

Electra

TRUST

2018 Annual Review

The Electra Trust is 100 percent owned by the 44,593 electricity consumers (beneficiaries) currently connected to the Electra network throughout Kapiti and Horowhenua.

The six elected Trustees hold the shares on behalf of the beneficiaries, ensure the terms of the Trust Deed are complied with, and ensure the benefits of ownership are distributed in the form of an annual sales discount. The Trust appoints the Directors in Electra Limited which operates the lines network (including lines, transformers and sub-stations) and its subsidiary companies, and monitors performance.

More on Electra Trust: www.electratrust.co.nz

Trustees Report 2017/18

It has been another good year for Electra Limited, one of the most successful electricity lines companies in New Zealand. The much anticipated consumer discount which provides about a month's free electricity every year, depending on household usage, was again distributed. Since 1993 Electra has put nearly \$190m back into the community. Beneficiaries can be confident that the company continues to have their best interests at heart as we face a year of challenges in the electricity industry.

Change is in the wind. The Government proposes a review of the whole industry, especially the wholesale electricity market and retail market competition at a time when traditional methods of electricity delivery are changing - fast. To quote the Energy Minister the review would be looking at 'whether the electricity market and its governance arrangements are appropriate for the rapid changes in technology.'

At the same time government is also reviewing the legislation that governs trusts, which could impact on our own Electra Trust. Consumers and generators alike have choices like solar,

Where the Electra Network fits

GENERATION



Contact
Meridian
Genesis
Mighty River Power
Trustpower

TRANSMISSION



Transpower

DISTRIBUTION



Electra

ENERGY RETAIL



Electra Energy
Contact
Meridian
Genesis
Energy On Line
Trustpower
Nova Energy
Energy Direct
Mighty River Power
Pulse Utilities NZ
Simply Energy
and others

wind, electric vehicles, and smart apps to manage electricity usage in ways that have never been available before. Households are acutely aware of the cost of power and are looking for savings and efficiencies.

Electra Ltd's core business is of course to ensure our 44,593 consumers get power with as few interruptions as possible. Throughout the year the company works hard to upgrade the distribution system, replacing old lines, using smart technology to pinpoint outages swiftly and dealing with trees and weather which are the source of most problems.

However the company is also working on your behalf to develop and invest locally, following the model set by many distribution companies around the world. It is also planning to better inform and keep beneficiaries up to date with all the changes and developments through a comprehensive communications plan. That is good news for you, our beneficiaries in the Kapiti/Horowhenua region.

Trustees thank the Board and company for the work done on our behalf and we are pleased to have the Chairman Neil MacKay continue for another year to lead the development of the company's new strategies. We would like to thank board member Russell Longuet for his years of service on the Board and for his technical expertise. We also welcome Brendan Duffy to the Trust and thank Viv Wright for her invaluable secretarial services.

Finally it is with thanks and gratitude that trustees farewell Chris Turver after 18 years of service, 10 of them as Chairman. His contribution to the Trust and our national organisation the Electricity Trusts of New Zealand, has been enormous and he will be missed.

For more information about the Electra Trust please visit: www.electratrust.co.nz

Sharon Crosbie CNZM OBE
Chair
Electra Trust



YOUR ELECTRA TRUSTEES

Left to right – Brendan Duffy ONZM, JP of Levin, Lindsay Burnell QSM of Ohau, Ray Latham of Paraparaumu, Sharon Crosbie CNZM, OBE of Manakau (Chair), John Yeoman BBS, ACA, FCIS of Paraparaumu and Chris Turver MNZM, JP of Waikanae.

WEBSITE www.electratrust.co.nz **EMAIL** electratrust@xtra.co.nz

The Annual Report of Electra Trust, including the audited Financial Statements, is available on request from: Electra Ltd, Cnr Bristol & Exeter Streets, Levin. Or telephone 06 368 8406 (Secretary). Online at website: www.electratrust.co.nz

Overview of Electra Trust's Expenses

	2018	2017
	\$	\$
Annual Report Expenses	40,256	28,721
Audit Fees	6,000	5,635
Bank Fees	402	218
Conferences	7,548	7,468
Corporate Trustee Fees	8,050	8,050
Depreciation	8	16
Director Appointment	-	7,667
ETNZ Levy		4,996
Legal Fees	4,923	-
Beneficiary Meetings	445	336
Trust Secretary Expenses	34,021	31,720
Trustee Election Expenses	51,486	61,870
Nomination Expenses	16,665	16,065
Interest	26	-
Trustees' Expenses	5,714	5,897
Trustees' Fees (Total of 6)	83,333	87,500
Trustees' Insurance	5,510	5,510
Website & Computer Expenses	32	248
Telephone Tolls	983	570
	\$275,397	\$272,487

These expenses are covered by a Dividend of \$300,000 received from Electra Limited.

Details of the discount are contained in the Electra Annual Report.

Directory

TRUSTEES

S M Crosbie CNZM, OBE, Chair

L R Burnell QSM

C R Turver MNZM, JP

R J Latham

J L Yeoman BBS, ACA, FCIS

B J Duffy ONZM, JP

SECRETARY

VM Wright, Waitarere

ADVISORY TRUSTEE

Public Trust, Wellington

AUDITOR

Deloitte, Wellington,

on behalf of the

Controller and Auditor General

SOLICITORS

Quigg Partners, Wellington

Notice of Annual Meeting

Notice is hereby given that the Annual Meeting of beneficiaries of Electra Trust will be held at the Salvation Army Centre, Durham Street, Levin, on Friday, 27 July 2018 commencing at 12 noon.

ORDINARY BUSINESS

- Presentation of the following:
 - Annual Report
 - Financial Statements for the year ended 31st March 2018
 - Report of the Auditor
- To record the election of two Trustees.
- To fix the remuneration of the Trustees for the coming year. Trust beneficiaries are asked to consider, and if thought fit, to pass the following resolution:

"THAT the remuneration of the Trustees remain the same and therefore the remuneration for the 12 months ending 31st March 2019 be an amount of \$87,500, such sum to be divided amongst the six trustees in such proportion and in such manner as they may agree."
- To appoint an auditor for the Trust for the year ended 31st March 2019.

"THAT the Controller and Auditor General or his appointee be appointed as auditor for the Trust"
- Authorise the Trustees to fix the remuneration of the Auditor of the Trust.

"THAT the Trustees be authorised to fix the remuneration of the Auditor of the Trust."
- To review and discuss the Code of Practice for the Electra Trust.
- Report on the company's compliance with the Statement of Corporate Intent.
- To direct the Trustees as to:
 - adopting the annual report and financial statements of the Company for the year ended 31st March 2018
 - the recommended payment of a dividend of \$300,000 by Electra Limited for the year ended 31 March, 2018 to assist in meeting the expenses of the Trust
 - authorising the Directors of Electra Limited to fix the remuneration of the auditor of the Company.
 - adopting the special resolution of shareholders with regard to amending the Electra Trust Deed to bring the candidate nomination process for Trustee elections into better alignment with common practice. Schedule One clause 2.6 (c) to read "The notice shall also state that any nominations must be made no later than 1 May and that each nomination shall be made in writing and signed by the Beneficiary nominating the person and one(1) other Beneficiary and also signed by the person nominated as a Trustee, indicating his or her willingness to be elected." The amendment applies in relation to the 2019 election of Trustees and to all future elections.
- Public forum.

By the order of the Trustees

Vivien Wright

Trust Secretary

MINUTES OF THE TWENTY THIRD ANNUAL BENEFICIARY MEETING OF ELECTRA TRUST

Held at the Salvation Army Centre, Durham Street, Levin on Friday 28 July 2017 at 12.00 noon.

PRESENT Trustees: C Turver (Chairman), L Burnell, S Crosbie, J Yeoman
Directors: N MacKay (Chair of Electra Limited), C Dyhrberg, R Longuet, S Mitchell-Jenkins, J Boshier, A McCauley, 9 other beneficiaries

In attendance: H Birrell and V Wright (Secretary) Ireen Muir (Representing Public Trust as Advisory Trustee), Neil Simmonds (Chief Executive of Electra Ltd.), Senior Management Electra Ltd.(8)

The Chairman welcomed everyone to the meeting and introduced the Trustees and Directors.

The Chairman acknowledged the death of Trustee George Sue during the year.

The Chairman advised beneficiaries that voting papers were available if they had not already voted by postal vote.

APOLOGIES Apologies were received from R Latham

RESOLVED THAT the apologies be accepted Carried

MINUTES RESOLVED C Turver, seconded Celia Stewart THAT the minutes of the previous Annual Beneficiary Meeting held on 29 July 2016, as circulated previously be taken as read, confirmed as a true and correct record and signed by the Chairman. Carried

ANNUAL REPORT OF ELECTRA TRUST AND FINANCIAL STATEMENTS

The Chairman presented the 2017 Annual Report.

The Chairman put the motion, seconded by S Crosbie.

RESOLVED THAT THE ANNUAL REPORT AND FINANCIAL STATEMENTS OF THE TRUST FOR THE YEAR ENDED 31 MARCH 2017 BE ADOPTED

The Chairman declared that 4081 postal votes for the motion and 32 against carried the motion.

ELECTION OF TRUSTEES

The Chairman stated that in accordance with the Trust Deed, L Burnell had retired by rotation and being eligible had been nominated for re-election. There was a second vacancy due to the death of George Sue who died in March 2017.

The Chairman read the returning officer, Warwick Lampp's, report on the Trustee election.

The Chairman read the results of the election and advised that the successful candidates from the Trustee election were Lindsay Burnell and Brendan Duffy. He declared Lindsay Burnell and Brendan Duffy to be elected Trustees under the terms of the Trust Deed of Electra Trust.

TRUSTEE REMUNERATION

The Chairman put the motion, seconded by L Burnell.

RESOLVED THAT THE REMUNERATION OF THE TRUSTEES REMAIN THE SAME AND THEREFORE THE REMUNERATION FOR THE 12 MONTHS ENDING 31 MARCH 2018 BE AN AMOUNT OF \$87,500, SUCH SUM TO BE DIVIDED AMONGST THE SIX TRUSTEES IN SUCH PROPORTION AND IN SUCH MANNER AS THEY MAY AGREE.

The Chairman declared that 4052 postal votes for the motion and 71 against carried the motion.

APPOINTMENT OF AUDITOR

The Chairman put the motion, seconded by S Crosbie.

RESOLVED THAT THE CONTROLLER AND AUDITOR GENERAL, OR HIS APPOINTEE, BE APPOINTED AS AUDITOR FOR THE TRUST.

The Chairman declared that 4059 postal votes for the motion and 56 against carried the motion.

REMUNERATION OF AUDITOR

The Chairman put the motion, seconded by J Yeoman.

RESOLVED THAT THE TRUSTEES BE AUTHORISED TO FIX THE REMUNERATION OF THE AUDITOR OF THE TRUST

The Chairman declared that 4031 postal votes for the motion and 73 against carried the motion.

CODE OF PRACTICE

The Chairman asked the Advisory Trustee representative, Ireen Muir to read the Public Trust's Annual Report to the Beneficiaries. This report confirmed that to the best of the Public Trust's knowledge the Trustees had complied with their obligations under the Trust

Deed and the Code of Practice in all significant respects during the year ended 31 March 2017.

STATEMENT OF CORPORATE INTENT

The Chairman reported that the Trustees had reviewed and monitored the Statement of Corporate Intent of the Company and that Trustees believed the Company had adhered to the document.

DIRECTION TO THE TRUSTEES AS TO ADOPTION OF THE ANNUAL REPORT AND FINANCIAL STATEMENTS OF ELECTRA LIMITED

The Chairman invited Mr N MacKay, Chair of Directors of Electra Limited, to put the motion, seconded by S Mitchell Jenkins:

RESOLVED THAT THE MEETING DIRECTS THE TRUSTEES TO ADOPT THE ANNUAL REPORT AND FINANCIAL STATEMENTS OF THE COMPANY FOR THE YEAR ENDED 31st MARCH 2017.

The Chairman declared that 4067 postal votes for the motion and 30 against carried the motion.

DIRECTION TO THE TRUSTEES AS TO AUTHORISING THE PAYMENT OF A DIVIDEND

This dividend covered the expenses of Electra Trust.

Mr MacKay put the motion, seconded by Mr Dyhrberg.

RESOLVED THAT A DIVIDEND OF \$300,000 BE APPROVED.

The Chairman declared that 4024 postal votes for the motion and 71 against carried the motion.

DIRECTION TO THE TRUSTEES AS TO AUTHORISING DIRECTORS TO FIX THE REMUNERATION OF THE AUDITOR OF THE COMPANY

Mr MacKay put the motion, seconded by J Boshier.

RESOLVED THAT THE DIRECTORS BE AUTHORISED TO FIX THE REMUNERATION OF THE AUDITOR OF THE COMPANY.

The Chairman declared that 3990 postal votes for the motion and 98 against carried the motion.

DIRECTION TO THE TRUSTEES AS TO ADOPTING THE SPECIAL RESOLUTION OF SHAREHOLDERS WITH REGARD TO AMENDING THE ELECTRA LIMITED CONSTITUTION SCHEDULE 1 CLAUSE 32.9 TO LIMIT DIRECTOR TENURE TO 3 TERMS – THIS BEING 9 YEARS. THE TOTAL TERM OF 9 YEARS MAY ONLY BE EXTENDED FOR ONE ADDITIONAL 3 YEAR TERM BY SPECIAL RESOLUTION.

C Turver put the motion seconded by J Yeoman.

The Chairman declared that 3906 postal votes for the motion and 185 against.

As the majority (93.28%) of those who voted for this special resolution voted FOR the special resolution.

The special resolution is carried.

The Trust Chairman invited Electra Chair Neil MacKay, and Mr Simmonds, CE of Electra Limited to present the Annual report of the Company.

The presentation highlighted the company's investment in:

- emerging technologies,
- Engineering, IT and Financial resources added in the past year.
- Cyber security.

These investments have all left the company in a strong financial position.

Mr MacKay acknowledged Mr Turver as out-going Chair of the Electra Trust and thanked him for his contribution as Chair for the past 10 years.

Mr Turver thanked all his colleagues for their help and support during his tenure as Trust Chair.

The Company's presentation will be made available on the Electra Trust webpage for all beneficiaries to view.

Following the presentation Mr Duffy asked that in future all beach settlements be shown as such on company maps.

CLOSURE

The meeting closed at 12.50pm