

Statement of Corporate Intent

June 2026

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Introduction

Electra's Shareholders

Electra Limited (Electra) is 100% locally owned by Electra Trust. The Electra Trust is a consumer trust and has six elected Trustees who hold shares in the company on behalf of the consumer beneficiaries.

The Statement of Corporate Intent is delivered annually to the shareholders as required under the Energy Companies Act 1992.

The purpose of this document is to outline the ways in which the expectations of the Trust, as set out in the Letter of Expectation, will be met by Electra.

Our Regions

Electra owns and operates the electricity network supplying the Kāpiti and Horowhenua regions on the west coast of the lower North Island.

Situated between the Tasman Sea and the Tararua Ranges, our network covers an area stretching from Foxton and Tokomaru in the north to Paekakariki in the south, and includes the towns of Levin, Waikanae and Paraparaumu along with several smaller towns and settlements and surrounding rural areas. The combined population of these regions is estimated to be over 95,000.

We are one of 29 network companies in New Zealand, and the 10th largest network in terms of total connections.

Our Network

The Electra network supplies electricity to 47,479[1] consumers across an area of approximately 1,628 km^2. Our network supplies both urban and rural areas using a mix of underground and overhead infrastructure, consisting of 10 zone substations, 21,417 poles, 2,400 km of cables and overhead lines, and 2,686 transformers.

The network is supplied by two grid exit points from the Transpower national grid: Valley Road, Paraparaumu in the south and Mangahao in the north.

[1] As of 31 March 2026.

Our Purpose

To operate our region's electricity network safely and effectively and support the growth and electrification of Kāpiti and Horowhenua.

Our Strategy

The Energy Companies Act 1992 sets out the principal objective of an energy company which is to operate a successful business with regard to ensuring the efficient use of energy. Electra will continue to achieve this by implementation of the following strategy.

Our strategy is to operate a safe, efficient, innovative and sustainable business which:

- Focusses on our core operations,
- Delivers the needs of our customers and communities in an affordable way,
- Supports the growth and electrification of our region,
- Invests for a clean energy future, and
- Demonstrates the clear value proposition from local trust ownership.

Our Strategic Priorities

- Our People
- Our Customers and Communities
- Excellence and Efficiency in the core business
- Sustainable Investment for the Future

Our Values

Our Values reflect the behaviours and expectations our staff have for each other.

We care about Our People

We keep them safe and well, uphold their mana and support their growth.

We are One Team

We are inclusive, share ideas and work together to achieve excellence for our community.

We think about Our Future

We focus on solutions that shape a better tomorrow for our company, community, and the environment.

We do the Right Thing

We act with integrity in everything we do, building trust with each other and our community.

Trust Relationship

The Trustees of the Electra Trust hold 100% of the shares in Electra on behalf of Trust beneficiaries – those consumers who are connected to Electra's electricity network in the Kāpiti and Horowhenua regions.

In recognition of this relationship, Electra will maintain a strong positive relationship with the Trustees and operate the business in line with the Trust's 2025 Letter of Expectation.

The Board will meet with Trustees on a regular basis throughout the year to update Trustees on the performance of Electra.

Corporate Governance

The Board recognises the need for the highest standards of corporate governance practice and ethical conduct by all officers and employees of Electra.

The Board further recognises that risk management is a governance responsibility and a top priority for the business.

Electra has effective and robust policies and processes for the identification, management and mitigation of all significant risks faced by Electra.

The Board undertakes to ensure that all issues within Electra are dealt with in a manner which reinforces and enhances the reputation of the company and those involved.

The Board will, both through the work of the main Board, and the Audit and Risk subcommittee, ensure that Electra is governed within the broader framework of corporate responsibility and regulatory oversight.

Scope of Activities

Electra's core business is the ownership and operation of the electricity distribution network in the Kāpiti and Horowhenua region. Present activities include:

Network ownership
Ownership of electricity distribution networks and related assets.

Electricity network operation
Management, maintenance and operation of electricity distribution networks and related services

Investment
Investment in business activities and projects that enhance the core network business and are consistent with, or support the achievement of, Electra's business mission and strategy

Key Network Policies

Electra will operate our electricity network safely and effectively and support the growth and electrification of Kāpiti and Horowhenua.

To do this Electra has adopted the following key policies and strategies:

Electricity line services pricing

Electra will offer all electricity retailers operating on the network the same price for similar electricity volumes and services. Network prices will be reviewed each year and will reflect the cost to provide electricity distribution services, including the cost of capital. Our prices will also reflect the higher cost to provide electricity during peak periods, encouraging off-peak energy use and helping to lower long-term prices by allowing Electra to deliver more electricity using the existing network and avoiding the expense of building more capacity.

We are mindful of the cost of electricity to homes and businesses in our region and especially to our more vulnerable customers. We will balance affordability with continuing to invest in replacing aging assets and maintaining a reliable electricity supply, as well as the need to build new network capacity to support regional growth and electrification. We will engage with local support agencies and provide resources to help consumers understand their options with regard to using electricity more efficiently and ensuring their pricing plans are appropriate for their usage.

Service and operational efficiency

Electra will continue to invest to improve safety, quality, effectiveness, and efficiency of network operations. We will seek opportunities to partner with other line companies and organisations to assess technologies and minimise operating costs. This will enable us to benchmark performance and benefit from industry wide experience. Examples of partnering with other electricity distribution networks and sector

participants include collaboration for some control room systems with a larger South Island EDB, and outsourcing materials procurement and stores management to a large EDB-owned contracting business.

Adapting to change

Electra will proactively monitor and respond to changes in technology and consumer behaviour. Electra's strategy will consider the impact of Distributed Energy Resources (DER), electrification of the transportation sector and new requirements of energy management systems. This will ensure that the electricity distribution business remains of relevance to the changing demands of electricity consumers.

Market growth and quality of supply

Subject to normal investment criteria, Electra will continue to invest in network assets to meet market growth and to maintain the quality of supply in the Kāpiti Horowhenua area. It will continue to promote energy efficiency initiatives. The company will, where necessary, develop and use pricing options and other practical solutions that result in the best use of network capacity.

Environmental responsibility

The company will minimise the impact on the environment as much as practicable and contribute to the sustainable management of New Zealand's resources. The implementation of Electra's Environmental Management System will help to ensure we minimise our impact on the environment while operating our business.

Sustainability

Electra is committed to supporting the Government's greenhouse gas emissions reduction targets. The company will seek opportunities to decarbonise New Zealand by transitioning energy users in our regions from fossil fuels to electricity. Electra has an Environmental Policy focused on protecting the environment, preventing pollution and reducing our greenhouse gas emissions. The business is currently in the process of setting goals and targets against this policy.

Resilience

As an essential service provider and lifeline utility, the company will consider the impacts of changing weather patterns, natural disasters and cyber security in our business and network planning. The company will invest in resilience to ensure ongoing operations are not materially affected by these events and that appropriate response plans are in place. A key aspect of resilience planning is close engagement with key regional and national stakeholders, and in particular, alignment with local councils and territorial authorities to enhance community resilience. We will continue to review, maintain and exercise our Disaster Recovery plans to ensure we are well placed for responding to major events.

Government Regulation

Electricity – Electra Network
The key legislation relating to the provision of electricity distribution services in New Zealand includes (but is not limited to):

The provision of electricity line distribution services is a regulated service under Part 4 of the Commerce Act 1986 and the Electricity Industry Participation Code 2010 (the Code).

Part 4 prescribes the economic regulatory framework we adhere to and is enforced by the Commerce Commission. We are subject to information disclosure regulation, which requires us to report annually on our year-beginning and year-end performance. Because we are consumer owned through the Electra Trust, our consumers give effect to the level of services they receive and the price that they are willing to pay. Accordingly, under section 54D we are exempt from price-quality regulation and therefore not subject to the default price-quality path.

The Code stipulates the market regulatory framework we operate under and is enforced by the Electricity Authority. We are a market participant under the Code and are subject to the Pricing Principles and Default Distributor Agreements, which prescribe the way we participate in the New Zealand electricity market.

In addition to Part 4 and the Code we are also subject to regulation under the Health and Safety at Work Act 2015, the Utilities Disputes General Rules Scheme, the Electricity Industry Act 2010, Electricity Act 1992, Electricity Industry (Enforcement) Regulations 2010, Electricity (Safety) Regulations 2010, Electricity (Hazards for Trees) Regulation 2003, Electricity (Low Fixed Charge Tariff option for Domestic Consumers) Regulations 2004, Fair Trading Act 1986, Consumer Guarantees Act 1993, Resource Management Act 1991 and the Energy Efficiency and Conservation Act 2000.

The Directors will advise the Trustees about significant regulatory changes and any consequential impacts on the company.

Group Structure

Electra's strategy is to focus on its core electricity distribution services, and in implementing this strategy, has been divesting subsidiaries and other non-core investments.

Electra Limited
The parent company owns and maintains the electrical distribution network assets in Kāpiti and Horowhenua. Electra Limited has the following subsidiaries and investments.

Non-trading subsidiaries: Electra Services Limited and Electra Generation Limited – (Shareholding 100%)
These businesses are no longer trading and are in the process of being wound up.

Related Party Transactions
Electra Limited does not propose to enter into any material related party transactions.

Capital Structure

Authorised and issued capital of Electra Limited: 24.5 million ordinary shares recorded at $18 million.

Total assets of the Group as at 31 March 2026: $331 million.

Accounting Policies

The Company's financial statements are prepared in accordance with the legal requirements of the Companies Act 1993, the Financial Reporting Act 2013 and the Energy Companies Act 1992. The accounting policies utilised by Electra will comply with these Acts and must meet requirements of New Zealand equivalents to the International Financial Reporting Standards (NZ IFRS).

The accounting policies applied in the preparation of the financial statements are consistent with the accounting policies disclosed in the company's Annual Report which can be viewed at: https://www.electra.co.nz/our-company/disclosures/

Financial Surpluses, Distribution Policy and Discounts

The 2026/27 financial year will see continued focus on investing in the business and the network, to deliver our strategy and ensure Electra continues to operate a safe, reliable, and efficient network that meets the growth in demand for electricity.

Electra will pay, by way of a dividend, an amount sufficient to cover the operating costs of Electra Trust which owns the shares of Electra.

Electra's Pricing Methodology outlines that an annual Price Discount will be credited to connected customer (consumer) at each metered supply point (ICP) on 31 January. The discount will be a fixed amount per ICP based on five categories reflecting different size connections (approximated using the amount of electricity consumed). Customers not connected for a full year will receive part of the annual fixed amount reflecting the proportion of the year connected. The discount payment is subject to maintaining and protecting the company's assets and assumes no major event, such as an earthquake, that would have a significant impact on cash flows and the ability to pay the discount.

Performance Targets

Four key focus areas have been identified linking Electra's strategy to the performance targets and measures that are critical to achieving this strategy. These four focus areas are Health, Safety and Wellbeing, Assets, Revenue, and Profit. The performance targets that track the delivery of the focus areas are set out below.

Health, Safety and Wellbeing

Electra is committed to promoting a culture of health, safety, and wellbeing where harm to our people and the public in the workplace, both physical and psychological, is unacceptable.

We strive to keep our people safe and well through effective risk controls, positive engagement, and continuous improvement. When harm occurs, we provide full support to rehabilitate them, and ensure lessons are learned and applied to prevent a recurrence. We also provide resources to our team to assist them with their health and wellbeing, including the provision of Employee Assistance Programmes.

We will continue to improve the quality of our proactive and preventive activity every year and maintain a focus on what is important – including Board and Leadership team site safety interactions, effective worker participation in Health, Safety and Wellbeing activities through committee participation, and external reviews of our Health and Safety performance.

The company has a goal that our people go home safe and well each night and has a target of zero Lost Time Injuries (LTIs) arising from our Critical Safety Risk areas.


No injuries to workers related to critical risk areas (LTIs relating to critical risk areas = 0)


No public harm arising from our assets or operations


Maintain a consistent number of leadership safety interactions each year


Maintain certification of our Public Safety Management System to NZS7901:2014


Complete at least two external H&S assessments to verify effectiveness of our H&S systems and practices

Asset targets

Capital Ratio

Electra aims to achieve a ratio of consolidated shareholder funds to consolidated total assets that is greater than 53%. Consolidated Shareholders funds is the total group equity comprising; issued share capital, reserves and retained earnings.

Total Assets comprise current and non-current assets owned by the Electra Group of companies.

	2026 Actual	2027 Forecast	2028 Forecast	2029 Forecast
Consolidated Shareholders funds to Total Assets percentage	55%	>53%	>53%	>53%

Debt and Interest rate risk management

Electra aims to maintain a gearing ratio below 40%. The gearing ratio helps to ensure the efficient and prudent management of Electra's capital structure. Setting a gearing ratio to help guide the management of debt levels is important as Electra will need to invest additional capital into the core network business to achieve its customer service and decarbonisation objectives. Electra will maintain an Interest Coverage Ratio greater than 3.5x. The Interest Coverage Ratio helps ensure Electra can service its debt.

The Electra Board reviews the Treasury Policy annually to ensure it is applying good industry practice in how it manages all the risks relating to its debt exposure. The Policy specifics to how and when it sources funding to secure appropriate long-term commitments from debt funders, and the management of interest rate expense to ensure that it has a high degree of certainty in its cash flows. Electra's debt funders have a long-term interest in Electra and are supportive of its core network plans and the approach to supporting decarbonisation. They require Electra to maintain compliance with certain financial and operating covenants, and these help to inform strategic and operational planning.

	2026 Actual	2027 Forecast	2028 Forecast	2029 Forecast
Gearing ratio*	31%	<40%	<40%	<40%
Debt funding covenant compliance	100%	100%	100%	100%
Interest Coverage Ratio**	11.3x	>3.5x	>3.5x	>3.5x

** Gearing ratio is calculated as: Debt/(Debt+Equity)*

*** Interest coverage ratio is calculated as Earnings before Interest, Depreciation, Tax, Amortisation and Discount (EBITDAD) / Interest Expense*

Network reliability

We have set our targets based on historical performance reported under the Electricity Distribution Information Disclosure Determination (2012). This year's reliability performance was higher than our target and our historic average performance due to two large summer storms and more than usual outages from public vehicle accidents damaging network equipment.

We also measure our performance relative to the 5-year average performance of a peer group of networks with similar characteristics. Based on our relative performance between 2021 and 2025, even with this year's storm events we have outperformed our peers.

Peer group comparison

Measure of performance	Electra's 5-year average performance	Our Peer's 5-year Average performance*
Planned SAIDI minutes	26.6	113.8
Unplanned SAIDI minutes	112.5	117.0
Planned SAIFI interruptions	0.09	0.47
Unplanned SAIFI interruptions	0.94	1.54

Our reliability targets

		2026 Actual	2027 Forecast	2028 Forecast	2029 Forecast
SAIDI	Planned	28.3	35.00	35.00	35.00
	Unplanned	296.8	63.00	63.00	63.00
	Total	**325.1**	**98.00**	**98.00**	**98.00**
SAIFI	Planned	0.11	0.15	0.15	0.15
	Unplanned	1.65	1.40	1.40	1.40
	Total	**1.76**	**1.55**	**1.55**	**1.55**

Operating and Capital Expenditure

Electra continues to invest in our electricity network to maintain reliability, performance and safety, as well as to meet future needs and growth. It also invests in its people and business infrastructure. The annual update of the Asset Management Plan (2026) sets out the expected investment in our business as follows:

	2026 Actual ($m)	*2027 Forecast ($m)*	*2028 Forecast ($m)*	*2029 Forecast ($m)*
Operating expenditure*	$24.2m	$27.1m	$27.8m	$27.2m
Capital expenditure*	$23.2m	$35.9m	$33.5m	$34.4m
Total expenditure	$47.4m	$63.0m	$61.3m	$61.6m

Revenue and Profit targets

Electra is focused on operating a successful electricity network business that provides benefits and value to Electra's beneficiaries and consumers. We will continue to invest in the network to maintain reliability, performance and safety, and to prepare for significant growth in electricity usage as New Zealand increasingly turns to electricity to support its decarbonisation goals.

	Actual 2026	*Target 2027*	*Target 2028*	*Target 2029*
Group Net Profit / (Loss) after Tax and Discount	$6.6m	$3.0m	$2.3m	$4.2m
Price Discount (excl. GST)	$5.5m	$9.1m	$12.7m	$14.1m
Average Price Discount (excl. GST) Per Customer Connection Point	$116.03	$190.50	$261.00	$285.00
Group Return on Equity (pre discount & tax)	8.0%	7.2%	8.5%	10.5%
Group Return on Equity (post-discount & tax)	3.6%	1.6%	1.2%	2.2%

**AMP forecast figures are nominal, and capital expenditure is before customer contributions.*

Information Reporting

Half-year report

A half-year report on Electra's operations including unaudited half-year group financial statements will be delivered to the Trustees within two months of the half-year end.

Annual report

An annual report on the operations of Electra and its subsidiaries during the financial year, audited consolidated group financial statements, auditors report, and other relevant information will be delivered to the Trustees, as shareholders, within three months of the year end, and made available to Trust beneficiaries. A summary report will be available for Trust beneficiaries prior to Electra's annual meeting.

Major transactions

Electra's Directors will consider any major transaction, as defined in Electra's constitution, and will consult with the Trustees, who will take such action as is required under the Trust Deed.

Statement of Corporate Intent

The Statement will be reviewed each year and will be delivered to Trustees in draft not later than one month after the commencement of each financial year. Directors will consider any comments on the draft statement and will deliver a final Statement to Trustees and Trust beneficiaries within three months of the end of the previous financial year.

Meetings between Directors and Trustees

Regular meetings between Directors and Trustees will take place to discuss company and industry issues. These meetings will take place at least four times a year. From time to time the company may provide the shareholders with additional information which may be of interest.

Investment Policy

Electra will invest in property, plant and equipment to operate, maintain and enhance the electricity distribution network (our core business). These investments are covered by the Asset Management Plan prepared each year by the company.

Investments will align with the Company's current strategic plan and investment strategy, be aligned to core business activities, and with a preference for investment in the Kāpiti and Horowhenua regions. In addition to the required Trustee approval where proposed investments are a major transaction, Trustees will be informed in an early and timely manner before investments are finalised.

The company may undertake divestment of activities and subsidiaries that are not aligned with current strategy, or where their performance does not meet expectations.

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