we see an opportunity to raise Share Capital for RAL. We recommend to the Directors that the shares required to reinstate the 45.5% RAL Trust holding be issued at \$250 each.

This would generate a minimum of **\$1Million** in cash which is 20% of bank debt at year end. The current proposal by the Directors to simply apply for an exemption **will raise \$0**.

It appears a simple choice for Trustees and Directors, provided they have a genuine concern for the future of RAL as set down in the RAL Trust Deed and RAL Constitution.

Please advise if you are prepared to support this shareholders proposal. Should you be prepared to support this proposal the shareholder group are to be acknowledged as the proposers.

Shareholder Name : David Laurence Krebs
Holder Number R299869
Address of proposing shareholder:
130 Ranui Road RD3 Kawakawa 0283
Email address david.krebs.nz@outlook.com

Shareholder Name Rob Eller
Holder Number 198330
Address of seconder shareholder
22B Verbena Road Birkdale Auckland 0626
Email address: robrips@gmail.com

22 February 2022

RAL note in response to Resolution 12 and Appendix G:

The RAL Board of Directors plan to present their thoughts on the development of alternative funding plans (and within those the potential to raise capital from a new life pass issue) at the ASM.

The Trust also, for the first time, included a report within the Ruapehu Alpine Lifts Limited 2021 Annual Report regarding their stance on a number of matters (accessible here on page 26 <https://www.mtruapehu.com/ral/annual-reports>).

Clause 7 of the Constitution requires that any new shares (before issue), that have equal voting rights to the shares already issued shall be offered for acquisition of the current shareholders on terms that would maintain the existing voting rights of those holders. In addition to clause 7.1, Clause 6.1 states that the Board shall not issue shares if the issue of such shares would result in that person holding in aggregate more than 100 shares across the multiple classes of shares. Therefore, the existing voting rights wouldn't be able to be maintained as required by clause 7.1.

Clause 24 of the Constitution has been referred to in Appendix G suggesting that the Takeover Code Exemption resolutions require a special resolution (i.e. shareholder approval of 75%). RAL sought legal advice on this and notes that a special resolution is not required for the reasons set out below:

1. The exemptions granted by the Takeovers Panel are subject to the condition that that they are approved by a simple majority of the shareholders, excluding the RAL trustees and their associates.
2. The assertion that the rights attached to the shares have been altered is incorrect.
3. It is correct to say that a special resolution is required where the rights attached to shares have been affected, both at law and as reflected in section 24 of the Constitution. The rights and powers attached to shares are as set out in section 36 of the Companies Act and in the constitution, and include things such as the right to vote and the right to dividends. The Takeovers exemptions do not affect or alter these. The only impact the exemptions have on the shares (of the concerned and of all shareholders) is their voting power, i.e. the percentage that their shares represents out of the total number of shares on issue.

In addition to the above considerations RAL also received legal advice in response to the analysis of the Takeovers Code Exemption Notice within Appendix G (page 23). The conclusion reached was that RAL shareholders should have no concern approving the exemptions granted by the Takeovers Panel (resolutions 6, 7 and 8) as:

- The shareholding of the Trust whether at 45% or 55% does not encourage a takeover offer for RAL.
- The assertion that shareholder approval of the exemptions removes the Code protections afforded to RAL shareholders and as a consequence exposes RAL to a takeover is not correct.
- As it has a lack of powers to do so, the Trust is not permitted to either:
 - o initiate a takeover itself; or
 - o accept a takeover offer from a third party.

Refer page 26 and 27 for the advice received.

10 May 2022

Board of Directors
Ruapehu Alpine Lifts Limited
Bruce Road
Whakapapa
MT RUAPEHU 3951

By Email:
companysecretary@mtruapehu.com

LETTER OF RESPONSE FOR NOTICE OF MEETING

1. Introduction

- 1.1 In section 2 below, we respond with our view on the merits of the "Analysis of the Takeovers Code" (page 23 of Notice of Meeting) prepared by, and we understand made available to shareholders of Ruapehu Alpine Lifts Limited (**RAL**) by fellow shareholders, Messrs Krebs and Eller.
- 1.2 The "Analysis" warns shareholders to "beware of approving the Takeover Exemption" – a reference to the exemptions granted to the Ruapehu Alpines Lift Trust (**Trust**) by the NZ Takeovers Panel in relation to historic breaches of the Takeovers Code. The exemptions lapse if not approved by the shareholders of RAL.
- 1.3 The Code which applies to companies with more than 50 shareholders, and which results in the need to comply with the Code, came into force in 2001, nearly 50 years after RAL was incorporated. RAL being in the nature of an incorporated society and philanthropic was not policy target of the Panel's Code, but being a company was captured for those purposes from 2001.
- 1.4 The increase in the Trust's shareholding, which represented a breach of the Code, arose from actions taken by RAL and not the Trust itself, at times when neither RAL nor the Trust, nor any of the shareholders were aware that the Takeovers Code applied to RAL.

2. Responses to the "Analysis"

- 2.1 The assertion made in the "Analysis" that shareholder approval of the exemptions removes the protections provided by the Takeovers Act and the Code is not correct.
- 2.2 Additionally, the "Analysis" submits that the Trust's increased shareholding over 45%, and in particular any increase over 55% means that the Trust has the voting power to "enable" a takeover. Whilst a large shareholding may be an advantage in a takeover bid, the making of a takeover offer (its "enabling") is not dependent on voting power held by a shareholder.
- 2.3 Any shareholder, and even a third party with no shareholding, may "enable" a takeover by making a takeover offer. Importantly, and reinforcing the point made in para 2.1, above, any

takeover offer, at whatever level of shareholding held by a bidder is subject to the rules and protections provided by the Code. A takeover offer once made is dependent for its success on its acceptance by shareholders, not the voting power of the bidder.

- 2.4 Relevantly, we are advised that the Trust (for whom we do not act) has no intention to, and has never held any intention to make a takeover offer for RAL. This point is made clear in the commentary accompanying the 2021 Annual Report.
- 2.5 Finally, we record that, in our view, due to the express and implied terms of the Deed establishing the Trust, it has no power at law either to accept a takeover offer made by a third party, or on its own initiative to make a takeover offer, and further it would be a breach of the duties of the Trustees to do so. This constraint addresses the concerns which shareholders otherwise might hold arising from the "Analysis".
- 2.6 Ironically, the increase of the Trust's shareholding from 45% to 55%, acquired passively as a consequence of the forfeiture of shares in 2019, has strengthened the intention of the original trustees in establishing the Trust, to ensure that the Trust possessed a holding sufficient to thwart any third party bid to takeover RAL.

3. **Conclusion**

- 3.1 In our view, RAL shareholders should have no concerns in approving the exemptions granted by the Takeovers Panel:
- (a) The shareholding of the Trust whether at 45% or 55% does not encourage a takeover offer for RAL.
 - (b) The assertion that shareholder approval of the exemptions removes the Code protections afforded to RAL shareholders and as a consequence exposes RAL to a takeover is not correct.
 - (c) As it has a lack of powers to do so, the Trust is not permitted to either:
 - (i) initiate a takeover itself; or
 - (ii) accept a takeover offer from a third party.

Yours faithfully
HEIMSATH ALEXANDER



DAVID O. JONES
Special Counsel

Direct Line: 021 630 815

Email: doj@halaw.co.nz



APPENDIX H: SHAREHOLDER RESOLUTION – ISSUE 4000 SHARES AT \$250 EACH AND EXPLANATORY NOTES

To The Company Secretary and Directors of Ruapehu Alpine Lifts Limited Dated 27th February 2022

That the following resolutions be put to the next Special General Meeting, Annual Shareholders Meeting ASM and AGM, for a vote by Shareholders under Section 12 of Schedule 1 of Ruapehu Alpine Lifts Limited Constitution. That this be forwarded to all shareholders with the notice of meeting.

On 27 January 2022 the Take Over Panel announced an Exemption from Rule 6(1) of the Takeovers Code to allow RAL Trustees to hold their increased voting power in Ruapehu Alpine Lifts Limited **BUT subject** to a vote by shareholders excluding the RAL Trustees or their associates. This increase of voting power that breached the Code was largely the result of the forfeiture by RAL of 4,277 shares on 31 July 2019. **Why did RAL Directors not simply issue shares to existing life pass holders and Non Trust shareholders to correct this breach? Why did RAL Directors not realise this when they forfeited the shares?**

RAL Trust are holding over 50% of the shareholding of RAL. If this exemption were to be approved, then there is an inherent risk that the RAL Trust could technically force a takeover to buyout existing RAL Shareholders over time. Of particular concern and **red flag** is that the RAL Trustees contend that RAL shareholders are not presently beneficiaries of the RAL Trust.

Should Shareholders approve the exemption they will have removed the protections provided for in the Takeovers act 1993 and Takeover's regulation 2000

This would mean the following:

The RAL Trust can maintain and grow its 55% shareholding (Legally should be 45.5% Shareholding), therefore have voting power to enable a takeover. This significantly undermines the voting rights of A, B, & C Shareholders
5% shareholding growth creep is permitted each year over a 12-month period.

This Shareholder Proposal –

That the Directors issue at least 4000 new shares until the RAL Trust holding returns to 45.5%

That the shares be issued for a **minimum of \$250 each** and carry 1 vote. **This will raise cash of at least \$1 Million Dollars.**

The Directors proposal to simply apply for approval of the exemption will raise **\$0 Dollars**. We understand the Directors, if unsuccessful with the TOP Exemption vote are considering issuing these shares **at \$1**, which would generate approximately **\$4,000** for the company.

The RAL Chair has advised in updates that Life Pass Holders have the largest financial stake in the company, have the least representation and least protection. However, it has become apparent at the time of writing, after discussion with the RAL Chair, that the Directors are very reluctant to offer shares to Life Pass Holders. It appears they prefer the unknown corporate investors in the Newco proposal.

The RAL Chair has advised that RAL has a problem with the bank and auditors with FY20 yearend bank debt of \$6Mil. We are advised the bank debt FY21 is now reduced to \$3Million. This shareholders proposal will further reduce exposure to the bank at year end by 30%. **To a skier, snowboarder, shareholder or life pass holder the choice is simple – RAL receive \$1Million or RAL receive \$0 to \$4000.** To Directors and Trustees acting in the best interests of the company the decision should be simpler still. **We have asked the Trustees of the RAL Trust for a letter of support for this proposal.** We await their response with interest.

The current net book value of the company approximately \$10M. This divided by 22,000 shares, is close to \$500 per share. A discounted minimum share price of \$250 is fair, as the shares hold no Dividend rights under the Constitution. The issue price of \$250 and the "100 share cap" provided by the constitution prevents speculation



provides new shareholders who are a good fit and will have RAL's future at heart. \$250 is equal to one weekends skiing or travel costs at Mt Ruapehu.

There is known demand from RAL Life Pass Holders for Shares in RAL. The TOP breach has to be fixed, so the logical option is to gain \$1M for RAL while doing so.

Resolution

That the Directors issue shares under Regulation 7 of the RAL Constitution and amendments, until the RAL Trust shareholding returns to its original 45.5% AND that these shares be issued for a minimum share price of \$250 (Two Hundred and Fifty Dollars) each and carry 1 (one) vote, AND under Regulation 7.1 that these shares shall also be offered to all RAL Life Pass Holders.

Signed/Moved

Shareholder Name Robert David Krebs
Holder Number 512193
Address of proposing shareholder
130 Ranui Road RD3 Kawakawa 0283
Email Address rkrebs007@gmail.com

Seconded/Signed

Shareholder Name Rob Eller
Holder Number: 198330
Address of seconder shareholder:
22B Verbena Road Birkdale Auckland 0626
Email address robrips@gmail.com

RAL note in response to Resolution 13 and Appendix H:

Refer to the notes provided in response to Resolution 12 and Appendix G.



APPENDIX I: SHAREHOLDER RESOLUTION – BANK CORRESPONDENCE AND LIFE PASS ISSUE AND EXPLANATORY NOTES

To the Company Secretary and Directors of Ruapehu Alpine Lifts Limited Dated 27 February 2022

That the following resolutions be put to the next Special Meeting, Annual Shareholder Meeting ASM and AGM, for a vote by Shareholders under Section 12 of Schedule 1 of Ruapehu Alpine Lifts Limited Constitution.

Preamble

Page 11 of the Alternative Report prepared by a group of concerned Shareholders and Life Pass Holders highlighted *Key Observations - Support of the Bank*. The report also highlighted the Risk and Recommendations for consideration.

Please send this and the attached page 11 of the “Alternative Report” to all shareholders as part of this resolution. Shareholders who wish to review the full report, please email the concerned shareholders group ralshareholders@gmail.com

This is a link to the report

https://drive.google.com/file/d/1b-ELj1qVf90OZ8yCSi8enmco-lha9EMV/view?fbclid=IwAR0F2WAUrcXFUCgl-YA9S8iVVDvVy389I4Ve4xxMz_O5oU0vKwCXIKcm0ZU

Resolution

That the Directors advise what action they have taken in the last 24 months to refinance or restructure the short term ANZ debt with a long term facility or with another more committed lender.

That the Directors advise when they will issue another round of Life Pass Sales.

Signed/Moved

Seconded/Signed

Shareholder Name : David Laurence Krebs
Holder Number R299869
Address of proposing shareholder:
130 Ranui Road RD3 Kawakawa 0283
Email address david.krebs.nz@outlook.com

Shareholder Name Rob Eller
Holder Number 198330
Address of seconder shareholder
22B Verbena Road Birkdale Auckland 0626
Email address: robrips@gmail.com

	Key observations	Risks and/or recommendations for consideration
Support of the Bank		
7.	The ANZ banks change in support to a monthly basis due to the onset of the pandemic created a significant liquidity and insolvency risk to RAL. This resulted in the Auditors qualifying the FY20 annual report to state a material uncertainty existed for RAL to operate as a going concern. The going concern of RAL was undermined because the bank could technically call upon their \$5.9m debt to be repaid at any time which would have made RAL insolvent unless they could secure other sources of financing	Risks for consideration: <ul style="list-style-type: none"> i. ANZ bank change in its level of financial support has caused an unacceptable level of liquidity risk to the company j. ANZ Bank’s continued support is based on a condition that RAL perform a capital restructure which is a breach of its constitution Recommendation for consideration: <ul style="list-style-type: none"> k. RAL need to carefully consider where they obtain their financing from and choose financial institutions who can provide a much more stable and committed level of financial support. This means a level of financial support that does not expose the company to future liquidity and insolvency risks where an event review from a pandemic or equivalent natural disaster does not change financing arrangements from long term to short term in an instant l. RAL need to consider their aggressive development strategy time lines to be more conservative in their development approach. The aggressive redevelopment has left the company highly exposed to significant financial risk m. RAL need to seriously consider refinancing the ANZ Bank debt with a more committed lender or another round of Life Pass sales. The current financial arrangement on a month to month or 12 month rolling basis is an unacceptable liquidity and insolvency risk and will likely lead to another qualified audit opinion, due to the material uncertainty of the company to operate as a going concern
8.	ANZ Bank change in support to RAL on a month-to-month basis is vastly different to how banks have supported the New Zealand housing sector with mortgage repayment holidays. In FY20 RAL paid \$230k in banks fees (not including interest). This is significantly up from \$37k in FY19, yet the level of support and commitment was dramatically reduced.	
9.	The ANZ Bank continued support is based on a condition that RAL perform a capital restructure which is a breach of its constitution.	



RAL note in response to Resolution 14 and Appendix I:

The Ruapehu Alpine Lifts Limited 2021 Annual Report and audited financial statements (accessible here: <https://www.mtruapehu.com/ral/annual-reports>) provide detailed disclosures of the steps taken by the Company to satisfy the conditions within both the ANZ and MBIE lending agreements (refer Note 1.2, page 34).

The RAL Board of Directors plan to present their thoughts on the development of alternative funding plans (and within those the potential to raise capital from a new life pass issue) at the ASM.



APPENDIX J: SHAREHOLDER RESOLUTION – PUBLISH ALTERNATIVE REPORT AND EXPLANATORY NOTES

To the Company Secretary and Directors of Ruapehu Alpine Lifts Limited Dated 27 February 2022

That the following resolution be put to the next Special Meeting and or AGM, whichever occurs first, for a vote by Shareholders under Section 12 of Schedule 1 of Ruapehu Alpine Lifts Limited Constitution.

Preamble

The Directors of Ruapehu Alpine Lifts Limited are promoting a major restructure. The Director's have been provided with an Alternative Report by a group of concerned RAL Shareholders and Life Pass holders. This report provides detailed analysis and alternatives to the Directors proposals.

The analysis provided in this report is based on an independent review of the RAL annual reports from March 2016 to November 2020 and has been prepared by RAL Shareholders and Life Pass holders to provide improved financial transparency into the financial operations and balance sheet position of RAL. The report makes observation to key risks identified within the analysis. A key risk to Life Passholders is that the NEWCO corporate structure may leave them vulnerable to a loss of their Life Pass benefits. A key risk to Shareholders is that they will likely have significantly less voice and control in the future direction of the company. A key risk to skiers and community is in context to the financial stability of RAL. Is a corporate structure that distributes its profits sustainable long term, given Mt Ruapehu's harsh weather conditions, and climate risk require ongoing investment to maintain and protect the infrastructure from the elements? Payment of taxes and dividends restricts the ability of RAL to reinvest retained profits back into Te Maunga.

The group of concerned shareholders and Life Pass holders have requested RAL Directors forward the report to all shareholders. However, The RAL Directors in their 16th December update stated they will not forward the report to all shareholders and will only forward on to the group any requests RAL receives.

Providing this alternative report is essential to ensure shareholders have a greater understanding of all alternatives available.

Please send this and the attached page of the Alternative Report as part of this resolution. Shareholders who wish to review the full report, please email the concerned shareholders group ralshareholders@gmail.com Or download using this link

This is a link to the report

https://drive.google.com/file/d/1b-ELj1qVf90OZ8yCSi8enmco-lha9EMV/view?fbclid=IwAR0F2WAUrcXFUCgl-YA9S8iVVdVvVy389i4Ve4xxMz_O5oU0vKwCXIKcm0ZU

Resolution


That the Directors of RAL provide to all shareholders and Life Pass Holders, the alternative report dated 9 November 2021 titled Ruapehu Alpine Lifts Limited Financial and Operational Risk Monitoring Assessment Program by a Group of Shareholders and Life Pass Holders.

Signed/Moved

Shareholder Name : David Laurence Krebs
Holder Number R299869
Address of proposing shareholder
130 Ranui Road RD3 Kawakawa 0283
Email address david.krebs.nz@outlook.com .

Seconded/Signed

Shareholder Name Rob Eller
Holder Number 198330
Address of seconder shareholder
22B Verbena Road Birkdale Auckland 0626
Email address: robrips@gmail.com



RUAPEHU ALPINE LIFTS LIMITED FINANCIAL AND OPERATIONAL RISK MONITORING ASSESSMENT PROGRAM BY A GROUP OF SHAREHOLDERS AND LIFE PASS HOLDERS

Report Part A (9th November 2021)



Abstract

RAL Board of Directors are proposing to sell a 50% share of the company to private equity investors for \$30m. This will require a significant change to the company constitution by forming a new company structure called NEWCO. Under the proposed NEWCO, the public benefit entity status of the company will be forfeited, which will mean the company will be subject to pay tax on profits. Investors will expect a share of profits via payment of dividends. The current company structure does not allow payment of dividends to shareholders, and this structure has allowed 100% of profits and operating cash flows to be reinvested back into the ski field operations. RAL was established in 1953 and retention of its profits has been a pivotal success factor for the financial viability to the ski field operations. RAL operates on an active volcano in challenging environmental conditions with significant weather risk, geological risk, and climate risk from global warming.

The analysis provided in this report is based on an independent review of the RAL annual reports from March 2016 to November 2020 and has been prepared by RAL Shareholders and Life Pass holders to provide improved financial transparency into the financial operations and balance sheet position of RAL. The report makes observation to key risks identified within the analysis. A key risk to Life Passholders is that the NEWCO corporate structure may leave them vulnerable to a loss of their Life Pass benefits. A key risk to Shareholders is that they will likely have significantly less voice and control in the future direction of the company. A key risk to skiers and community is in context to the financial stability of RAL. Is a corporate structure that distributes its profits sustainable long term, given Mt Ruapehu's harsh weather conditions, and climate risk require ongoing investment to maintain and protect the infrastructure from the elements? Payment of taxes and dividends restricts the ability of RAL to reinvest retained profits back into Te Maunga.



RAL note in response to Resolution 15 and Appendix J:

The Ruapehu Alpine Lifts Limited 2021 Annual Report and audited financial statements (accessible here: <https://www.mtruapehu.com/ral/annual-reports>) provide detailed disclosures around the performance of the company during the last financial year.

RAL's Chair, Geoff Taylor, met online with the shareholders who have put this proposed resolution forward and highlighted two material pieces of missing information with regards to the alternative report when reviewing RAL's financial position:

- Spare capacity/growth (that doesn't cost any capital) in summer sightseeing volumes on the Sky Waka.
- Unknown costs to make good or replace the older lifts

It is also important to note that the alternative report was prepared in November 2021 and does not include information following the release of the 2021 Ruapehu Alpine Lifts Limited Annual Report. The Board will present detail on the performance of the 2021 year and the other substantive issues mentioned above at the ASM.

Following the November 2021 meeting/update the Company has connected shareholders that expressed an interest in the content within the Alternative Report with those that authored it. Should shareholders wish to obtain a copy of the Alternative Report they can do so using the information contained in Appendix J.



APPENDIX K: SHAREHOLDER RESOLUTION – MEETING FORMAT AND EXPLANATORY NOTES

To the Company Secretary and Directors of Ruapehu Alpine Lifts Limited Dated 27 February 2022

That the following resolutions be put to the next Special Meeting, Annual Shareholders Meeting (ASM) and AGM, for a vote by Shareholders under Section 12 of Schedule 1 of Ruapehu Alpine Lifts Limited Constitution.

Preamble

The next Shareholders General meeting of Ruapehu Alpine Lifts Limited is likely to be a virtual meeting. The RAL Constitution Schedule 1 Section 5.1 (b) states a meeting may be held by:

means of audio, or audio and visual, communication by which all Shareholders participating and constituting a quorum, can simultaneously hear each other throughout the meeting.

The recent information updates run by the RAL Directors replacing the Special General Meeting, did not allow for this to occur. Due to the importance of the decisions shareholders are to make regarding the future of RAL, it is essential all shareholders can freely interact as required and allowed for by the constitution.

Resolution

That this meeting complies fully with section 5.1(b) of Schedule 1 of the Ruapehu Alpine Lifts Limited Constitution or be adjourned.

Signed/Moved

Seconded/Signed

Shareholder Name : David Laurence Krebs
Holder Number R299869
Address of proposing shareholder:
130 Ranui Road RD3 Kawakawa 0283
Email address david.krebs.nz@outlook.com

Shareholder Name Rob Eller
Holder Number 198330
Address of seconder shareholder
22B Verbena Road Birkdale Auckland 0626
Email address: robrips@gmail.com

RAL note in response to Resolution 16 and Appendix K:

The Directors confirm that the ASM being held on Saturday 28 May 2022 will be in a format that complies with Clause 5.1(b) of Schedule 1 of the Constitution and section 124 and Schedule 1 of the Companies Act 1993.

Shareholders have the option to attend the meeting in person, online or via telephone with details on each provided within Appendix A.

APPENDIX L: SHAREHOLDER RESOLUTION – DELAY SPECIAL RESOLUTION AND EXPLANATORY NOTES

To The Company Secretary Ruapehu Alpine Lifts
Limited Dated 12 May 2022

That the following resolution be put to the Annual Shareholder Meeting for a vote by Shareholders under Section 12 of Schedule 1 of Ruapehu Alpine Lifts Limited Constitution.

Background

The Chair of RAL advised 9 November 2021

- *The RAL Trust, as the controlling shareholder of RAL, have been consulted on this process and have indicated that 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*

Further

The Chair of RAL advised 9 November 2021

The date for which this transfer will occur, and the legal structure (and relevant constitutional documentation) of the new entity is yet to be determined.

The Notice of Annual Shareholders Meeting for Saturday 28 May 2022 still does not provide any further detail of the **legal structure (and relevant constitutional documentation) of the new entity.**

This lack of transparency regarding the legal structure of the new entity, cannot then meet the criteria set down for the RAL Trust to provide their support, if they are to act as prudent trustees.

This lack of transparency does not meet Clause 3(a) of Section 12 of Schedule 1 of the RAL Constitution which states the Notice of Meeting must state:

- *3.2 (a) The nature of the business to be transacted at the meeting in sufficient detail to enable a Shareholder to form a reasoned judgement in relation to it.*

Ordinary Resolution (To be voted on prior to the Directors Special Resolution for Restructure of the Assets and Business of the Company)

THAT the "Special Resolution - Restructure of the Assets and Business of the Company" be delayed until the Directors provide full transparency as to how the rights of existing shareholders in RAL in the New Company Constitution will be protected.

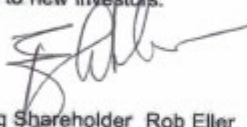
That the Directors were notified by leading Auckland law firm Wilson Harle Barrister and Solicitors letter of 22 November 2021 when the board proposed the similar resolution that

Without this information, we do not consider that the special meeting is validly able to proceed

on 26 November 2021. It should be adjourned until such time as a valid notice is given by the Board, including the Required Information. Failing to do so will mean that any votes cast at the special meeting will be invalid.

The existing shareholders be given 28 Days from the date this requested detail is provided, to perform due diligence on the proposal. The Directors are to provide a copy of the intended Constitution of the New Company showing the Classes of Share, the Rights of each share type, including those that may be issued to new investors.

Signed



Proposing Shareholder Rob Eller

Holder No 198330

Address

22 B Verbena Road Birkdale

Auckland 0626

Email Address robrips@gmail.com

Signed



Seconding Shareholder David Krebs

Holder No R299869

Address 130 Ranui Road RD3 Kawakawa

Email Address david.krebs.nz@outlook.com

RAL note in response to Resolution 17 and Appendix L:

As outlined in the explanatory notes to resolution 9 (Appendix D) the Company is seeking approval to transfer all business assets, debts and obligations into a new entity that will be 100% owned by RAL.

The transfer of all business assets, debts and obligations into this entity will mean the current positions of shareholders, creditors and staff **remains the same**.

If, the Company then has an offer to invest in the New Entity this will then go through a separate and normal process of seeking shareholder approval. That approval would include the legal structure and constitutional documents supporting the transaction.

APPENDIX M: SHAREHOLDER RESOLUTION – PUBLISH ALTERNATIVE REPORT AND EXPLANATORY NOTES

To The Company Secretary Ruapehu Alpine Lifts Limited dated 12 May 2022

That the following resolution be put to the Annual Shareholders Meeting for a vote by Shareholders under Section 12 of Schedule 1 of Ruapehu Alpine Lifts Constitution.

Background

The Ruapehu Alpine Lifts 2021 Annual Report has become available to Shareholders on the 14th April 2022. The Alternative report released 9th of May 2022 has been updated to include the information contained in this report.

The narrative of The Ruapehu Alpine Lifts 2021 Annual Report stresses the need for a capital restructure due to the conditions of the lenders of the short term debt ANZ Bank and MBIE.

It is important given the financial stress the company is under that RAL shareholders are kept informed on the company's financial health on regular basis.

Ordinary Resolution

That the RAL Directors issue the latest version of the Alternative reported dated 9th May 2022 to all Shareholders

That the RAL Directors present monthly Profit and Loss Statements, Balance Sheet, and Cash flow on the Ruapehu Alpine Lifts Entity and/or any other Subsidiaries Companies for which Ruapehu Alpine Lifts holds ownership in.

Signed



Proposing Shareholder Robert Krebs

Holder No 512193

Signed



Seconding Shareholder David Krebs

Holder No R299869

RAL note in response to Resolution 18 and Appendix M:

The Board will speak to this resolution at the meeting.

APPENDIX N: SHAREHOLDER RESOLUTION – COMPLAINT TO THE BANKING OMBUDSMAN AND EXPLANATORY NOTES

To The Company Secretary Ruapehu Alpine Lifts Limited dated 12 May 2022

That the following resolution be put to the Annual Shareholders Meeting dated 28 May 2022 for a vote by Shareholders under Section 12 of Schedule 1 of Ruapehu Alpine Lifts Constitution.

Background

- **The ANZ banks change in support to a monthly basis due to the onset of the COVID-19 pandemic created a significant liquidity and insolvency risk to RAL.** This resulted in the Auditors qualifying the FY20 annual report to state a material uncertainty existed for RAL to operate as a going concern. The going concern of RAL was undermined because the bank could technically call upon their \$5.9m debt to be repaid at any time which would have made RAL insolvent unless they could secure other sources of financing
- ANZ Bank change in support to RAL on a month-to-month basis is vastly different to how banks have supported the New Zealand housing sector with mortgage repayment holidays.
- In FY20 RAL paid \$230k in banks fees (not including interest). This is significantly up from \$37k in FY19, yet the level of support and commitment was dramatically reduced
- The ANZ Bank continued support is based on a condition that RAL perform a capital restructure which is a breach of its constitution.
- **The ANZ Banks sudden change of financial support has placed other creditors at risk and placing RAL shareholders at risk. They are being forced to sell their company!**

Ordinary Resolution

That the RAL Directors lodge a complaint to Banking Ombudsman for the actions the ANZ Bank have taken to restructure their debt 100% short. This has placed the company into an insolvency risk position solely by their action to restructure the debt short. Secondly, the ANZ Bank conditions that the company restructure its assets and business into a new entity is unreasonable and in breach of the company constitution. This action will result in the company losing its Property Plant and equipment and its tax free status. This action is also inequity to shareholders who have foregone dividends for nearly 70 years to ensure the company remains financially viable.

Signed 

Proposing Shareholder Robert Krebs

Holder No 512193

Address 130 Ranui Road RD3 Kawakawa

Email Address: rkrebs007@gmail.com

Signed 

Seconding Shareholder David Krebs

Holder No R299869

Address 130 Ranui Road RD3 Kawakawa

Email Address: david.krebs.nz@outlook.com

RAL note in response to Resolution 19 and Appendix N:

The Board will speak to this resolution at the meeting.

