

POLICY DOCUMENT – L SHARES

- 1 L Shares give the holder the right to use and access specified infrastructure within the L Area provided that (among other things) the holder pays the charges relating to the L Shares set out in the Water Agreement.
- 2 Charges will be determined in accordance with the Water Agreement and this policy document.
- 3 The Board may amend this policy document or adopt a new policy document at any time provided the Board has first obtained the prior approval by ordinary resolution of the holders of L Shares.
- 4 Without limiting the requirement for approval of matters falling within clauses 3 and 5, the holders of L Shares will be consulted as appropriate in respect of matters relating to specified infrastructure within the L Area and issues related to the L Shares.
- 5 Where any routine and repetitive work is required on the existing structures within the L Area or that infrastructure requires replacement or upgrading without a material change to its scope or functionality the Board of Opuha can make decisions on those matters after advising the holders of the L Shares of those proposed works. Additional charges may be levied against the L Shares relating to the cost of those works.
- 6 Other than as set out in 5 above the Board may not enter into any transaction in respect of the specified infrastructure in the L Area where the Board considers that:
 - a. the transaction is a material transaction that relates to an extraordinary matter; and
 - b. the transaction has or is likely to have the effect of significantly increasing the charges payable by the holders of the L Shares,except with the prior approval by ordinary resolution of the holders of the L Shares.
- 7 The Board must act reasonably in determining what is “material” and “significant” in respect of any set of circumstances.
- 8 The Board shall have regard to the general principle that any financial benefits arising from extraordinary opportunities relating to the specified infrastructure in the L Area shall be directly or indirectly passed on to the holders of the L Shares to the extent that the Board determines in its absolute discretion that the direct or indirect passing on of such benefits is applicable or appropriate in any particular case or set of circumstances.
- 9 Without limiting clause 8 above, in the context of applying the general principle set out in clause 8, the Board shall have regard to, and act in a manner consistent with, the previous Memorandum of Understanding between Opuha Water Limited and Levels Plain Irrigation Co Limited dated 18 February 2013 in respect of the resource consent CRC011898B relating to “AN Water”.