

**MINUTES OF THE 2022 PUBLIC MEETING
OF THE HAWKE'S BAY POWER CONSUMERS' TRUST
HELD ON WEDNESDAY 27 JULY 2022 AT 3.00PM
AT THE EAST PIER HOTEL**

PRESENT: D Kirton (Chair), B Arnott, D Pearson, K Westwood, J Farnworth and S Dine (Secretary). The meeting was attended by Phil Hocquard, Dan Druzianic, and Rob Wheeler, Directors of Unison Networks Limited, members of the Unison Senior Management Team together with 15 members of the public.

APOLOGIES: The following apologies were received:
Brendan Hall, Lucy Ellwood and Christine Spring.

MINUTES: The Minutes of the meeting held on 22 July 2021 were confirmed as a true and correct record.

D Kirton/D Druzianic

CHAIR'S REPORT:

D Kirton presented her Chair report on the activities of the Trust during the year, advising of the dividend received from Unison of \$15.8m which was distributed to consumers, noting that nearly 97 of consumers have registered to receive the dividend by direct credit and that the Trust now holds email addresses for a large number of consumers allowing newsletters and other correspondence to be sent effectively and advising that the Trust has decided to discontinue its support for the home insulation projects. Mrs Kirton advised that the Trustees have developed a Director rotation policy which is expected to ensure that the Unison Board comprises the best Directors available serving the appropriate terms and retains the appropriate knowledge and experience. She stated that she believed Unison had navigated the pandemic world incredibly well maintaining the Company on a steady path of growth.

Looking ahead to the current year she advised that Unison had given notice that a \$15.8m dividend will be paid again this year and a distribution to the shareholders made later in the year. She acknowledged the communication team at Unison and Kim Parker in particular for the support given to the Trust in the direct credit registration process. Mrs Kirton advised that there have been changes to the Board with Rob Wheeler being re-appointed for a further three year term and Christine Spring and Brendan Hall retiring from the Board. She advised that two new Director appointments have been made with Blair O'Keeffe and Barbara Elliston joining the Board. She then went on to thank the Directors and Management of the Company for their commitment, the Unison Directors and her fellow Trustees along with the Trust Secretary

Stephen Dine. Mrs Kirton moved that her report be adopted and this was seconded by Geoffrey Clarke.

FINANCIAL STATEMENTS:

S Dine then presented the Financial Statements advising that there were three sets, one being Unison Networks Limited and its subsidiaries, one being the Trust and a third consolidating the Trust and Unison Networks. He spoke briefly to the Trust Financial Statements advising that they had been produced to provide greater clarity around the Trust performance noting the income from the Unison dividend of \$15.8m and expenses excluding contribution to energy efficiency projects of \$430,405. He advised a larger number of prior year distributions were honoured in the current year and that the Trust had just over \$3.7m in cash reserves. He was questioned as to the timing of the accounts being available to consumers and advised that the sign off from the Auditor was only received 24 hours earlier. Discussion was held around earlier completion for a later meeting date which the Trustees agreed they would consider. There was also questions as to the unclaimed dividends and whether they should be included in the Financial Statements and about the level of cash held. S Dine advised that unclaimed dividends are able to be converted to equity and that a reasonable amount of cash is retained to allow dividend smoothing and to meet the potential commitment for unclaimed dividends. After discussion it was moved that the Financial Statements for the year ended 31 March 2022 as tabled be adopted. This was so resolved.

B Arnott/D Pearson

APPOINTMENT OF AUDITOR:

D Kirton advised that it was the Trustees' recommendation that an Auditor not be appointed by the meeting in which case one will be appointed by the Auditor General. This was so resolved.

D Kirton/B Arnott

GENERAL BUSINESS:

Unison Chairman P Hocquard then spoke to the performance of the Company during the 2022 year. He advised that Unison has continued to build and maintain the electricity network while expanding its range of network services. They have now also acquired a range of subsidiaries able to contribute to non regulated revenue. Mr Hocquard noted that the pandemic has had a significant impact on the business but was able to advise that group earnings before interest, tax and financial instruments was \$49.2m down \$4.6m on the previous year's result. He advised that in the past year there were 1,065 new connections and Unison also facilitated the connection of 731 solar installations. He reported on the performance of the subsidiary companies. Mr Hocquard advised that Unison's electricity network had mixed success in achieving performance targets in the year largely as a result of the increase in faults on high criticality assets such as car versus pole events. He gave a summary of the regulatory requirement that Unison operates in. He spoke about Unison's greater supporter programme and the health and safety of the people who live and work around Unison's network. Mr Hocquard also spoke to the Windsor substation which won the low carbon future award at the New Zealand Energy Excellence Awards.

Mr Hocquard then acknowledged the Chief Executive Ken Sutherland for his commitment and leadership and to the management team and staff who take pride in delivering the best results to the customers. He noted the contribution of the retiring Directors and acknowledged the support of the Hawke's Bay Power Consumers' Trust. Mr Hocquard then took questions from the floor. He was asked about Unison's involvement in solar power installations and advised that Unison are only assisting but are maintaining a keen interest. Further discussion was held around how solar customers are charged advising that it is on a usage basis. Discussion was then held on Unison moving into generation and the potential risks of doing so.

Mr Hocquard was then questioned on the undergrounding of overhead power lines. The meeting was advised that undergrounding is determined by the condition of the assets in any particular area and then prioritised on safety and the public areas are done before urban areas. Unison is to be spending \$3m to \$4m a year on undergrounding. The meeting was advised that if any consumers wish to know when their particular street may be in line for undergrounding they should approach Unison for this information. In response to other questions the meeting was advised that the return on shareholders funds for the year was 5.9%, that the Indonesian operation is going particularly well and that the workers strike at ETEL was quickly sorted and that employees will be receiving the living wage by next January. It was also noted that there were no losses on currency transactions.

Discussion was then held on the upcoming ownership review with D Kirton describing the process that will occur from March 2023 onwards. There were questions around a requirement to seek a valuation of Unison Networks which the Trustees will consider when asking for the Directors Report. D Kirton also advised that there is no election in 2023 so the Trustees that commence the review will conclude it.

There being no further business the meeting concluded at 4.15pm.

Minutes were confirmed day of 2022

_____ **Chairman**