



20 November 2025

NEW PLYMOUTH PIF GUARDIANS LIMITED STATEMENT OF EXPECTATIONS

As part of the process of establishing the Statement of Intent (SOI) each year the Council issues a Statement of Expectations (SOE) to Council Controlled Organisations (CCOs).

New Plymouth PIF Guardians Limited's (NPG, the Company) SOE should guide the Company's strategic direction and set out the expectations that should be addressed in their 2026/27 SOI.

This SOE has been developed in accordance with the Local Government Act 2002 (LGA) Section 64b including:

- Specifying how the CCO is to conduct its relationship with New Plymouth District Council (NPDC, the Council) and the wider district including our local Iwi and Hapū and other Māori organisations; and
- Requiring the CCO to act consistently with the statutory obligations of the Council and the Council's obligations pursuant to agreements with third parties.

Expectations Specific to NPG

- 1 *Governance Deed:* The Governance Deed sets out the relationship between the Council and NPG. The Council expects that NPG will continue to comply with the terms contained within and advise officers of any breaches in a timely fashion.
- 2 *Returns:* A prime focus for the Council is to ensure that the returns from the PIF are at a level that meets its objectives. The target return of the Fund is 3.3 per cent plus NZ inflations, net of fees and costs, measured on a rolling five-year basis.
- 3 *Risk management:* Given that the PIF is an investment of ratepayers' funds, the Council's expectation is that the risk profile of investments will reflect this and the targeted rate of return. Investments will be made in line within the Statement of Investment Policies and Objectives, including the strategic asset allocation and environmental, social and governance aspects of investments, in particular the mitigation of and adaptation to climate change.

General Expectations

- 4 *Draft SOI:* All CCOs must provide a draft SOI to council officers by 1 March each year. The draft SOI will be considered by Council or appropriate Committee. Feedback will be provided at draft stage, and the final SOI is to be provided to council officers by 30 June.

5 *Reporting:*

- A quarterly report will be provided to Council Officers within two months of the end of each quarter. The Board approved Annual Report will be provided within three months of year end. All reports will be made publicly available within one month of being received.
- The half-yearly and end-of-year reports must be appropriately detailed and include updates on all measures and activities (where applicable). The quarter one and three reports may be less detailed dashboard style reports.

6 *Council / Committee Meetings:* The board Chair or in their absence a board member, must attend Council or appropriate Committee meetings to present quarterly updates unless otherwise instructed.

7 *“No Surprises” Policy:* It is expected that you will maintain a “no surprises” policy and inform council officers well in advance of any material or significant events, transactions or other issues that would be considered contentious or attract wide public interest.

8 *Sensitive Expenditure:* While noting that CCOs operate in a different market than the Council, they need to be cognisant of the fact that they are operating in a public environment and should be aware of the Council’s sensitive expenditure policy.

9 *Environmental Sustainability:* NPDC has a strategic goal “Environmental Excellence Te Kounga ā-Taiao”. NPDC’s Environmental Sustainability Policy outlines our main environmental priorities. CCOs must be aware of these and assist in the achievement of them where and when appropriate. This should be reported on in the half-yearly and end-of-year reports.

10 *Climate change reporting:*

- NPDC requests each CCO to undertake climate-related disclosures in 2026/27. However, for NPG Council instead requests that NPG assess Mercer’s disclosure and provide advice to NPDC on the key climate-related risks and opportunities in relation to the PIF, and any matters that NPG consider should be considered by NPDC that arise.
- NPDC is also in the process of joining the Local Government Funding Agency’s Climate Action Loans to provide an interest rate discount for Council debt. The financed emissions from the PIF contribute to 14% of NPDC’s emissions. If NPDC is able to join this scheme, we may require you to engage with Mercer on reducing these financed emissions. Further, all CCOs will be included within NPDC’s emissions boundary. Therefore, NPDC will monitor and report on your operational emissions (including scope 1, 2 and 3 emission sources) and may require you to undertake any steps to reduce your operational emissions.

11 *Relationship with NPDC:* To ensure strong communications and alignment between the Council and its CCOs an advisor will attend, as an observer, all Board meetings.

- 12 *Relationship with New Plymouth District Community:* Council expects that NPG's decisions are for the benefit of the district.
- 13 *Relationship with Iwi, Hapū and other Māori organisations:* The Council expects NPG to advise and consult with local Iwi and Hapū.
- 14 *Obligations:* NPG must always act in a manner consistent with the statutory obligations of NPDC and also those pursuant to agreements with third parties (including Iwi, Hapū, or other Māori organisations).

Yours faithfully



Gareth Green
CHIEF EXECUTIVE