

**MINUTES  
Of the TWENTY EIGHTH ANNUAL MEETING  
Of the TRUSTEES AND BENEFICIARIES  
Of COUNTIES ENERGY TRUST**

**Held at the Franklin Club  
7 East Street, Pukekohe**

**On Tuesday 22<sup>nd</sup> August 2023 at 5:30pm**

**TRUSTEES  
PRESENT**

Christine Rupp (Chair) and Messrs Phil Beston, Don Thomson  
and Mike Marr.

**IN ATTENDANCE**

Counties Energy Limited – Board of Directors

Vern Dark (Chair)

Ben Iosefa

Jonathan Kay

David Tompkins

Counties Energy Limited – Executive Leadership Team

Judy Nicholl (Chief Executive)

Conrad Harvey (Group Chief Financial Officer and Secretary)

Paul Blue (GM Network)

Dale Carline (GM Network Operations)

Tracey Kay (GM Safety, Culture and Sustainability)

Andrew Toop (GM Commercial)

Moonis Vegdani (Group Chief Strategy and Transformation Officer)

RSM Hayes Audit

Mwauluka Mubano (Senior Manager – RSM Hayes Audit)

**APOLOGIES**

Alan Eyes (Trustee – Counties Energy Trust)

Keith Watson (Director - Counties Energy Limited)

Hamish Stevens (Director – Counties Energy Limited)

Steve Hayes (Partner, RSM Hayes Audit)

Louise Holmes

Norman Foote

**WELCOME**

Mrs Rupp (Chair) declared the meeting open, as a quorum existed, and she welcomed all those present. Apologies were read and taken.

She introduced the Trustees including newly elected Trustee, Megan Matthews, before asking for a moment's silence in remembrance of Graham Calvert, ex Director of Counties Energy Ltd from 1993-2000, who passed away in April.

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 remuneration. She explained that any statements made by Consumers at the meeting will be recorded so that Trustees may give due consideration and be in contact afterwards.



**MINUTES*****Resolution***

Moved Mr M J Marr  
 Seconded Mr D W Thomson

That the minutes for the Twenty Seventh Annual Meeting of the Trustees and Beneficiaries of Counties Energy Trust held on 29<sup>th</sup> August 2022 having been circulated and taken as a true and correct record at a meeting of Trustees held on 5<sup>th</sup> April 2023, now be confirmed.

***CARRIED UNANIMOUSLY***

**ANNUAL TRUSTEES' REPORT*****Resolution***

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

Moved Mr M J Marr  
 Seconded Mr P S Beston

That the Annual Report for the year ended 31 March 2023 be received.

***CARRIED UNANIMOUSLY***

**FINANCIAL STATEMENTS AND AUDITORS' REPORT*****Resolution***

Moved Mr D W Thomson  
 Seconded Mr M J Marr

That the Consolidated and Separate Financial Statements and Auditor's Report for the year ended 31 March 2023 be received.

***CARRIED UNANIMOUSLY***

**APPOINTMENT OF AUDITOR*****Resolution***

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

Moved Mrs B Cousins  
 Seconded Ms T Cousins

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

***CARRIED WITHOUT DISSENT***

**REMUNERATION AND EXPENSES OF AUDITOR FY 2024*****Resolution***

Moved Mr G Cousins  
 Seconded Ms L Irwin-Parsons

That the fees (including expenses) of RSM Hayes Audit be fixed at \$22,900 excluding GST, and plus disbursements, for the audit of the Consolidated and Separate Financial Statements for the year ending 31 March 2024.

***CARRIED WITHOUT DISSENT***

Chair





## REMUNERATION OF TRUSTEES

### *Resolution*

Moved

Mr P S Beston

Seconded

Mr D W Thomson

That, effective 1 September 2023, the base annual remuneration of Trustees is increased by 5% from \$105,840 (excluding meeting fees) to \$111,000 (excluding meeting fees), to be divided by the Trustees as they see fit; and meeting fees, including special events as approved by the Trustees, for each attending Trustee be increased from \$300 to \$325, with the Chair meeting fee remaining at \$100.

**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 Secretariat team advised they had received no such notice.

Mrs Rupp shared some highlights of the Trust's activities. She explained that it had been 30 years since Franklin Electric Power Board was succeeded by Counties Energy Limited and the shares vested in the Trustees of Counties Power Trust (the first Trust), subsequently Counties Power Consumer Trust, and was renamed (in August 2021) as Counties Energy Trust!

The ownership is in the hands of Consumers. In accordance with the Trust's Deed, a 10 yearly ownership review is undertaken to consider the most appropriate form of ownership of the Company's shares. Most of the paperwork has been completed for the review and will be made available to Consumers to seek their views as part of the consultation process. Advertising for the consultation process will be placed in newspapers with the review papers being made available on both the Trust's and the Company's website.

Further, Mrs Rupp explained that the Trust had been advised by lawyers that the definition of the term "Beneficiaries" needed clarification, and so the proposed amendment will also be made available to Consumers for their feedback at the same time as the consultation for the ownership review. A draft of the wording was included as a handout with the Annual Report.

The functions of the Trustees are to appoint Directors, and monitor the performance of the Company, and hold the interests of Consumers as of paramount importance.

This year the Trust co-funded, with the Company and MBIE, 530 energy assessments in the Counties district that was carried out under agreement by Ecobulb Ltd. The Trust also held a stand at the Franklin A&P Society's Pukekohe Show where the energy assessors were present and who completed energy assessments for Consumers and gave out free ecobulbs and shower heads to assist with power savings. Additionally, the Trust purchased 1,500 ecobulbs to give away at the A&P Show at a stand co-hosted by the Trust and the Company. This was at the time just after Cyclone Gabrielle had passed, and the Company was still restoring power to those affected. Trustees received many positive comments from the public who appreciate the Company's work especially after the Auckland Anniversary floods and cyclone.





Mrs Rupp congratulated the Company on its various sponsorships, including Counties Rugby, Steelers & Heat, Northern Stars Netball, Coastguard, Sunset Beach Lifeguards, School Agricultural days, Sustainable Awards and the Glenbrook Trains at Night event.

She thanked the Company for its huge efforts over the year, especially since Anniversary Weekend and Cyclone Gabrielle, and asked that this be conveyed to all of the Company's staff.

Lastly, Mrs Rupp thanked the Board, the Leadership Team and the Trustees for their work through the year before handing over to Mr Vern Dark, outgoing Board Chair.

Mr Dark reported that the past 12 months had been challenging with the remnants of Covid followed by Auckland Anniversary floods and Cyclone Gabrielle. The Counties Energy team and trucks were seen on TV fixing a pole in a remote area. This recognition was thoroughly deserved and Mr Dark congratulated Dale Carline (GM Network Operations) for his efforts, with the belief that we have one of the best operations in the country. Another aspect was that Counties Energy was able to help out other lines companies who had previously helped Counties Energy when needed.

Mr Dark continued that overall, all employees rose to the challenges faced, and the business continued to operate well and has carried out extensive work programs. The Board has also prioritised setting a clear strategy for the Company's future direction.

Safety is a major concern for the Company, and Mr Dark was pleased to report that the statistics have dropped to 2.4 injuries per million of hours towards a target of zero injuries.

The strategy of the Company involves transforming from a lines Company to a Distribution Service Operator 'DSO' model. This includes leading:

- Investigating new forms of energy generation, distribution and Customer choice

The Company spent \$72.1m on the network for maintenance and growth compared with \$70m last year. A new substation at Bombay together with rework on the Barber Road system should result in improvements to reliability. Unplanned interruptions were an improvement on last year, however, there are still challenges with overgrown trees and a high number of vehicle vs power pole accidents in the Counties area.

The Company's gross revenue for the financial year was \$171m, which is \$12.5m more than last year. EBITDA result was down \$7.3m this year to \$50m with profit of \$16.9m compared with last year's profit of \$26m. Capital contributions were lower than last year and there were some revaluation adjustments as well as some impact from subsidiary, ECL. Nevertheless, \$12.7m (incl. GST) was paid in Customer discounts

Mr Dark concluded by advising all present that he would be attending his last Board meeting tomorrow, having served on the Board for 12 years. He stated that his time had been a privilege and a pleasure and he thanked the Directors for their support and extended his appreciation to Judy Nicholl (CEO, CEL) and the Leadership Team.

Mr Dark quoted James Henare:

*"We have come too far not to go further.  
We have done too much not to do more."*



Chair



Judy Nicholl (CEO, CEL) thanked Directors and Trustees for their support and also thanked Mr Dark (retiring Board Chair) and Mr Beston (retiring Trustee). She shared that she enjoys working with an organisation that is well connected to its Community, and she presented on CEL's energy hardship initiative citing that this is an issue in our Community.

## **Consumers' Questions:**

### **1. Mr Paul Muir (Consumer)**

Mr Muir has noticed a massive quantity of stock on the 'Powell's' land at Glasgow Rd and would like to know what the purpose of this is.

*Mr Conrad Harvey, (Group CFO, CEL) responded:*

*He thanked Mr Muir for his question and explained that the stock has been CEL's insurance policy over these past two years and also at this point in time.*

*There are issues with supply and the supply chain itself, of which we are all are aware occurred during the Covid period.*

*The site and stock is being used to create operational efficiencies, ie. traffic flow and safety, by having it visible and clearly laid out rather than stacked away or hidden elsewhere.*

*The Company is managing and monitoring its cashflow and working capital and have recently noticed improvements in the supply chain, and expect to 'work down' the stock in certain areas with projects on the books yet to be fulfilled. Large items such as transformers still have a 12 month lead time. It is fortunate in this industry to be able to carry a high level of stock "not normally seen" that will not spoil and this has allowed the Company to keep the stock on hand, on site.*

*In recent times the Company has been called upon by other EDB's to supply stock.*

### **2. Mr Maurice Hoskins (Consumer)**

Mr Hoskins referred to the AGM minutes of 29<sup>th</sup> August 2022, and his questions about the Asset Management Plan. He wished to clarify that he wanted to make the point that many of the assets have a long life, i.e. 20-50 years, and we should know how we are progressing towards their replacement. The AMP has a much shorter timeframe when the age and the life of the assets must be considered, i.e. once an asset has reached 50 years – will it be replaced?

*Mr Paul Blue (GM Network, CEL) responded:*

*Mr Blue acknowledged that the AMP plans ahead by 10 years. He stated that they are currently planning out much further than that. Not only are they looking at the age of the assets, and aged based maintenance; but are asking "What is the arable health of the asset?" With the use of technology, such as LiDAR to produce a digital image of the network, and drone that takes pictures of the top of the assets, the age and the health of an asset can be measured. This information helps us to manage our assets over a much longer time period than the AMP details.*

Mrs Rupp formally thanked Mr Dark for his contribution over the 12 years he has been on the Board and she especially noted the ease of communication between the Trust and the Board under his leadership.

*Mr Dark was presented with a card and flowers.*

Mrs Rupp also thanked Mr Phil Beston for his 16 years of service as a Trustee and the wealth of knowledge he brought to the role. He began his electrical career with Counties Power and understands the technical jargon and can advise the Trustees. Phil always had the Consumers best interests at heart which was greatly appreciated.

*Mr Beston was presented with a card and flowers.*

Mr Beston thanked everyone and responded that the role has been rewarding and especially with open communication and understanding the viewpoint of Trustees, Directors and the Company. He explained that when he first became a Trustee it was all about putting up new and replacing old overhead lines, and we are now faced with variations and changing times with challenges ahead but the open communication between the Trustees, Directors and Company will mean that the business will be well looked after.

Mrs Rupp thanked everyone for coming and invited everyone to stay for drinks and light refreshments.

The meeting concluded at 6.04pm

Read and confirmed this 19<sup>th</sup> day of September 2023.

  
Chair