

Trustees Report 2021/22

The past year marks a watershed in the way we will deal with electricity in the future. The watchwords have been: climate change, decarbonisation, green energy, sustainability etc and they all have implications for our lines company and how the directors and the company prepare for a very different future - but still keeping the lights on and the energy always available!

The challenge confronting New Zealand is to reach net zero carbon emissions by 2050 and an aspirational goal of 100% renewable electricity by 2030. Most of us don't realise how much we still depend on coal, for boilers used in industry and for heating many of our schools and then there's our dependence on oil, gas and petrol, the dreaded fossil fuels. These will have to be replaced by solar, wind, geothermal or renewable energy like biomass or hydro. And lots of battery storage. And we'll need a lot more of that 'good' energy for charging the EVs we'll drive. We face radical change.

Be assured, on your behalf Electra's team have been working on this

for months and future investments will reflect our local concerns and the changes we have to make. The company still remains one of the country's top performing lines companies. Its core business is exemplary. Do visit the Electra company website: www.electra.co.nz for more information.

The Trust act as guardians to represent your interests in the entity that you own. We appoint and receive briefings from the directors several times a year. We also belong to the national body of trusts, ETNZ, and are kept abreast of all developments and decisions in the energy sector.

This year two valued trustees are standing down. I'd like to thank Ray Latham and Janet Holborow for their contribution to our group on your behalf. We will miss their input and wish them well in future endeavours. Thanks too to fellow trustees for their input and to our patient and very competent Secretary, Anne Robb.

Sharon Crosbie
CNZM OBE Chair,
Electra Trust



The Electra Trust is 100 percent beneficially owned by the 45,948 electricity consumers currently connected to the Electra network through Kāpiti and Horowhenua ("Beneficiaries").

The six elected Trustees of the Electra Trust hold the shares of Electra Limited ("Company") for the benefit of the Beneficiaries, ensure the terms of the Trust Deed are complied with, and the benefits of that shareholding are distributed to the Beneficiaries in the form of an annual price discount.

The Trustees appoint and monitor the performance of the Company's Directors. The Company is responsible for operating the lines network (including lines, transformers and substations).

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

Where the Electra Network fits



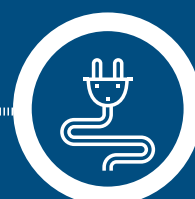
GENERATION

Contact, Meridian, Genesis, Trustpower, Mighty River Power



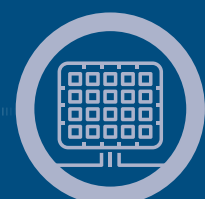
TRANSMISSION

Transpower



DISTRIBUTION

Electra



ENERGY RETAIL

Pulse Energy, Contact Meridian, Genesis, Nova Energy Flick Electric, Trustpower & Others

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). Or online at: www.electratrust.co.nz

OVERVIEW OF ELECTRA TRUST'S EXPENSES

	2022	2021
	\$	\$
Annual Report Expenses	41,721	56,899
Audit Fees	7,664	6,153
Bank Fees	42	64
Beneficiary Meetings	984	921
Conferences	2,015	2,098
Corporate Trustee Fees	8,050	8,050
Depreciation	627	361
Director Appointment	-	37,185
ETNZ Levy	12,321	12,321
Interest	-	1
Legal Fees	1,018	21,098
Secretary and Accounting	32,437	37,999
Telephone Expenses	650	928
Trustee Election Expenses	16,451	67,232
Trustees' Expenses	10,547	13,258
Trustees' Fees (Total of 6)	91,350	90,000
Trustees' Insurance	12,013	9,583
Website & Computer Expenses	-	600
	\$237,890	\$364,751

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

R J Latham

J L Yeoman BBS, ACA, FCG

N Mackay BCA

J Holborow

SECRETARY

Anne Robb, Levin

ADVISORY TRUSTEE

Public Trust, Wellington

AUDITOR

Deloitte, Wellington,

on behalf of the

Controller and Auditor

General

SOLICITORS

C S Law, Levin

NOTICE OF ANNUAL MEETING

Notice is hereby given that the Annual Meeting of beneficiaries of Electra Trust will be held at the Council Chambers, Horowhenua District Council, Oxford Street, Levin, on Friday, 29 July 2022 commencing at 12 noon.

ORDINARY BUSINESS

- Presentation of the following:
 - Annual Report
 - Financial Statements for the year ended 31st March 2022
 - Report of the Auditor

To fix the remuneration of the Trustees for the coming year.
- To Record the election of three Trustees
- Trust beneficiaries are asked to consider, and if thought fit, to pass the following resolution:

“THAT the remuneration of the Trustees remain the same therefore the remuneration for the 12 months ending 31st March 2023 be an amount of \$91,350, 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 2023.

“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 2022. -
the recommended payment of a dividend of \$300,000 by Electra Limited for the year ended 31 March 2022 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.
- Public forum.

By the order of the Trustees
Anne Robb - Trust Secretary



YOUR ELECTRA TRUSTEES

From Left – Neil Mackay BCA, of Paraparaumu, Janet Holborow of Paekakariki, Sharon Crosbie CNZM, OBE of Manakau (Chair), John Yeoman BBS, ACA, FCG of Paraparaumu, Lindsay Burnell QSM of Ohau, and Ray Latham of Paraparaumu

MINUTES OF THE TWENTY EIGHTH ANNUAL BENEFICIARY MEETING OF ELECTRA TRUST HELD AT THE COUNCIL CHAMBERS, HOROWHENUA DISTRICT COUNCIL, OXFORD STREET, LEVIN ON FRIDAY 30 JULY 2021 AT 12.05PM

PRESENT

Trustees: S Crosbie (Chair), L Burnell, J Yeoman, J Holborow, N Mackay
Directors: S Mitchell-Jenkins (Chair of Electra Limited), C Dyhrberg, M Underhill, S Armstrong, M Gribben, J Nicols
7 other beneficiaries

In attendance: A Robb on behalf Agar Fenwick Ltd (Secretary)
Leszek Lendnal (Representing Public Trust as Advisory Trustee)
Neil Simmonds (Chief Executive of Electra Ltd.)
Members of Senior Management Electra Ltd. (10)

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

The Chair advised beneficiaries that voting papers were available if they had not already voted by post or on-line.

APOLOGIES

R Latham, S Houston

MINUTES

RESOLVED L Burnell, seconded J Yeoman THAT the minutes of the previous Annual Beneficiary Meeting held on 31 July 2020, as circulated previously be taken as read, confirmed as a true and correct record and signed by the Chair. Carried

TRUST CHAIR PRESENTATION:

S Crosbie emphasised the Trust's role as guardians of the beneficiaries' assets, as they are the owners of the Company. She highlighted changes and challenges ahead for the whole energy sector, citing the importance of the alternatives of solar, wind, more hydro, geothermal, batteries and EVs.

She spoke of the Climate Change Commissions advice to Government to stop depending on fossil fuels, the effect this will have on our day to day lives, the Government Emissions Reduction Plan and the 2030 target for 100% renewable electricity.

She also mentioned Governments review of the legislative framework governing trusts, their trust deeds and how greater public control and oversight of elections could be achieved to ensure there is no room for perceptions of improbity to arise. S Crosbie emphasised the Trusts commitment to keep beneficiaries informed of any planned changes as soon as possible. All relevant information is to be on the TRUST website: www.electratruster.co.nz and this site has links for practical information on a day to day basis to the COMPANY website: www.electra.co.nz. S Crosbie presentation can be viewed on the website www.electratruster.co.nz

ANNUAL REPORT OF ELECTRA TRUST AND FINANCIAL STATEMENTS

The Chair presented the 2021 Annual Report.
The Chair put the motion, seconded by N Mackay

RESOLVED THAT THE ANNUAL REPORT AND FINANCIAL STATEMENTS OF THE TRUST FOR THE YEAR ENDED 31 MARCH 2021 BE ADOPTED
The Chair declared that 2840 votes for the motion and 15 against carried the motion.

ELECTION OF TRUSTEES

There were no Trustee elections for 2021 year as a result of an amendment to the Trust Deed, which changed the election cycle to 3 Trustees every 2 years resulting in a saving of \$40,000.00. The next election will be 2022.

TRUSTEE REMUNERATION

The Chair put the motion, seconded by L Burnell.
RESOLVED THAT THE REMUNERATION OF THE TRUSTEES BE INCREASED BY 1.5% AND THEREFORE THE REMUNERATION FOR THE 12 MONTHS ENDING 31ST MARCH 2022 BE AN AMOUNT OF \$91,350, SUCH SUM TO BE DIVIDED AMONGST THE SIX TRUSTEES IN SUCH PROPORTION AND IN SUCH MANNER AS THEY MAY AGREE.
The Chair declared that 2370 votes for the motion and 494 against carried the motion.

APPOINTMENT OF AUDITOR

The Chair put the motion, seconded by J Holborow.
RESOLVED THAT THE CONTROLLER AND AUDITOR GENERAL, OR HIS APPOINTEE, BE APPOINTED AS AUDITOR FOR THE TRUST.
The Chair declared that 2841 votes for the motion and 34 against carried the motion.

REMUNERATION OF AUDITOR

The Chair put the motion, seconded by J Yeoman.
RESOLVED THAT THE TRUSTEES BE AUTHORISED TO FIX THE REMUNERATION OF THE AUDITOR OF THE TRUST
The Chair declared that 2770 votes for the motion and 92 against carried the motion.

CODE OF PRACTICE

The Chair asked the Advisory Trustee representative, Leszek Lendnal 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 2021.

STATEMENT OF CORPORATE INTENT

The Chair 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 Trust Chair invited Electra Chair Mrs Shelly Mitchell-Jenkins, and CE of Electra Limited Mr Neil Simmonds, to present the Annual Report of the Company.

Mrs Mitchell-Jenkins said that the Electra Group remains in great shape and believes it is ready to face the challenges ahead. The core network business has continued to deliver a high standard for consumers and owners in the past financial year. She thanked the Directors on their valuable oversight, guidance and governance of the Electra Group. She accentuated the positive, collaborative working relationship the board had with the Trustees and acknowledged the considerable efforts of the Electra CE and Senior Management team over the past 12 months. Her presentation can be viewed on the Trust website www.electratrust.co.nz.

Mr Simmonds presented a slide display highlighting the Company core business activities and achievements for the last 12 months.

- Network performance and reliability
- Leading Network Intelligence
- Vegetation Management
- Asset Management Plan
- Development of our people
- Increased focus on Customers
- Electra Services Ltd
- Supporting community
- Looking forward

Mr Simmonds reiterated the key to the success of the Company is 'the people' and thanked his team for their effort and contribution for successfully getting through a difficult year. He also expressed his thanks to the Trustees and board members who have been supportive and involved in the direction of the Company.

Slide presentation is available to view on trust website www.electratrust.co.nz

The Chair thanked Mrs Mitchell-Jenkins and Mr Simmonds for their presentations and for their contribution to Electra
RESOLVED THAT THE MEETING DIRECTS THE TRUSTEES TO ADOPT THE ANNUAL REPORT AND FINANCIAL STATEMENTS OF THE COMPANY FOR THE YEAR ENDED 31st MARCH 2021.

The Chair declared that 2837 votes for the motion and 15 against carried the motion.

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

This dividend covered the expenses of Electra Trust.

The Chair put the motion, seconded by J Holborrow **RESOLVED THAT A DIVIDEND OF \$300,000 BE APPROVED.**

The Chair declared that 2799 votes for the motion and 66 against carried the motion.

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

The Chair put the motion, seconded by L Burnell **RESOLVED THAT THE DIRECTORS BE AUTHORISED TO FIX THE REMUNERATION OF THE AUDITOR OF THE COMPANY.**

The Chair declared that 2768 votes for the motion and 103 against carried the motion.

PUBLIC FORUM

The Chair invited questions and comments from the floor.

Russell Longuet noted a reduction in the Sales Discount this year. As a Shareholder he was concerned that something "didn't look right" and he presumed it was because of the performance of the subsidiaries. He asked for comment from the Company on the "yields of the subsidiaries".

SALES DISCOUNT

Mrs Shelly Mitchell-Jenkins thanked Russell Longuet for his question.

She advised that the board had made a decision to reduce the line fee charges by \$3m which equated to a reduction of the discount by the same value. This was to ensure that the Company prices were in line with other Companies and meet the Regulators expectation of acceptable revenue and returns. She advised that discounts are revisited every year and the long term plan was for the subsidiary investments to support higher returns to owners, whilst managing the head line rate versus regulated revenue return.

SUBSIDIARY PERFORMANCE

Mrs Mitchell-Jenkins commented that the Company's largest investment was not currently contributing to profit however she envisages that it will do so in the near future

There being no further questions the Chair declared the meeting closed and thanked everyone for their attendance.

CLOSURE The meeting closed at 1.05pm

