

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

HELD AT THE FRANKLIN CLUB, 7 EAST STREET, PUKEKOHE

ON TUESDAY, 22 SEPTEMBER 2020 AT 5:33 PM

(Original meeting date of 25th August 2020 delayed due to Covid-19 restrictions)

TRUSTEES PRESENT Mrs C P Rupp (Chair) and Messrs P S Beston and D W Thomson and D M Spratt; and Mr A D Eyes joined via 'Zoom' online meeting and Mr Norman Foote, Secretary to the Trustees.

IN ATTENDANCE

Counties Power Limited - Board
 Mr Vern Dark (Chair)
 Mr Hamish Stevens (Deputy Chair and Chair of the Audit Committee)
 Mr Ben Iosefa (Director)
 Mr David Tompkins (Director)
 Mr Keith Watson (Director)

RSM Hayes Audit - Auditors of Counties Power Consumer Trust
 Mr Colin Henderson (Managing Partner)
 Mr Don Aue (Associate Director)

Counties Power Limited - Management
 Ms Judy Nicholl (Chief Executive)
 Mr Conrad Harvey (Chief Financial Officer and Secretary)
 Mr Andrew Toop (GM Commercial)
 Mr Dale Carline (GM Network Operations)
 Mr Paul Blue (GM Network)
 Ms Tracey Kay (GM People, Safety and Communications)
 Mr Vivek Rajendran (GM Strategy & Business Development)

(A total of 34 Consumers were present and 10 Observers – per the attendance lists, including one Consumer who joined via 'Zoom' online meeting at 5.38pm.).

APOLOGIES

Alex Holley (Consumer)
 Alison Dowin (Consumer)
 Heather Ballantyne (Consumer)
 Maurice & Val Hoskins (Consumers)
 Sue Cameron (Consumer)

WELCOME

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

Mrs Rupp introduced the current Trustees, (noting that Mr Alan Eyes has joined online via Zoom) their Secretary, Directors of Counties Power Limited, including the Chair, Mr Vern Dark, and Management of Counties Power Limited, including the CE, Ms Judy Nicholl, and the Trust's Audit Team. She also noted the attendance of past Trustee, Mr David Walter.

Mrs Rupp informed attendees that Consumers could speak at the meeting and may 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.



 Chair

MINUTES***Resolution***

Moved Mr D M Spratt
 Seconded Mr D W Thomson

That the minutes for the Twenty Fourth Annual Meeting of the Trustees and Beneficiaries of Counties Power Consumer Trust held on 20 August 2019 having been circulated and taken as a true and correct record at a meeting of Trustees held on 3 September 2019, now be confirmed.

CARRIED UNANIMOUSLY

**FINANCIAL
 STATEMENTS AND
 AUDITORS REPORT**

Resolution

Moved Mr D M Spratt
 Seconded Mr D W Thomson

The Financial Statements for the year ended 31 March 2020 of Counties Power Consumer Trust had been publicly available from 7th August, 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.

CARRIED UNANIMOUSLY

**APPOINTMENT OF
 AUDITOR**

Resolution

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

Moved Mr R Robertson
 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 2021**

Resolution

Moved Mr D Walter
 Seconded Mr P Gower

That the fees (including expenses) of RSM Hayes Audit be fixed at \$21,275.00 including GST, for the audit of both the Consolidated and the Trust Financial Statements for the year ending 31 March 2021.

CARRIED WITHOUT DISSENT

**REMUNERATION OF
 TRUSTEES**

Resolution

Moved Mr D W Thomson
 Seconded Mr P S Beston

That, effective 1 September 2020, the base annual remuneration of Trustees remains at the current level for five Trustees of \$96,000, (excluding meeting fees), to be divided by the Trustees as they see fit and meeting fees, including special events as approved by the Trustees, to remain at \$280 per meeting to each attending Trustee, with the Chair of the meeting receiving \$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.


 Chair

ANNUAL TRUSTEES' REPORT

Mrs Rupp took the position that all present will have read the circulated narrative of the Annual Report. She highlighted and expanded on various aspects of the report. Also, she gratefully acknowledged the tenure of Company Chair, Mr Doug Troon and Director Messrs Barbara Ellison who have resigned since the end of the reporting period.

Moved Mr D M Spratt

Seconded Mr D W Thomson

Resolution

That the Annual Report for the year ended 31 March 2020 be received.

CARRIED UNANIMOUSLY

The Chair invited the Chair of the company to speak about Counties Power, followed by Judy Nicholl, CEO, to talk about ECL.

Vern Dark - Chair, Counties Power Limited

Mr Dark stated that Company continues on its vision, which is to grow the business, and to support the region in its growth. Focus is on our Staff and Consumers in terms of health and safety. He referred to comparatives to preceding years which were favourable.

Mr Dark took the opportunity to thank all the Staff and CEO, Ms Judy Nicholl, and the Management Team for their performance response. Whilst under lockdown Alert Level 4, only essential maintenance was undertaken, but now it has reverted to business as usual.

Mr Dark put forward the main financial highlights for the year ended 31 March 2020:

- The purchase in late 2019 of ECL Group, of which Ms Judy Nicholl is Chair.
- The building of the Pokeno substation.
- Upgrade of the Waiuku substation, by replacing the transformers.
- Winning of a Deloitte's Energy Award for the in-house development of software, which is very useful for emergency shutdowns.
- Covid-19 handling was a major achievement.
- A good financial result with no price increases to Consumers, with a \$12.1m discount paid out to Consumers in 2020, and a forecast of \$12.8m discount to be paid in 2021.
- Asset replacements have contributed to reliability of the network and also to the overall financial result for year ended 31 March 2020 - the best in the last four years.
- Income for the 2020 financial year was \$37m, compared with 2019 \$36m, and a forecast of \$40m for 2021.
- Total Assets for the 2020 financial year were \$378m, with a forecast for 2021 of \$424m, which is just over double in the last 10 years.
- The forecast for capital expenditure in 2021 is \$63.4m (\$39.7m 2019) with \$28.9m to be spent on replacement assets, \$16.7m to be spent as a result of growth, and \$18.2m on other assets.
- CPL has managed to grow NPAT and has also increased the asset value while maintaining prices.

Mr Dark proceeded to thank everyone on the Team who has helped to achieve these results. He also thanked Mrs Rupp and the Trustees for their support, and his fellow Directors and Staff.

Judy Nicholl – Chief Executive, Counties Power Limited and Chair of ECL Group

Ms Nicholl acknowledged the kind words accorded by the Trust and the Board of Counties Power Limited. She put forward that the ECL update is very straightforward. It was more directly affected by Covid-19 than Counties Power, due to:

1. On the technology side of the business, it had just started investigating some work in the hospitality industry, and
2. On the fuels side of the business, our Customers - the fuel companies, i.e. BP, Z and Mobil, have had a rough time in the last six months, and so ECL has been waiting for their business to pick up.

Despite these challenges, ECL Group have had a good year. The Management and the Team, along with other people on board are feeling energized and are looking forward to a year where they can get on with things.

Ms Nicholl introduced Mr Struan Reid as Chief Executive of ECL Group. He has reformed his Management team, and is currently in the process of amalgamating the two separate businesses into one, resulting in one Leadership team and one CEO.

The Chief Executive produced some financial highlights for the year ended 31 March 2020:

- Revenue \$56.4m
- EBIT-DA \$7.8m

She stated ECL are on track, post-Covid to deliver the results they want, and she acknowledged the work that the Employees have done, having gone over and above, because of the changes to the market and the restructure that took place within ECL. The focus is back on growth.

Ms Nicholl acknowledged her fellow Directors and welcomed new Director, Keith Watson. On behalf of her Team, she extended thanks to the Trust for the excellent support, professionalism and commitment received – it's the best Trust in the Country!

Lastly, she extended thanks to her Team and all the Staff of the Company, noting that they are a great Team of people who have gone over and above '24/7' to ensure the people in the Company can deliver power to Consumers.

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

Questions included:

Mr Ross Robertson, a consumer from Ramarama, queried:

1. The preventive maintenance being carried out in his area, having experienced a number of power surges, and as a result some Consumers have lost equipment.
2. For how much longer, within this area, must Consumers put up with power surges or power outages, given the growth in the area?

Mr Paul Blue, GM Network, responded that there are significant plans to upgrade the Transpower Bombay substation in the next 2-3 years which will result in the decommissioning of the Ramarama and Mangatawhiri substations. The Company is doing preventive maintenance and have recently invested in LiDAR technology which we can use to detect vegetation which can affect voltage and take lines out and affects the substation. We will now more precisely tailor and target our preventive maintenance.


Chair

3. Has the Trust made any provision for hardship to assist Beneficiaries, given the impact of Covid-19 and the likelihood that unemployment will increase in the area, and as a result, people will likely suffer.

Mrs Rupp responded that the Trust supported the Company, realising in May 2020 there was going to be hardship, so brought forward 50% of the discount normally received in December, and paid it in June. The Trust is planning to give out EcoBulbs with food parcels to help reduce household power costs. Mrs Rupp commented that according to the Trust Deed, all Beneficiaries are to be treated equally.

A consumer from Waikaretu queried:

4. The Tiwai Point Aluminium Smelter, recently in the news, what is the potential for the power to come into this area and provide us with cheaper power?

Mr Andrew Toop, GM Commercial, responded that Transpower would need to spend approximately \$600m to get the power from Manapouri power station to Auckland and would need to recover their costs, and it isn't clear as to when a reduction in power charges could be realised.


Christine Stuart, Principal, Ararimu School took the opportunity to accord thanks to Counties Power for providing a free generator in times of power outages which enables the local School to carry on, and she commented that the Counties Power staff are always polite and make sure everything is running correctly. Ms Stuart also conveyed her thanks for sponsorship of the School's Agriculture Day.

There being no further questions, Mrs Rupp thanked everyone for coming and explained drinks and light refreshments would be available under the Covid-19 protocols.

Mr P Beston, Trustee, thanked Mrs Rupp for her leadership throughout the past year.

The meeting concluded at 6.14pm

Read and Confirmed this 22 day of October 2020.


Chair

