

By email

11 December 2025

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Tēnā koe Lucy

WRC Holdings Limited - Statement of Expectations 2026/27

This letter sets out a statement of our expectations (including our enduring expectations in Appendix 1), as the shareholder in WRC Holdings Limited (WRCHL), as you begin drafting the Statement of Intent (SOI) for 2026/27 to 2028/29. Our statement of expectations, as prescribed in section 64B of the Local Government Act, specifies the relationship we expect to have with you over the period and our general expectations of the WRC Holdings Group.

The draft SOI is due to Greater Wellington Regional Council (the Council) by 1 March 2026. We will then consider this document and provide feedback by 1 May 2026 to allow the document to be finalised before 30 June 2026.

Continued focus on optimising return on investment

The Long Term Plan 2024-2034 (LTP) anticipates a continued revenue stream from dividend payments and this needs to continue to be factored into the SOI. WRCHL should continue to work with its subsidiaries to see how it can increase its level of profitability and dividend stream.

Council, as shareholder of WRC Holdings, considers CentrePort to be a strategic asset and a long-term investment. Council considers the ability to integrate important outcomes (including progressively increasing the CentrePort's dividend payouts and return on equity, regional economic development, incorporating te ao Māori into decision making, and emissions reduction) into the development of the port as key benefits of long-term ownership in CentrePort.

Developing a new Investment Strategy

Building on the previous work undertaken in 2024/25, Council expects WRCHL to develop and propose options for a new strategic investment strategy/policy and operating model by the end of the 2026/27 financial year. These options should include maximisation of shareholder returns to Council and identification of new commercial and investment opportunities that align with Council's strategic objectives whilst increasing the value of its assets. All opportunities should be assessed as to their contribution to the broader economic benefit of the Wellington region.

Public Transport assets

We expect that WRCHL and Greater Wellington Rail Limited (GWRL) will:

- maintain oversight and awareness of the GWRL asset portfolio, including the new rail rolling stock and supporting infrastructure now being progressed through the signed Lower North Island Rail Integrated Mobility (LNIRIM) procurement contract, and the likely incorporation of strategic bus assets into the GWRL portfolio.

- maintain oversight of risks associated with the rail network to GWRL's rail assets, recognising their vital importance to both CentrePort's operations and Metlink's rail services.

Health and Safety

We expect that WRCHL will continue to maintain awareness of, and seek assurance that, key critical health and safety risks for GWRL and CentrePort are appropriately managed. Health and safety should remain a priority in WRCHL's work programme, reflecting the Council's commitment to a safe and resilient community.

Living wage accreditation

Greater Wellington achieved Living Wage Employer accreditation through Living Wage Aotearoa's accreditation programme in October 2025. We are now turning our focus to ensuring that our majority-owned entities work toward meeting the same standard. We request that WRCHL engage with CentrePort to support its steps toward accreditation.

Regional economic development

WRCHL will support and align with appropriate Council regional projects, including the implementation of the Regional Economic Development Plan.

A continuing emphasis on emissions reductions

Council expects WRCHL to ensure that emissions reduction is a priority across its subsidiaries.

Council recognises CentrePort's strong commitment to, and success, in reducing emissions. We look forward to CentrePort's continuing contribution to meeting our organisational and regional emissions reduction targets.

If you have any need for clarification on the above matters, then please feel free to contact me at the soonest opportunity. We look forward to receiving your draft SOI by 1 March 2026. In accordance with section 64B of the Local Government Act 2002, this letter will be published on the Council's website.

Nāku noa, nā

Daran Ponter
Chair - Wellington Regional Council

Appendix 1: Enduring Expectations

ENDURING EXPECTATIONS	
Best practice governance	WRCHL is expected to meet best practice governance standards.
Alignment with the Council's strategic direction	WRCHL is expected to maintain an ongoing alignment to the four focus areas in the Council's 2024-34 Long Term Plan (LTP) strategic framework: <ul style="list-style-type: none"> • Active partnerships with mana whenua and improved outcomes for Māori • Leading action for climate resilience and emissions reduction • Holistic approaches to deliver improved outcomes for te taiao • Improved access to services and equitable outcomes for communities.
Alignment with the Council's specific objectives for WRCHL	WRCHL is expected to maintain an ongoing alignment to the Council's specific objectives for WRCHL in the LTP 2024-34: <ul style="list-style-type: none"> • Operate successful, sustainable and responsible businesses for the benefit of future generations • Impose commercial discipline on the Group's activities and generate a commercial rate of return • Manage its assets prudently • Support the Council's strategic vision.
Giving effect to Te Tiriti o Waitangi and Te Whāriki (the Council's Maori Outcomes Framework)	WRCHL should proactively engage mana whenua and incorporate te ao Māori and mātauranga Māori perspectives, into its decision-making, so we can achieve the best outcomes for Māori across all aspects of our region.
Board performance review	A board performance review should take place every two years or as required, and should include (but not be limited to): <ul style="list-style-type: none"> • The eight elements of effective governance (https://oag.parliament.nz/good-practice) • Management of conflicts of interest • Quality of reporting • How te ao Māori is considered within decision-making • A review of the board skills matrix, with te ao Māori included After completing the board performance review, the Council should receive a report detailing the review process and its outcomes.
Health and safety	WRCHL must maintain an ongoing focus on health and safety, particularly regarding the management of critical risks and controls.
Risk management	WRCHL is expected to follow robust processes at a governance level to identify and manage risks.
Living wage and mitigating modern slavery	WRCHL should reflect the Council's expectations that Council Organisations pay the Living Wage and mitigate the risk of modern slavery in their commercial activities.
Legislative compliance	WRCHL must ensure legislative compliance with all relevant legislation.
'No surprises' policy	WRCHL is required to operate under a 'no surprises' policy with the Council. The policy operates both ways in relation to items of public interest or matters of significance, encouraging open, honest, and timely communication between both parties.