

**MINUTES OF THE TWENTY FOURTH ANNUAL MEETING OF THE  
TRUSTEES AND BENEFICIARIES  
OF THE COUNTIES POWER CONSUMER TRUST**

HELD AT THE FRANKLIN CLUB, 7 EAST STREET, PUKEKOHE

ON TUESDAY, 20 AUGUST 2019 AT 5:15 PM

**TRUSTEES PRESENT** Mrs C P Rupp (Chair) and Messrs A D Eyes, P S Beston and D W Thomson and D M Spratt

**IN ATTENDANCE** Mr Norman Foote, Secretary to the Trustees  
Mr Doug Troon (Chair of Counties Power Limited)  
Mr Vern Dark (Deputy Chair of Counties Power Limited)  
Mr Hamish Stevens (Director of Counties Power Limited)  
Mr David Tompkins (Director of Counties Power Limited)  
Ms Barbara Elliston (Director of Counties Power Limited) (from 5:23pm)  
Ms Judy Nicholl (Chief Executive of Counties Power Limited)  
Mr Conrad Harvey (Chief Financial Officer and Secretary of Counties Power Limited)  
Mr Don Aue of RSM Hayes Audit – Auditors of Counties Power Consumer Trust  
(A total of 30 consumers were present and 9 observers – per the attendance lists).

**APOLOGIES** Mr Tom Mandeno (Consumer)  
Mr Colin Schmidt (Consumer)  
Mrs Lynne & Mr Terry Wall (Consumers)  
Ms Tracey Kay (GM People, Counties Power Limited)  
Mr Vivek Rajendran (GM Business Development, Counties Power Limited)

**WELCOME** The Chair declared the meeting open, as a quorum existed and welcomed all those present.

Mrs Rupp introduced the current Trustees, their Secretary, Directors of Counties Power Limited, including the Chair, Mr Doug Troon and Management of Counties Power Limited, including the CE, Ms Judy Nicholl and her team, and, the Trust's auditor. She also noted the attendance of past Director, Paul Brown and past Trustee, David Walter.

Mrs Rupp then discussed her Chair's report, included with the 2019 Annual Report, taking pertinent points from it and expanding on them where appropriate. She commented that Trustees had 24 meetings during the year, which, apart from regular monthly Trustee meetings, also included a number of meetings at which regulatory issues were canvassed with both the Commerce Commission and Electricity Authority.

Mrs Rupp advised that Trustees had a robust system in place to allow valuable consultation with both Directors and Management, including two by two meetings involving Trustees and Director/Management, half-yearly

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strategic workshops and receiving formal quarterly reports.

Mrs Rupp referred to the acquisition of ECL Group, effective 1 February 2019, which had brought about great synergies with Counties Power Limited. This new venture was welcomed by Trustees.

The Chair thanked the CE, Ms Nicholl and her team for their contribution during the year and congratulated the Board, under Chair Mr Troon, for their governance and leadership.

Mrs Rupp referred to the Trust elections, scheduled for early August, and said that, as there were only two nominees for the two vacant positions, following the standing down of Trustees Beston and Thomson, as required under the Trust Deed, elections were not required as they both stood again and were appointed unopposed.

Mrs Rupp thanked Management, the Executive Secretary, for her dedicated service over a number of years, and the staff of the Company. She also thanked Mr Troon for leading the Board in a very busy year.

The Chair said in conclusion and referring to the formal part of the meeting ahead, informed attendees that Consumers could only vote on specific resolutions; appointing the auditor and the fixing of their fees and expenses. She reminded those present that if any consumer made a statement during the meeting, then that statement would be recorded to enable Trustees to give it their consideration at a later time.

## MINUTES

### *Resolution*

Moved	Mr A D Eyes
Seconded	Mr D M Spratt

That the minutes of the twenty third Annual Meeting of the Trustees and the Beneficiaries of Counties Power Consumer Trust held on 21 August 2018 having been circulated and taken as a true and correct record at a meeting of Trustees held on 25 September 2018, now be confirmed.

***CARRIED UNANIMOUSLY***

## ANNUAL TRUSTEES' REPORT

Mrs Rupp took the position that all present will have read the circulated narrative of the Annual Report.

### *Resolution*

Moved	Mrs C P Rupp
Seconded	Mr P S Beston

That the Annual Report for the year ended 31 March 2019 be received.

***CARRIED UNANIMOUSLY***

## FINANCIAL STATEMENTS AND AUDITORS REPORT

The Financial Statements for the year ended 31 March 2019 of Counties Power Consumer Trust had been publicly available from late July, via both the Trust's office and its website. Meeting attendees also received a full set, but were invited to go to the Trust's website or the office had they not received a set and would like same.

  
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**Resolution**

Moved Mr A D Eyes  
 Seconded Mr D W Thomson

That the Consolidated Financial Statements and Auditor's Report for the year ended 31 March 2019 be received.

**CARRIED UNANIMOUSLY**

**APPOINTMENT OF  
 AUDITOR**

**Resolution**

The incumbent audit firm, RSM Hayes Audit, indicated they were available for reappointment.

Moved Ms L Irwin-Parsons  
 Seconded Mr D Walter

That RSM Hayes Audit be appointed as the Trust's Auditor for the ensuing year.

**CARRIED WITHOUT DISSENT**

**REMUNERATION  
 AND EXPENSES OF  
 AUDITOR FY 2019**

**Resolution**

Due to additional audit time and costs incurred as a result of the acquisition of ECL Group, RSM Hayes requested an increase in fees for the year ended 31 March 2019.

Moved Mrs S Beston  
 Seconded Mrs C Stuart

That the fees (including expenses) of RSM Hayes Audit be increased by \$3,450 including GST to \$19,950 including GST for the audit of both the Consolidated and Trust financial statements for the year ended 31 March 2019.

**CARRIED WITHOUT DISSENT**

**REMUNERATION  
 AND EXPENSES OF  
 AUDITOR FY 2020**

**Resolution**

Moved Mrs E Robinson  
 Seconded Mr P Gower

That the fees (including expenses) of RSM Hayes Audit be fixed at \$19,950 including GST for the audit of both the Consolidated and the Trust financial statements for the year ending 31 March 2020.

**CARRIED WITHOUT DISSENT**

**REMUNERATION OF  
 TRUSTEES**

**Resolution**

Mrs Rupp advised the meeting that Trustees had commissioned the Institute of Directors (IoD), to review the emoluments of Trustees. In their report the IoD had assessed that an increase of 13% was reasonable.

Moved Mr D M Spratt  
 Seconded Mr D W Thomson

That, effective 1 September 2019, the base annual remuneration of Trustees be increased by 12.94%, (excluding meeting fees), to \$96,000, to be divided by the Trustees as they see fit and meeting fees, including other events as approved by Trustees, be increased by 12.00% to \$280 per meeting to each attending Trustee, with the Chair of the meeting to receive \$330.

**CARRIED UNANIMOUSLY**

**SPECIAL BUSINESS** Any matter, other than those attended to above, is deemed to be special business and which requires no less than 28 days notice in writing to the Secretary. The Secretary advised he had received no such notice.

The Chair invited the Chair of the Company to report on the activities of the Company over the past 12 months.

Mr Troon commenced by stating that it had been another very successful year for the Company. He focussed on the strong growth that was taking place in the region, particularly the Drury and Pokeno areas.

Some of the highlights that he had observed during the year were:

- A commitment to growing the economic wealth of the region.
- An expectation that this growth will lead to future investment that will result in improvements in network capacity, power quality and reliability.
- The upgrade of the Waiuku substation and plans for the establishment of a new zone substation at Pokeno.
- Development of a higher profile in the community through sponsorship, such as Northern Stars netball, Glenbrook vintage railway Christmas train and the Sunshine Beach lifeguard service.
- FY 2019 was the fifth year where the distribution component of the pricing structure had been held unchanged.

Mr Troon commented that safety for staff, consumers and contractors was 'front and centre' in the Company's thinking. At all times the Company was committed to the concept of zero harm. He noted that the financial performance of Counties Power was strong once again this year with revenue, at \$82.5 million being 16.5% ahead of last year, due to growth in new connections and the contribution from ECL Group for two months of the financial year. Net profit after tax for FY 2019 was below the previous year by \$1.0 million, although still the second best result in the last five years.

Mr Troon referred to the regulatory side of the business, informing consumers that there was increased activity by central government, including the electricity price review, which led to increased time being spent on these issues. The Company has also been lobbying central government for changes to the tree regulations, with 'out of zone' trees causing major problems to the network. Other aspects affecting security of supply were severe weather events and car v pole incidents, over which the Company has no control, other than to keep a close focus on.

Looking ahead, Mr Troon stated that it was important to maintain the Company's reputation for innovation and staying in front of the technology curve, e.g. the impact of EVs, solar innovation and battery storage, and, alternative generation opportunities. He was confident that there is a bright future ahead.

Mr Troon thanked his fellow Board members, the Trustees, the leadership team and staff.

The Chair then invited the CE of the Company to address the meeting.

Ms Nicholl started off by thanking Trustees for their support and encouragement during the year. She spoke about how the management team approach what they do and said that it was about attitude and about delivering for consumers. It was, she said, a pleasure to lead such team and that she looked forward, always, to coming to work.

Nonetheless there were, Ms Nicholl said, challenges particularly in a region with such strong growth. To deliver to consumers what they require, the network has to be in good shape. Technology is having a widespread impact, as the Company becomes more and more digitised. The challenge is to how this is

  
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applied to the benefit of consumers and customers.

Ms Nicholl thanked the Trustees and the Board members for their support and her management team. She concluded by noting that whenever she goes to a business event she is proud to be associated with Counties Power

Mrs Rupp thanked Ms Nicholl and asked if anyone from the floor had any questions for Trustees or Directors.

Questions included:

1. A consumer from Awhitu Peninsula commented that rural consumers feel neglected when, having reported faults there is a delay in getting them repaired. These delays can stretch over long periods of time, some lasting months. All that rural consumers are seeking is such matters to be acted upon in a timely manner. The CE, Ms Nicholls, firstly apologised and promised to follow up and check the Company's processes. She also asked the GM Field Operations of Counties Power, Dale Carline, who was in attendance, to meet with the consumer after the meeting and get to the bottom of his complaint.
2. Another consumer, this time from Drury, asked what the impact of the Transpower Pricing Methodology review was likely to have on the Company. Mr Toop, GM Commercial Counties Power, responded with the latest information, noting that Transpower was currently holding a number of information-gathering events throughout the country and more was expected to be known in due course.
3. A consumer from Pukekohe queried if Counties Power still owned a fibre network. He also asked if it had been closed down or was it being downgraded. His concern was that, as a business owner, he had spent \$30,000 linking into it but was now having issues. Mr Toop, GM Commercial Counties Power, responded by stating that parts of the fibre network had been sold, mainly to Chorus and that only connection for the Counties Power internal systems was owned by the Company. Mr Toop undertook to meet with the consumer after the meeting.
4. The consumer from Drury, posed another question and this related to the cost of the acquisition of the ECL Group for \$36.0 million. He wanted to know how that was funded. The CFO Counties Power, Conrad Harvey, replied that \$20.0 million was from equity funding from Counties Power and 25% was contributed by the former owner.
5. Another consumer made a statement, as opposed to asking a question and asked the Board to take into account line losses when considering capital works projects. He considered that they should be viewed as a positive factor in the assessment process, as they benefited the consumer.

There being no further questions, Mrs Rupp invited everyone to join the Trustees and remain to share light refreshments and to take the opportunity to talk with Trustees, the Board members and the staff who were present.

The meeting concluded at 6:01 PM.

Read and Confirmed this 22 day of

September 2019  
~~August~~ CR  
 2019 R

Chair

