

ELECTRA TRUST

**MINUTES OF THE THIRTIETH ANNUAL BENEFICIARY MEETING OF ELECTRA TRUST
HELD AT THE COUNCIL CHAMBERS, HOROWHENUA DISTRICT COUNCIL, OXFORD STREET, LEVIN
ON FRIDAY 28 JULY 2023
AT 12.12PM**

PRESENT

Trustees: S Crosbie (Chair), L Burnell, R Longuet, N Mackay

Directors: S Mitchell-Jenkins (Chair of Electra Limited), S Armstrong, J Carmichael, K Sherry
M Underhill

Six other beneficiaries

In attendance: A Robb (Secretary)

Garry Hughes (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

C Dyhrberg, B Duffy, S Houston, J Yeoman,

MINUTES

L Burnell, Seconded M Underhill

RESOLVED THAT THE MINUTES OF THE PREVIOUS ANNUAL BENEFICIARY MEETING HELD ON 29 JULY 2022, AS CIRCULATED PREVIOUSLY BE TAKEN AS READ, CONFIRMED AS TRUE AND CORRECT RECORD AND SIGNED BY THE CHAIR. Carried.

TRUST CHAIR PRESENTATION:

The Chair acknowledged that from the Trusts perspective, things in the energy sector are changing quite rapidly and Beneficiaries need to be aware of the changes and challenges ahead. This includes the actual requirements in terms of financial investment needed in the next 5 years to keep up with regional growth and technology change. She emphasised that it will be the Company and Trusts job to keep the beneficiaries informed during the demanding times ahead.

S Crosbie's presentation can be viewed on the website www.electratrust.co.nz

ANNUAL REPORT OF ELECTRA TRUST AND FINANCIAL STATEMENTS

The Chair presented the 2023 Annual Report.

The Chair put the motion, seconded by R Longuet

RESOLVED THAT THE ANNUAL REPORT AND FINANCIAL STATEMENTS OF THE TRUST FOR THE YEAR ENDED 31 MARCH 2023 BE ADOPTED

The Chair declared that 3,112 votes for the motion and 38 against carried the motion.

ELECTION OF TRUSTEES

There were no Elections this year next election 2024.

TRUSTEE REMUNERATION

The Chair put the motion, seconded by N Mackay.

RESOLVED THAT THE REMUNERATION OF THE TRUSTEES BE INCREASED BY \$4,567.50 AND THEREFORE THE REMUNERATION FOR THE 12 MONTHS ENDING 31ST MARCH 2024 BE AN AMOUNT OF \$95,917.50, SUCH SUM TO BE DIVIDED AMONGST THE SIX TRUSTEES IN SUCH PROPORTIONS AND IN SUCH MANNER AS THEY MAY AGREE.

The Chair declared that 2,611 votes for the motion and 557 against carried the motion.

APPOINTMENT OF AUDITOR

The Chair put the motion, seconded by L Burnell.

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

The Chair declared that 3,104 votes for the motion and 60 against carried the motion.

REMUNERATION OF AUDITOR

The Chair put the motion, seconded by N Mackay.

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

The Chair declared that 3,026 votes for the motion and 145 against carried the motion.

CODE OF PRACTICE

The Chair asked the Advisory Trustee representative, Garry Hughes, 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 2023.

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 THE 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 thanked the Trust for inviting her and Neil Simmonds to present the annual report. She emphasised that this was an opportunity to reflect on and record the activities and performance of the Group over the preceding twelve months acknowledging the achievements and progress made. She encouraged people to read the full report that was provided at the meeting.

Mrs Mitchell-Jenkins made reference to the annual report which showed; a price discount of over \$5m to all eligible consumers, a Group after tax profit of \$5.3m for the year and an uplift of around \$43m added to the asset value and equity of the Group.

She emphasised the Company's focus to achieve high standards of customer service which was evidenced in the outstanding results of the annual company survey.

She made mention of the continued mission to enhance the Horowhenua/Kapiti Coast community with regional development through 21st century infrastructure and new technologies.

She spoke about the electricity distribution businesses playing a critical role in enabling the decarbonisation ambitions of NZ. With the increase of transport and industry electrification, the spread of solar generation and battery storage, Electra's electricity load on the network is forecast to double by 2041.

Electra's asset management plan will focus on ensuring that the network is fit for purpose and ready for what is coming.

Mrs Mitchell-Jenkins acknowledged her and Chris Dyrberg last day as Directors of Electra having both joined the Board together nine years ago. She thanked the Directors, Trustees and Senior Management for their support as Chair for the past four years with a special thanks to Neil Simmonds for his deep industry knowledge, expertise and tireless efforts for the Company.

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.

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.

The Chair put the motion, seconded by L Burnell.

RESOLVED THAT THE MEETING DIRECTS THE TRUSTEES TO ADOPT THE ANNUAL REPORT AND FINANCIAL STATEMENTS OF THE COMPANY FOR THE YEAR ENDED 31st MARCH 2023.

The Chair declared that 3,120 votes for the motion and 36 against carried the motion.

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

The Chair put the motion, seconded by R Longuet.

This dividend covered the expenses of Electra Trust.

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

The Chair declared that 3,054 votes for the motion and 117 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 N McKay

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

The Chair declared that 3,031 votes for the motion and 137 against carried the motion.

THANK-YOU

The Chair thanked retiring CE Mr Neil Simmonds on behalf of the Trust for his excellent work in maintaining the beneficiaries assets and preparing for a different and challenging energy future. The Trust wishes him well.

The Chair also thanked both Shelly Mitchell-Jenkins(Electra Chair) and Chris Dhyrberg(Director) on behalf of the Trust for their nine year's service on the Electra board. She acknowledged their hard work and dedication to the Company over that time.

PUBLIC FORUM

The Chair invited questions and comments from the floor.

Question: Does the Trust own any assets other than its investment in the Company (Electra) and does the Trust have any staff?

Response S Crosbie: The Chair answered that the Trust does not have any assets and that the only equivalent to a staff member is the Secretary who plays a vital role and the 6 Trustees who are elected every two years from anyone in the region who expresses an interest.

Question: Does the Company provide any management services to the Trust?

Response S Crosbie: The Chair clarified that the Company does not provide management services for the Trust and that the Trustees are not paid the same as the Directors. Further clarification was given of the what the \$300,000 voted on by the beneficiaries to run the Trust is actually used for.

Question: Would the Trust be better served if it was a charitable trust. It could attract better sponsorship and benefits for taxation on investments?

Response S Crosbie: The Chair stated that the Trust Deed set up in 1992 is very restrictive in what it allows. Two or three years ago the Trust came up with ideas to modify the Trust Deed. Legal services were engaged and the only idea that was allowed to go ahead was changing the electoral cycle to every two years to save \$40,000 of the Companies money. It was clarified that the Trust has no assets. The only money they have is the money voted on to run the Trust and that money is supplied by the Company. The Trusts only power is to appoint the Directors of the Company.

Question: You could instruct the Directors of the Company?

Response S Crosbie: The Chair confirmed that the Trust can only advise and consent. The Directors have the prerogative to decide on any action. She said that the toxic atmospheres of the past have gone thanks to the work Shelly, and Neil Mackay beforehand, have done with the Trustees. This has resulted in a much more open exchange between the Directors and Trustees. The Trust is only the caretaker of the beneficiaries' interests.

A comment was made by one of the beneficiaries mistaking the Trust as a Community Trust'. The Electra Chair responded with clarification that the Trust is a Consumer Trust governed by the Trust Deed.

Question: A beneficiary referred to the Trustees report stating that Trustees act as guardians for the beneficiaries, then referred to an earlier comment by the Trust Chair that said changes were coming whether the beneficiaries like it or not. It raises questions of whether the Trust is acting as guardians of the beneficiaries.

Response S Crosbie: The Chair advised that the changes that are coming are from external sources, not the Trust.

A comment was made by a beneficiary concerned that increasing investment meant increased power charges passed on to the consumer.

The Electra Chair made the distinction that Electra supports growth but is not driving the growth. The growth is a result of increased use of electricity coming from the decarbonisation activities in NZ.

Question: A beneficiary asked for an explanation as to why the rebate is getting less each year.

Response S Mitchell-Jenkins: The Electra Chair responded that a couple of years ago the Company made the decision to reduce the prices and offset that through lower discounts to the beneficiaries.

Question: A beneficiary asked for an explanation as to why the Company's investment into a country club retirement village looked like a good investment for the Company.

Response S Mitchell-Jenkins: The Electra Chair said that at the time there was a general move across many parts of the industry to diversify investments to provide protection of discounts and ongoing revenue. The Company entered into a growth strategy / strategy to diversify in response to that. The retirement sector was considered a growth sector at the time and the Company saw that as an opportunity to enter that sector. She confirmed that the decision was made internally by the Company and was not influenced by any organisation or persons externally. She reiterated that things have changed since then, so the Company is refocussing back onto core business

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

CLOSURE

The meeting closed at 1.16pm

Approved this 10 day of November 2023

.....Chair