

Stephen Dine

From:
Sent: 22 September 2023 8:17 am
To: Stephen Dine
Subject: Submission - Ownership Review

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Hi,

Having reviewed the PwC documents I see no compelling reason for any ownership change.

Unison is performing well and the level of reliability we get and investment in the network is far ahead of what I have seen living in other districts where the ownership of network assets sits with commercial entities.

Any sale will inevitably lead to commercial interests profiting over our essential services.

I am strongly opposed to any change in ownership of Unison and want this to stay in 100% ownership by the HBPCT.

Thanks,

Stephen Dine

From:
Sent: 9 October 2023 8:52 am
To: Stephen Dine
Subject: Unison submission

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Good morning

In my view, the trust should retain the shares (in Unison).

I think it would be short term thinking to sell the shares in the company and portion out the proceeds amongst consumers. That is a one off sweetener, then all is gone.

Ownership should be retained and preserved for our future generations coming through. The yearly dividend coming a month before Christmas really helps. As does the sponsorship unison provide to sports groups and organisations

Local ownership is always going to be better than selling to interests outside of Hawkes Bay. Unison Networks Ltd is a large employer in Hawke's Bay and that adds financial benefit to the community, and they use the services of many other businesses as supply partners and that is of great economic benefit.

Having large businesses like Unison are a brain gain to the local community and many talented people are employed by the company and they make personal contributions to other school trust boards, sporting and community organisations.

I strongly feel the very fast response in terms of getting power restored and repaired in the wake of Cyclone Gabrielle was because we were dealing with local people and local companies. Distant ownership potentially has no vested interest in the province - ie. don't live here, don't have the local knowledge on the ground - and that would likely have made power repair and restoration much more protracted and difficult.

I have read what the Free the Funds movement has to say. I believe the dollar figures being bandied about are inaccurate. It is not helpful. Some people will be blinded by the promise of easy money.

I do hope the trustees resist the pressure from a disgruntled few and retain ownership, not only as a continuation of the yearly dividend payments for current consumers' but also for the benefit of our children and grandchildren.

Kindly

Stephen Dine

From:
Sent: 14 October 2023 7:52 am
To: Stephen Dine
Subject: Response to Ownership Review

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The Trustees

HBPCT

Ownership Review, Unison Networks Limited

In my view the HBPCT adds no value to Unison, and when I read the most recent annual report I cannot see that it adds any value or benefit to the Beneficiaries either.

The Trust was NOT established with a purpose of holding the assets of Unison Networks in perpetuity. If it had been, the trust deed would have mandated that. In fact, the reverse is clear, with the mandated reviews every 5 years.

There is no better time than right now to act for the benefit of the Beneficiaries. All Hawke's Bay consumers/Beneficiaries have been impacted by the cyclone and many are in desperate need of financial support.

Owning the shares directly gives us all a new, and better option: the option of continuing to own our shares and receive future dividends, or to sell the shares for a significant cash settlement. Of course Unison must apply to list on the NZX but this is a simple and inexpensive procedure.

The shares in Unison should be distributed to the beneficiaries now, as provided for in Rule 4.4 (c) of the Trust Deed.

Yours sincerely,

Stephen Dine

From:
Sent: 14 October 2023 5:06 am
To: Stephen Dine
Subject: Ownership review

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Sorry, dear, I did my last email wrong.

Dispose some or all of the shares in Unison.

Stephen Dine

From:
Sent: 3 October 2023 4:32 pm
To: Stephen Dine
Subject: 2023 ownership review

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Hello

My name is

In my view ownership should be retained by consumers.

I think it would be short term thinking to sell the shares in the company and portion out the proceeds amongst consumers. That is a one off sweetener, then all is gone.

Ownership should be retained and preserved for our future generations coming through. The yearly dividend coming a month before Christmas really helps.

Local ownership is always going to be better than selling to interests outside of Hawkes Bay.

I strongly feel the very fast response in terms of getting power restored and repaired in the wake of Cyclone Gabrielle was because we were dealing with local people and local companies. Distant ownership potentially has no vested interest in the province - ie. don't live here, don't have the local knowledge on the ground - and that would likely have made power repair and restoration much more protracted and difficult.

I have read what the Free the Funds movement has to say. I believe the dollar figures being bandied about are inaccurate. It is not helpful. Some people will be blinded by the promise of easy money.

I do hope the trustees resist the pressure from a disgruntled few and retain ownership, not only as a continuation of the yearly dividend payments for current consumers' but also for the benefit of our children and grandchildren.

Regards.

—

Stephen Dine

From:
Sent: 14 October 2023 11:45 am
To: Stephen Dine
Subject: Response to Ownership Review

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The Trustees

HBPCT

Ownership Review, Unison Networks Limited

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Yours sincerely,

Stephen Dine

From:
Sent: 2 October 2023 2:29 pm
To: Stephen Dine
Subject: Response to Ownership Review

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The Trustees

HBPCT

Ownership Review, Unison Networks Limited

I offer the following in response to the Ownership Review for Unison Networks Limited.

1. The Trust Deed itself clearly envisages and authorises the option of distributing the shares in Unison Networks to the Beneficiaries. The Trust was NOT established with a purpose of holding the assets of Unison Networks in perpetuity. If it had been, the trust deed would have mandated that. In fact, the reverse is clear, identifying alternative ownership options in Rule 4, and mandating a regular review procedure.

2. A recent legal opinion relating to a very similar Trust makes a number of fundamentally important statements, including . . .

- "When exercising trustee powers, trustees must act in accordance with their fiduciary duties. The carrying out of that action must be for a proper purpose and for the benefit of beneficiaries. This is key amongst the mandatory and default duties imposed upon trustees. Failing that, the act will be outside their powers, and amount to a breach of Trust".

Surely the current Trustees ought to understand this.

3. An author of the original Trust Deed, a prominent lawyer in Hawkes Bay, made a very interesting submission to the 2018 "Ownership Review". He stated . . .

- "There is a lamentable lack of understanding of the distinction between consumers and community. It is important that the Trustees emphasise and clarify that the sole beneficiaries of the Trust are consumers connected to the HB network of UNL, and that the terms of the Trust Deed clearly require the distribution of shares directly to the "consumers of the day" and for no other purpose. The Trustees of HBPCT have a fiduciary duty to uphold and comply with the specific provisions of the Trust Deed".

4. The Trustees, considering alternative ownership options for Unison Networks and its business, MUST consider a variety of factors such as:

- The market value of the whole of the Unison Networks business;
- The value of the parcel of shares to be distributed to the Beneficiaries;
- The future value of the whole of the Unison Networks business and the likely dividends should ownership remain with the Trust.

5. Where is the discussion and the detail around these issues of "value" which the Trustees must consider, and ought to disclose to the Beneficiaries?

6. There are express engagement obligations imposed on the Trustees with respect to the Trust Beneficiaries. A core duty incumbent on trustees of any trust is to act for the benefit of the beneficiaries of that trust, in accordance with the terms of the trust itself. A trustee cannot fulfil these duties properly if he or she does not have a proper understanding of the wishes of the Beneficiaries in respect of the proposed alternatives.

7. The so-called "independent" reports are totally focussed on what is best for Unison. That is NOT the Trustees

concern. How do the Trustees show that continuing the current ownership model is of greater benefit to the Beneficiaries?

8. There is no better time than right now to act for the benefit of the Beneficiaries. All Hawke's Bay consumers/Beneficiaries have been impacted by the cyclone and many are in desperate need of financial support. Owning the shares directly gives us all a new, and better option: the option of continuing to own our shares and receive future dividends, or to sell the shares after Unison Networks lists on the NZX, for a sum that would substantially exceed the accumulated value of dividend payments for many years into the future.

9. The Trust was established in 1993. Since that time it has carried out 5 "Ownership Reviews", all resulting in a decision to maintain the status quo. But, the Trust must terminate, as mandated by the Trust Deed, and the Trust wound up on or before 1 January 2072. That means another 9 "Ownership Reviews" might be possible before the mandated Termination date. What event or environment would cause the Trustees to make the decision to distribute the shares that would be likely to be more beneficial to the Beneficiaries today, than the current need and benefit to Hawkes Bay, following the cyclone in February of this year?

10. It is easy to demonstrate the likely value of the parcel of shares that each Beneficiary would receive. Unison's financial reports quote the total shareholder funds at \$509M. That translates to \$8,300 for each beneficiary. Unison's market value is very possibly a deal more than that, and a sensible estimate is \$12,000.

11. If the Trustees know and understand the value of the shares, but fail to act for the Beneficiaries, and disclose that information during the course of an "ownership review", then that would be a serious omission and the Trustees would be in breach of trust.

12. The PwC comments about the costs of listing on the NZX are entirely irrelevant, and have been mis-interpreted in recent Trustee statements. Initial listing fees for a company the size of Unison would be about \$350,000. The PwC comments relate to companies seeking an initial public offering, an IPO, which is absolutely not the case when distributing shares to Beneficiaries.

13. Is Unison actually performing well under the Trust "ownership"? With a compounding average growth rate of NEGATIVE 2.2%, the answer surely is NO!

14. The PwC report highlights the need for about \$100 million additional capital expenditure, each year, for the next 10 years. That money can only come from additional borrowing, or from selling assets, and under Trust ownership . . . "Unison may not be able to maintain its dividend flow to the Trust".

15. The Trust is NOT a "Community" Trust. The concept of "intergenerational" does NOT exist in the Trust Deed. It is a construct created by the Trustees in order to argue for the "status quo". The fact that the Trust Deed provides for the Trust to terminate and be wound up at any of the 5 yearly "ownership reviews", and if not before, then certainly on 1 January 2072, confirms this.

16. Considering the report prepared by Unison Directors, and the lack of a proper analysis of the factors listed in 1 above, I believe that the shares in Unison should be distributed to the beneficiaries, as provided for in Rule 4.4 (c) of the Trust Deed.

Yours sincerely,

Stephen Dine

From:
Sent: 27 September 2023 11:19 am
To: Stephen Dine
Subject: HBPCT Contact Form

HBPCT

Ownership Review, Unison Networks Limited

In my view the HBPCT adds no value to Unison, and when I read the most recent annual report I cannot see that it adds any value or benefit to the Beneficiaries either.

The Trust was NOT established with a purpose of holding the assets of Unison Networks in perpetuity. If it had been, the trust deed would have mandated that. In fact, the reverse is clear, with the mandated reviews every 5 years and the opportunity to distribute the shares to the Beneficiaries.

There is no better time than right now to act for the benefit of the Beneficiaries. All Hawke's Bay consumers/Beneficiaries have been impacted by the cyclone and many are in desperate need of financial support. Owning the shares directly gives us all a new, and better option: the option of continuing to own our shares and receive future dividends, or to sell the shares for a significant cash settlement. Of course Unison must apply to list on the NZX but this is a simple and inexpensive procedure.

The shares in Unison should be distributed to the beneficiaries now, as provided for in Rule 4.4 (c) of the Trust Deed.

Yours sincerely,

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This e-mail was sent from HBPCT Website contact form

Stephen Dine

From:
Sent: 2 October 2023 3:59 pm
To: Stephen Dine
Subject: Ownership renew

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<https://aka.ms/LearnAboutSenderIdentification>]

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To the trustees, Retain present system of ownership.
Thank you

Stephen Dine

From:
Sent: 10 October 2023 5:05 pm
To: Stephen Dine
Subject: Ownership

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I support the Status Quo.

Stephen Dine

From:
Sent: 13 October 2023 4:59 pm
To: Stephen Dine
Subject: Response to Ownership Review

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<https://aka.ms/LearnAboutSenderIdentification>]

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The Trustees

HBPCT

Ownership Review, Unison Networks Limited

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Stephen Dine

From:
Sent: 27 September 2023 1:43 pm
To: Stephen Dine
Subject: Response to Ownership Review ICP no 0000040012HB554

The Trustees

HBPCT

Ownership Review, Unison Networks Limited

I offer the following in response to the Ownership Review for Unison Networks Limited.

1. The Trust Deed itself clearly envisages and authorises the option of distributing the shares in Unison Networks to the Beneficiaries. The Trust was NOT established with a purpose of holding the assets of Unison Networks in perpetuity. If it had been, the trust deed would have mandated that. In fact, the reverse is clear, identifying alternative ownership options in Rule 4, and mandating a regular review procedure.
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 - The market value of the whole of the Unison Networks business;
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3. Where is the discussion and the detail around these issues of “value” which the Trustees must consider, and ought to disclose to the Beneficiaries?
4. There are express engagement obligations imposed on the Trustees with respect to the Trust Beneficiaries. A core duty incumbent on trustees of any trust is to act for the benefit of the beneficiaries of that trust, in accordance with the terms of the trust itself. A trustee cannot fulfil these duties properly if he or she does not have a proper understanding of the wishes of the Beneficiaries in respect of the proposed alternatives.
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Yours sincerely,

Stephen Dine

From:
Sent: 14 October 2023 7:12 pm
To: Stephen Dine
Subject: Response to Ownership Review

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The Trustees

HBPCT

Ownership Review, Unison Networks Limited

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- "When exercising trustee powers, trustees must act in accordance with their fiduciary duties. The carrying out of that action must be for a proper purpose and for the benefit of beneficiaries. This is key amongst the mandatory and default duties imposed upon trustees. Failing that, the act will be outside their powers, and amount to a breach of Trust".

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16. Considering the report prepared by Unison Directors, and the lack of a proper analysis of the factors listed in 4 above, I believe that the shares in Unison should be distributed to the beneficiaries, as provided for in Rule 4.4 (c) of the Trust Deed.

Yours sincerely,

Sent from my iPhone

Stephen Dine

From:
Sent: 8 October 2023 10:48 am
To: Stephen Dine
Subject: Ownership Review, Unison Networks Limited

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The Trustees

HBPCT

Ownership Review, Unison Networks Limited

In my view the HBPCT adds no value to Unison, and when I read the most recent annual report I cannot see that it adds any value or benefit to the Beneficiaries either.

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Yours sincerely,

Stephen Dine

From:
Sent: 26 September 2023 7:33 pm
To: Stephen Dine
Subject: Response to Ownership Review

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The Trustees

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HBPCT

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Yours sincerely,

Stephen Dine

From:
Sent: 27 September 2023 11:46 am
To: Stephen Dine
Subject: Unison's Ownership Review.

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I vote for NO change to the Ownership policy.

Thankyou.

Stephen Dine

From:
Sent: 27 September 2023 9:01 am
To: Stephen Dine
Subject: Review Of Ownership Protest

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The Trustees

HBPCT

Ownership Review, Unison Networks Limited

1. The Trust Deed itself clearly envisages and authorises the option of distributing the shares in Unison Networks to the Beneficiaries. **The Trust was NOT established with a purpose of holding the assets of Unison Networks in perpetuity.** If it had been, the trust deed would have mandated that. In fact, the reverse is clear, identifying alternative ownership options in Rule 4, and mandating a regular review procedure.

2. The Trustees, considering alternative ownership options for Unison Networks and its business, **MUST** consider a variety of factors such as:

- The market value of the whole of the Unison Networks business;
- The value of the parcel of shares to be distributed to the Beneficiaries;
- The future value of the whole of the Unison Networks business and the likely dividends should ownership remain with the Trust.

Where is the discussion and the detail around these issues of "value" which the Trustees must consider, and ought to disclose to the Beneficiaries?

4. There are express engagement obligations imposed on the Trustees with respect to the Trust Beneficiaries. A core duty incumbent on trustees of any trust is to **act for the benefit of the beneficiaries of that trust**, in accordance with the terms of the trust itself. A trustee cannot fulfil these duties properly if he or she does not have a proper understanding of the wishes of the Beneficiaries in respect of the proposed alternatives.

5. There is no better time than right now to act for the benefit of the Beneficiaries. All Hawke's Bay consumers/Beneficiaries have been impacted by the cyclone and many are in desperate need of financial support. Owning the shares directly gives us all a new, and better option: the option of continuing to own our shares and receive future dividends, or to sell the shares after Unison Networks lists on the NZX, for a sum that would substantially exceed the accumulated value of dividend payments for many years into the future.

6. The Trust was established in 1993. Since that time it has carried out 5 "Ownership Reviews", all resulting in a decision to maintain the status quo. But, the Trust must terminate, as mandated by the Trust Deed, and the Trust wound up on or before 1 January 2072. That means another 9 "Ownership Reviews" might be possible before the mandated Termination date. What event or environment would cause the Trustees to make the decision to distribute the shares that would be likely to be more beneficial to the Beneficiaries today, than the current need and benefit to Hawkes Bay, following the cyclone in February of this year?

7. It is easy to demonstrate the likely value of the parcel of shares that each Beneficiary would receive. Unison's financial reports quote the total shareholder funds at \$509M. That translates to \$8,300 for each beneficiary. Unison's market value is very possibly a deal more than that.

8. If the Trustees know and understand the value of the shares, but fail to act for the Beneficiaries, and disclose that information during the course of an "ownership review", then that would be a serious omission and the Trustees would be in breach of trust.

9. The PwC comments about the costs of listing on the NZX are entirely irrelevant, and have been misinterpreted in recent Trustee statements. Initial listing fees for a company the size of Unison would be about \$350,000. The PwC comments relate to companies seeking an initial public offering, an IPO, which is absolutely not the case when distributing shares to Beneficiaries.

10. Is Unison actually performing well under the Trust "ownership"? With a compounding average growth rate of **NEGATIVE 2.2%**, the answer surely is NO!

11. The PwC report highlights the need for about \$100 million additional capital expenditure, each year, for the next 10 years. That money can only come from additional borrowing, or from selling assets, and under Trust ownership "Unison may not be able to maintain its dividend flow to the Trust".

12. The Trust is NOT a "Community" Trust. The concept of "intergenerational" does NOT exist in the Trust Deed. It is a construct created by the Trustees in order to argue for the "status quo". The fact that the Trust Deed provides for the Trust to terminate and be wound up at any of the 5 yearly "ownership reviews", and if not before, then certainly on 1 January 2072, confirms this.

13. Considering the report prepared by Unison Directors, and the lack of a proper analysis of the factors listed in 2 above, I believe that the shares in Unison should be distributed to the beneficiaries, as provided for in Rule 4.4 (c) of the Trust Deed.

Yours sincerely,

Sent from Mail for Windows

Stephen Dine

From:
Sent: 1 October 2023 1:55 pm
To: Stephen Dine
Subject: Ownership Review

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Thank you for the opportunity to make a submission.

My choice for Unison ownership is the HBPCT retains ownership. The company works well and I have no complaints of their service.

Power is essential too life in today's world and i think public ownership is essential.

Also, a lot of people are thankful for the dividend in November with Christmas just around the corner.

Once again, thank you for the opportunity to make a submission.

Stephen Dine

From:
Sent: 15 October 2023 3:03 pm
To: Stephen Dine
Subject: Share distribution

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The Trustees

HBPCT

Ownership Review, Unison Networks Limited

In my view the HBPCT adds no value to Unison, and when I read the most recent annual report I cannot see that it adds any value or benefit to the Beneficiaries either.

The Trust was NOT established with a purpose of holding the assets of Unison Networks in perpetuity. If it had been, the trust deed would have mandated that. In fact, the reverse is clear, with the mandated reviews every 5 years and the opportunity to distribute the shares to the Beneficiaries.

There is no better time than right now to act for the benefit of the Beneficiaries. All Hawke's Bay consumers/Beneficiaries have been impacted by the cyclone and many are in desperate need of financial support. Owning the shares directly gives us all a new, and better option: the option of continuing to own our shares and receive future dividends, or to sell the shares for a significant cash settlement. Of course Unison must apply to list on the NZX but this is a simple and inexpensive procedure.

The shares in Unison should be distributed to the beneficiaries now, as provided for in Rule 4.4 (c) of the Trust Deed.

Yours sincerely,

Stephen Dine

From:
Sent: 2 October 2023 8:58 am
To: Stephen Dine
Subject: Ownership Review, Unison Networks Limited

You don't often get email from

[Learn why this is important](#)

The Trustees

HBPCT

Ownership Review, Unison Networks Limited

1. The Trust Deed itself clearly envisages and authorises the option of distributing the shares in Unison Networks to the Beneficiaries. **The Trust was NOT established with a purpose of holding the assets of Unison Networks in perpetuity.** If it had been, the trust deed would have mandated that. In fact, the reverse is clear, identifying alternative ownership options in Rule 4, and mandating a regular review procedure.

2. A recent legal opinion relating to a very similar Trust makes a number of fundamentally important statements, including . .

- “When exercising trustee powers, trustees must act in accordance with their fiduciary duties. The carrying out of that action must be for a proper purpose **and for the benefit of beneficiaries.** This is key amongst the mandatory and default duties imposed upon trustees. Failing that, the act will be outside their powers, and amount to a breach of Trust”.

3. An author of the original Trust Deed, a prominent lawyer in Hawkes Bay, made a very interesting submission to the 2018 “Ownership Review”. He stated . . .

- “There is a lamentable lack of understanding of the distinction between consumers and community. It is important that the Trustees emphasise and clarify that the sole beneficiaries of the Trust are consumers connected to the HB network of UNL, and that the terms of the Trust Deed clearly require the distribution of shares directly to the “consumers of the day” and for no other purpose. The Trustees of HBPCT have a fiduciary duty to uphold and comply with the specific provisions of the Trust Deed”.

Surely the current Trustees ought to understand this.

4. The Trustees, considering alternative ownership options for Unison Networks and its business, **MUST** consider a variety of factors such as:

- The market value of the whole of the Unison Networks business;
- The value of the parcel of shares to be distributed to the Beneficiaries;
- The future value of the whole of the Unison Networks business and the likely dividends should ownership remain with the Trust.

5. Where is the discussion and the detail around these issues of “value” which the Trustees must consider, and ought to disclose to the Beneficiaries?

6. There are express engagement obligations imposed on the Trustees with respect to the Trust Beneficiaries. A core duty incumbent on trustees of any trust is to **act for the benefit of the beneficiaries of that trust**, in accordance with the terms of the trust itself. A trustee cannot fulfil these duties properly if he or she does not have a proper understanding of the wishes of the Beneficiaries in respect of the proposed alternatives.

7. The so-called “independent” reports are totally focussed on what is best for Unison. That is NOT the Trustees concern. How do the Trustees show that continuing the current ownership model is of greater benefit to the Beneficiaries?

8. There is no better time than right now to act for the benefit of the Beneficiaries. All Hawke's Bay consumers/Beneficiaries have been impacted by the cyclone and many are in desperate need of financial support. Owning the shares directly gives us all a new, and better option: the option of continuing to own our shares and receive future dividends, or to sell the shares after Unison Networks lists on the NZX, for a sum that would substantially exceed the accumulated value of dividend payments for many years into the future.
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13. Is Unison actually performing well under the Trust "ownership"? With PwC showing Unison Network Limited has a compounding average growth rate of **NEGATIVE 2.2%**, the answer surely is **NO!**
14. The PwC report highlights the need for about \$100 million additional capital expenditure, each year, for the next 10 years. That money can only come from additional borrowing, or from selling assets, and under Trust ownership . . . "Unison may not be able to maintain its dividend flow to the Trust".
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16. Considering the report prepared by Unison Directors, and the lack of a proper analysis of the factors listed in 2 above, I believe that the shares in Unison should be distributed to the beneficiaries, as provided for in Rule 4.4 (c) of the Trust Deed.

Yours sincerely,

Stephen Dine

From:
Sent: 8 October 2023 3:48 pm
To: Stephen Dine
Subject: Ownership Review submission

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To The Secretary, Hawke's Bay Power Consumers' Trust,

Please keep the current ownership structure of Unison.

Rationale:

- Currently the structure is efficient and fair for the consumers of the power.
- Change would be expensive and the outcomes would not be guaranteed to improve efficiency nor fairness.

Thank you for the opportunity to submit

Stephen Dine

From:
Sent: 14 October 2023 2:24 pm
To: Stephen Dine
Subject: Ownership Review, Unison Networks Limited

You don't often get email from

[Learn why this is important](#)

I have submitted to opt to cash in the shares for a lump sum payment, which I would then invest the funds @ around 6%, producing annual interest more than twice the current annual dividend payment.

For me, it's a no-brainer to sell the shares, as it would take 48 years of HBPCT dividends of \$250 to benefit me by the \$12,000 valuation mentioned. I am a Gold Card Holder and unlikely to live for another 48 years!

My understanding is that the annual dividend is paid to homeowners connected to the Unison network. The valuation of the shareholding is noted to be around \$12,000 but, when a homeowner dies, that capital does not go into their deceased estate. The shareholding simply transfers to the next homeowner, so around \$12,000 is lost to current shareholders' relatives/beneficiaries.

I'm grateful to Free the Funds and Bay Buzz for bringing this possibility to my attention.

Regards

Stephen Dine

From:
Sent: 16 October 2023 11:24 am
To: Stephen Dine
Subject: submission

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Dear Sir

I support the shares in Unison being distributed to the power consumers.

In my view, the status quo has prevailed because existing consumers are not well educated on the options available and if they were, they would choose to sell. Currently I suspect consumers are "grateful" for a \$240 dividend, without being aware that it represents approximately 2% return on capital.

Alongside this, it is difficult to know what value is being added by the Power Consumers' Trust

I would like to speak to this submission.

Yours sincerely

Stephen Dine

From:
Sent: 22 September 2023 9:18 am
To: Stephen Dine
Subject: 2023 Ownership Review

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Good morning

I wish to lodge my full support for HBPCT ownership remaining with Unison Networks.

In my opinion, it is absolutely crucial that ownership remains with the community for investment and the future benefit of everyone.

Paying an annual dividend means that all consumers receive benefits (past, present and future). It is very short-minded and selfish of those that see this as an opportunity to cash-out now, taking the easy money and cutting off future generations.

Kind regards

Stephen Dine

From:
Sent: 25 September 2023 11:04 am
To: Stephen Dine
Subject: Ownership Review

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We support the ongoing community ownership model. Thanks for the work done by the Trust and Unison.

Stephen Dine

From:
Sent: 14 October 2023 6:35 pm
To: Stephen Dine
Cc:
Subject: Response to Ownership Review

You don't often get email from [Stephen Dine](#). [Learn why this is important](#)

The Trustees

HBPCT

Ownership Review, Unison Networks Limited

In my view the HBPCT adds no value to Unison, and when I read the most recent annual report I cannot see that it adds any value or benefit to the Beneficiaries either.

The Trust was NOT established with a purpose of holding the assets of Unison Networks in perpetuity. If it had been, the trust deed would have mandated that. In fact, the reverse is clear, with the mandated reviews every 5 years.

There is no better time than right now to act for the benefit of the Beneficiaries. All Hawke's Bay consumers/Beneficiaries have been impacted by the cyclone and many are in desperate need of financial support.

Owning the shares directly gives us all a new, and better option: the option of continuing to own our shares and receive future dividends, or to sell the shares for a significant cash settlement. Of course Unison must apply to list on the NZX but this is a simple and inexpensive procedure.

The shares in Unison should be distributed to the beneficiaries now, as provided for in Rule 4.4 (c) of the Trust Deed.

Yours sincerely,

Stephen Dine

From:
Sent: 27 September 2023 11:11 am
To: Stephen Dine
Subject: Response to Ownership Review

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The Trustees

HBPCT

Ownership Review, Unison Networks Limited

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Yours sincerely,

Stephen Dine

From:
Sent: 14 October 2023 9:04 pm
To: Stephen Dine
Subject: Response to Ownership Review

You don't often get email from

[Learn why this is important](#)

The Trustees

HBPCT

Ownership Review, Unison Networks Limited

I offer the following in response to the Ownership Review for Unison Networks Limited.

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16. Considering the report prepared by Unison Directors, and the lack of a proper analysis of the factors listed in 4 above, I believe that the shares in Unison should be distributed to the beneficiaries, as provided for in Rule 4.4 (c) of the Trust Deed.

Yours sincerely,

To the Trustees, Hawke's Bay Power Consumers' Trust

OWNERSHIP REVIEW

I have been following the lobbying of the organisation *Free the Funds* with interest.

It is advocating for power consumers (shareholders) to have complete control of their shares and decide what option they would like to follow. I fully support these aims and have added my name to their campaign for change.

In my case, I would most certainly opt to cash in the shares for a lump sum payment.

I would then invest the funds @ around 5.6%, producing interest more than twice the current annual dividend payment.

For me, it's a no-brainer to sell the shares, as it would take 48 years of HBPCT dividends of \$250 to benefit me by the \$12,000 valuation mentioned. I am 71 years old and unlikely to live for another 48 years!

My understanding is that the annual dividend is paid to homeowners connected to the Unison network. The valuation of the shareholding is noted to be around \$12,000 but, when a homeowner dies, that capital does not go into their deceased estate. The shareholding simply transfers to the next homeowner, so around \$12,000 is lost to relatives/beneficiaries.

While I and others may choose to invest the lump sum, many others would welcome such a one-off payment to allow them to put food on their tables, clothe their children, cope with the shocking rise in the cost of living, spend some or all (their choice as it's their money) in local businesses, pay off debt, lower their mortgage repayments etc., etc.

Some may choose to retain their shares with no change. Their choice.

Personally, I think the current modus operandi of the Trust distributing a modest annual dividend is outdated, considering the increased in the capital value of an individual's shareholding.

Times have changed, interest rates have increased significantly (as has debt) and I hope that the Trustees will listen to the increasing number of people who would like to receive a lump sum as a welcome 'windfall' and move on.

I hope the Trustees will then make the necessary changes to allow people to sell their shares - and with urgency.

Stephen Dine

From:
Sent: 15 October 2023 2:45 pm
To: Stephen Dine
Subject: HBPCT Review "The Trust "

Dear Trustees

I think The Trust has out lived its usefulness for the following reasons:

1 there is no legislative requirement on Unison to have The Trust as its shareholder. If there is such a legislative requirement please advised what it is.

2 The Directors say they have prospered under The Trust ownership but do not say specifically how that ownership structure led to how the company prospered. It is the duty of Directors to consider all stake holders in their decision making with regard to the company prospering.

3 Directors say that "they do not believe that other forms of ownership are preferable to Trust ownership at this time".

As they rightly say the decision on ownership is for The Trust and not them .So their comments solicited by the Trustees is only to muddy the water so to speak, and we should not really put too much weight into what the directors say with regard to ownership.

4 PWC raise some interesting issues including that the cost to run the Trust structure and that had a red dot. But there was no mention that the cost is \$753,000 approx pa (as extracted from the Financial Statements to Y/E 31 March 2023). Some of this cost, if not incurred by The Trust would be incurred by the company, eg the costs associated with paying out the dividend to The Trust members and this cost would likely be similar to paying a dividend to shareholders .

Lets say up to \$100,000 of the \$753,000 Trusts cost could be attributed to the costs associated with Dividend payouts and I think that is on the generous side.

5 I went looking for the Trust alone set of accounts to have a look at the costs for the year and was sent a consolidated set of financials for the group.

These are very detailed and likely beyond most peoples understanding on how to extract costs associated with The Trust from the consolidated financial statements.

I wonder why the Trustees do not put a set of financials of The Trust as an entity on its own web- site ? Nothing to hide ?

7 I have asked in the past to see the minutes of Trustee meeting and while available in house again why are they not on the web site.?

8 PWC and the Directors stated and considered the ability to raise capital, could be hindered but as yet has not been hindered.

In 2002 the company purchased Taupo and Rotorua networks and there is not enough back information on this cost and how it was funded.

It seems to me that it may have been funded by a \$100 million US \$ Senior Note . If the \$100 Million US senior note was not the funding for the Taupo and Rotorua networks , then that note must have funded some other capital intensive acquisition.

The point being that there was on the books a \$100 Million US \$ senior note.

Given that the company could not raise capital because of The Trust (it would have been really messy) the

company choose to get a loan in US currency at the time with the rate being at plus 90 NZ cents to 1 USA \$. To manage that exposure the company use interest rate swaps to manage the interest rate risk and while there is no

breakdown between interest on NZ loans and the US senior note, the overall interest rate cost for 2022 was about 4.33% pa and 2023 year end 4.68 %.

However in the Financial statements note 6 for 2022 there was an overall net loss on the combined adjustments fair value and foreign currency movements of \$7.839 million.

In the year end 2023 Financial Statements there was net gain of \$3.339 million, on foreign currency movement but a loss of \$19.444 million foreign currency movements added to Current borrowing bring the total Current borrowing from \$70.997 million to \$90.441 million.

A net currency loss overall of \$16.105 million between the two.

While note 6 to the group financials shows a high level of detail, I can not find how that has been treated in the Profit and Loss account.

Of course these have not been realized but still we are always going to be out of the money given our currency now for NZ\$1 gets us about US 58 to 59 cents .

In my view these currency loss movements are a direct cost of the company having to borrow in the USA because it could not raise capital via its shareholders .

That's a big cost, and a big expense each year for a team to be managing the exposure on interest and currency.

A normal listed company when it acquires another business often, and in most case raises the funds for the acquisition using a combination of new share capital and borrowing .

The Trust can not raise new share capital and we (the members as those entitled to dividends from The Trust) bear the cost of that by reduced profits, in my view.

Because of the above issues, the Company would be better off without The Trust and the shareholders (the members as those entitled to dividends from The Trust) would be better off with greater dividends by way of the reduced costs associated with no Trust Board running costs .

I will not be able to speak to this submission as I will be away , I may ask someone else to present it at the meeting.

Kind regards

Stephen Dine

From:
Sent: 7 October 2023 8:16 am
To: Stephen Dine
Subject: Ownership Review

Please retain HBPCT ownership

Stephen Dine

From:
Sent: 7 October 2023 5:18 pm
To: Stephen Dine
Subject: Ownership Review

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I submit that the ownership and governance of the HBPCT should remain with the status quo, i.e. the people of Hawkes Bay and the Board of Directors.

Selling an area's assets to private enterprise inevitably results in an administration disconnected from the area, higher bills and poor communication. While the present consumers may get a nice pay out the consumers of the future will pay many times over.

Stephen Dine

From:
Sent: 15 October 2023 5:31 pm
To: Stephen Dine
Subject: Response to Ownership Review

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The Trustees

HBPCT

Ownership Review, Unison Networks Limited

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6. There are express engagement obligations imposed on the Trustees with respect to the Trust Beneficiaries. A core duty incumbent on trustees of any trust is to act for the benefit of the beneficiaries of that trust, in accordance with the terms of the trust itself. A trustee cannot fulfil these duties properly if he or she does not have a proper understanding of the wishes of the Beneficiaries in respect of the proposed alternatives.

7. The so-called "independent" reports are totally focussed on what is best for Unison. That is NOT the Trustees concern. How do the Trustees show that continuing the current ownership model is of greater benefit to the Beneficiaries?
8. There is no better time than right now to act for the benefit of the Beneficiaries. All Hawke's Bay consumers/Beneficiaries have been impacted by the cyclone and many are in desperate need of financial support. Owning the shares directly gives us all a new, and better option: the option of continuing to own our shares and receive future dividends, or to sell the shares after Unison Networks lists on the NZX, for a sum that would substantially exceed the accumulated value of dividend payments for many years into the future.
9. The Trust was established in 1993. Since that time it has carried out 5 "Ownership Reviews", all resulting in a decision to maintain the status quo. But, the Trust must terminate, as mandated by the Trust Deed, and the Trust wound up on or before 1 January 2072. That means another 9 "Ownership Reviews" might be possible before the mandated Termination date. What event or environment would cause the Trustees to make the decision to distribute the shares that would be likely to be more beneficial to the Beneficiaries today, than the current need and benefit to Hawkes Bay, following the cyclone in February of this year?
10. It is easy to demonstrate the likely value of the parcel of shares that each Beneficiary would receive. Unison's financial reports quote the total shareholder funds at \$509M. That translates to \$8,300 for each beneficiary. Unison's market value is very possibly a deal more than that, and a sensible estimate is \$12,000.
11. If the Trustees know and understand the value of the shares, but fail to act for the Beneficiaries, and disclose that information during the course of an "ownership review", then that would be a serious omission and the Trustees would be in breach of trust.
12. The PwC comments about the costs of listing on the NZX are entirely irrelevant, and have been mis-interpreted in recent Trustee statements. Initial listing fees for a company the size of Unison would be about \$350,000. The PwC comments relate to companies seeking an initial public offering, an IPO, which is absolutely not the case when distributing shares to Beneficiaries.
13. Is Unison actually performing well under the Trust "ownership"? With a compounding average growth rate of NEGATIVE 2.2%, the answer surely is NO!
14. The PwC report highlights the need for about \$100 million additional capital expenditure, each year, for the next 10 years. That money can only come from additional borrowing, or from selling assets, and under Trust ownership . . . "Unison may not be able to maintain its dividend flow to the Trust".
15. The Trust is NOT a "Community" Trust. The concept of "intergenerational" does NOT exist in the Trust Deed. It is a construct created by the Trustees in order to argue for the "status quo". The fact that the Trust Deed provides for the Trust to terminate and be wound up at any of the 5 yearly "ownership reviews", and if not before, then certainly on 1 January 2072, confirms this.
16. Considering the report prepared by Unison Directors, and the lack of a proper analysis of the factors listed in 4 above, I believe that the shares in Unison should be distributed to the beneficiaries, as provided for in Rule 4.4 (c) of the Trust Deed.

Yours sincerely,

Stephen Dine

From:
Sent: 30 September 2023 5:08 pm
To: Stephen Dine
Subject: Ownership review

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To whom it may concern.

I says YES to they buy out ownership review please.

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Stephen Dine

From:
Sent: 23 September 2023 2:32 pm
To: Stephen Dine
Subject: Ownership

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Dear Directors,

Thank you all for your efforts.

I wish ownership to remain with the Hawkes Bay Power Consumers Trust.

Sincerely,

Stephen Dine

From:
Sent: 14 October 2023 6:46 pm
To: Stephen Dine
Subject: Ownership review

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I would be in favour of a lump Sum which would be beneficial to me instead of being drip fed from year to year, I could do so much more with that money.

Stephen Dine

From:
Sent: 22 September 2023 9:48 am
To: Stephen Dine
Subject: Trust ownership Review

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The Secretary
Hawkes Bay Power Consumer Trust
PO box 146
Hastings 4156

Dear Sir/Madam

TRUST OWNERSHIP REVIEW

I maintain The HBPCT should remain in the present Ownership format.

Yours faithfully

Stephen Dine

From:
Sent: 15 October 2023 10:44 pm
To: Stephen Dine
Subject: Response to Ownership Review

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The Trustees

HBPCT

Ownership Review, Unison Networks Limited

In my view the HBPCT adds no value to Unison, and when I read the most recent annual report I cannot see that it adds any value or benefit to the Beneficiaries either.

The Trust was NOT established with a purpose of holding the assets of Unison Networks in perpetuity. If it had been, the trust deed would have mandated that. In fact, the reverse is clear, with the mandated reviews every 5 years.

There is no better time than right now to act for the benefit of the Beneficiaries. All Hawke's Bay consumers/Beneficiaries have been impacted by the cyclone and many are in desperate need of financial support.

Owning the shares directly gives us all a new, and better option: the option of continuing to own our shares and receive future dividends, or to sell the shares for a significant cash settlement. Of course Unison must apply to list on the NZX but this is a simple and inexpensive procedure.

The shares in Unison should be distributed to the beneficiaries now, as provided for in Rule 4.4 (c) of the Trust Deed.

Yours sincerely,

Stephen Dine

From:
Sent: 14 October 2023 9:31 am
To: Stephen Dine
Subject: Ownership

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<https://aka.ms/LearnAboutSenderIdentification>]

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Having experienced the privatisation of the uk energy and water industries and the chaos they are now in, I cannot say that a privatisation of Unison will be to the long term benefit of the consumers here in Hawkes Bay. Currently, most dividends paid out are recycled within the geographic area and benefits society here. Privatisation will ultimately mean the anonymous shareholders, probably offshore will take the payment with them. The argument that it will be more profitable is dubious and disingenuous. The current ownership model serves the population well and is a benefit to society. We do not need change.

Regards

Stephen Dine

From:
Sent: 26 September 2023 2:31 pm
To: Stephen Dine
Subject: Response to Ownership Review

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The Trustees

HBPCT

Ownership Review, Unison Networks Limited

In my view the HBPCT adds no value to Unison, and when I read the most recent annual report I cannot see that it adds any value or benefit to the Beneficiaries either.

The Trust was NOT established with a purpose of holding the assets of Unison Networks in perpetuity. If it had been, the trust deed would have mandated that. In fact, the reverse is clear, with the mandated reviews every 5 years.

There is no better time than right now to act for the benefit of the Beneficiaries. As a rural property owner severely impacted by recent weather events I am in urgent need of financial support now. I would prefer the option of owning my own shares, to either receive dividends directly or to sell. I believe that the Hawkes Bay economy would benefit from a distribution NOW, when a boost is sorely needed.

Of course Unison must apply to list on the NZX but this is a simple and inexpensive procedure, not to be confused with the more complex and expensive IPO procedure.

The shares in Unison should be distributed to the beneficiaries now, as provided for in Rule 4.4 (c) of the Trust Deed.

Yours sincerely,

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Stephen Dine

From:
Sent: 30 September 2023 12:29 pm
To: Stephen Dine
Subject: Response to Ownership Review

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The Trustees

HBPCT

Ownership Review, Unison Networks Limited

In my view the HBPCT adds no value to Unison, and when I read the most recent annual report I cannot see that it adds any value or benefit to the Beneficiaries either.

The Trust was NOT established with a purpose of holding the assets of Unison Networks in perpetuity. If it had been, the trust deed would have mandated that. In fact, the reverse is clear, with the mandated reviews every 5 years.

There is no better time than right now to act for the benefit of the Beneficiaries. All Hawke's Bay consumers/Beneficiaries have been impacted by the cyclone and many are in desperate need of financial support.

Owning the shares directly gives us all a new, and better option: the option of continuing to own our shares and receive future dividends, or to sell the shares for a significant cash settlement. Of course Unison must apply to list on the NZX but this is a simple and inexpensive procedure.

The shares in Unison should be distributed to the beneficiaries now, as provided for in Rule 4.4 (c) of the Trust Deed.

Stephen Dine

From:
Sent: 26 September 2023 11:11 pm
To: Stephen Dine
Subject: Response to Ownership Review

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The Trustees

HBPCT

Ownership Review, Unison Networks Limited

I offer the following in response to the Ownership Review for Unison Networks Limited.

1. The Trust Deed itself clearly envisages and authorises the option of distributing the shares in Unison Networks to the Beneficiaries. The Trust was NOT established with a purpose of holding the assets of Unison Networks in perpetuity. If it had been, the trust deed would have mandated that. In fact, the reverse is clear, identifying alternative ownership options in Rule 4, and mandating a regular review procedure.
2. The Trustees, considering alternative ownership options for Unison Networks and its business, MUST consider a variety of factors such as:
 - The market value of the whole of the Unison Networks business;
 - The value of the parcel of shares to be distributed to the Beneficiaries;
 - The future value of the whole of the Unison Networks business and the likely dividends should ownership remain with the Trust.
3. Where is the discussion and the detail around these issues of "value" which the Trustees must consider, and ought to disclose to the Beneficiaries?
4. There are express engagement obligations imposed on the Trustees with respect to the Trust Beneficiaries. A core duty incumbent on trustees of any trust is to act for the benefit of the beneficiaries of that trust, in accordance with the terms of the trust itself. A trustee cannot fulfil these duties properly if he or she does not have a proper understanding of the wishes of the Beneficiaries in respect of the proposed alternatives.
5. There is no better time than right now to act for the benefit of the Beneficiaries. All Hawke's Bay consumers/Beneficiaries have been impacted by the cyclone and many are in desperate need of financial support. Owning the shares directly gives us all a new, and better option: the option of continuing to own our shares and receive future dividends, or to sell the shares after Unison Networks lists on the NZX, for a sum that would substantially exceed the accumulated value of dividend payments for many years into the future.
6. The Trust was established in 1993. Since that time it has carried out 5 "Ownership Reviews", all resulting in a decision to maintain the status quo. But, the Trust must terminate, as mandated by the Trust Deed, and the Trust wound up on or before 1 January 2072. That means another 9 "Ownership Reviews" might be possible before the mandated Termination date. What event or environment would cause the Trustees to make the decision to distribute the shares that would be likely to be more beneficial to the Beneficiaries today, than the current need and benefit to Hawkes Bay, following the cyclone in February of this year?
7. It is easy to demonstrate the likely value of the parcel of shares that each Beneficiary would receive. Unison's financial reports quote the total shareholder funds at \$509M. That translates to \$8,300 for each beneficiary. Unison's market value is very possibly a deal more than that.

8. If the Trustees know and understand the value of the shares, but fail to act for the Beneficiaries, and disclose that information during the course of an “ownership review”, then that would be a serious omission and the Trustees would be in breach of trust.

9. The PwC comments about the costs of listing on the NZX are entirely irrelevant, and have been mis-interpreted in recent Trustee statements. Initial listing fees for a company the size of Unison would be about \$350,000. The PwC comments relate to companies seeking an initial public offering, an IPO, which is absolutely not the case when distributing shares to Beneficiaries.

10. Is Unison actually performing well under the Trust “ownership”? With a compounding average growth rate of NEGATIVE 2.2%, the answer surely is NO!

11. The PwC report highlights the need for about \$100 million additional capital expenditure, each year, for the next 10 years. That money can only come from additional borrowing, or from selling assets, and under Trust ownership “Unison may not be able to maintain its dividend flow to the Trust”.

12. The Trust is NOT a “Community” Trust. The concept of “intergenerational” does NOT exist in the Trust Deed. It is a construct created by the Trustees in order to argue for the “status quo”. The fact that the Trust Deed provides for the Trust to terminate and be wound up at any of the 5 yearly “ownership reviews”, and if not before, then certainly on 1 January 2072, confirms this.

13. Considering the report prepared by Unison Directors, and the lack of a proper analysis of the factors listed in 1 above, I believe that the shares in Unison should be distributed to the beneficiaries, as provided for in Rule 4.4 (c) of the Trust Deed.

Yours sincerely,

Sent from my iPhone

Stephen Dine

From:
Sent: 15 October 2023 12:16 pm
To: Stephen Dine
Subject: Response to Ownership Review

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15 October, 2023

The Trustees
HBPCT

Ownership Review, Unison Networks Limited

In my view the HBPCT adds no value to Unison, and when I read the most recent annual report I cannot see that it adds any value or benefit to the Beneficiaries either.

The Trust was NOT established with a purpose of holding the assets of Unison Networks in perpetuity. If it had been, the trust deed would have mandated that. In fact, the reverse is clear, with the mandated reviews every 5 years.

There is no better time than right now to act for the benefit of the Beneficiaries. All Hawke's Bay consumers/beneficiaries have been impacted by the cyclone and many are in desperate need of financial support.

Owning the shares directly gives us all a new, and better option: the option of continuing to own our shares and receive future dividends, or to sell the shares for a significant cash settlement. Of course Unison must apply to list on the NZX but this is a simple and inexpensive procedure.

The shares in Unison should be distributed to the beneficiaries now, as provided for in Rule 4.4 (c) of the Trust Deed.

Yours sincerely,

Stephen Dine

From:
Sent: 22 September 2023 10:56 am
To: Stephen Dine
Subject: Unison network

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The Unison network is an intergenerational asset that has, and can continue to benefit our communities for decades to come.

If it works well keep it going the way it has done so for years
This is how i vote

The Secretary
H B Power Consumers Trust
P O Box 146
Hastings 4156

This letter is to inform you that the undersigned wish to maintain the ownership in the hands of the
HB Power Consumers Trust.

Stephen Dine

From:
Sent: 13 October 2023 2:52 pm
To: Stephen Dine
Subject: Submission to the "Ownership Review"

The Trustees
HB Power Consumers Trust
hbpct@bwr.co.nz

Submission to the "Ownership Review"

Trustees,

I am making this submission on behalf of the Supporters of the **Free the Funds** movement. I hasten to add, I am not representing the personal views of the many supporters. It would be presumptuous of me to do so. I am merely collating data relating to the registrations of interest that the Free the Funds movement has collected in the past few months since its inception, and presenting the collective view that our Supporters well understand.

The Supporters of the Free the Funds movement who wish to do so will make their own submissions to this review. However, we know that many will not, and for their own reasons. We know that the Supporters represent a wide cross-section of Consumers/Beneficiaries of the HBPCT. Many of these people are reluctant to attach their names to anything, many are afraid of making a submission, many fear they do not have the resources or skills to write a submission, and the lack of information from the Trust relating to options that might be available makes it exceedingly difficult for some to even create a viewpoint.

The **Free the Funds** movement has always been very clear about its Mission and Vision. This has helped people to understand that there is a real alternative to Trust ownership of Unison, and for them to register their interest in the alternative proposition.

Our mission is to ensure that the ownership of Unison is switched from HBPCT, in accordance with the Trust Deed, to direct ownership of the shares in Unison by all eligible consumers.

*Our vision is to see that all consumers represented by the HBPCT become shareholders of Unison in their own right, through the **free** distribution of shares.*

The Free the Funds movement has recorded, to date, a number approaching 400 Supporters.

On behalf of the registered Supporters, I ask you to recognise that these people have a valid point of view and understand the proposition that Consumers/Beneficiaries are perfectly capable of owning and managing their share entitlement and making their own decisions with respect to these shares. We have valid email addresses for all our Supporters. Many, but not all, have provided their ICP number.

Many of these Supporters, and many other Consumers/Beneficiaries, have been dramatically affected by the February cyclone. Allowing Consumers/Beneficiaries the opportunity to capitalise on their shareholding is perfectly valid, and for many it would be a salvation.

Trust Information

The Trustees have been virtually silent on the ownership options identified in the Trust Deed that are available for Unison. The PwC report does not help in that regard. The PwC report is superficial, provides no valuation information, and canvasses a variety of ownership options that are not available to Unison at the present time.

The deafening silence does not help Consumer/Beneficiaries establish a viewpoint. Occasional statements from the Trust chair have been inaccurate interpretations of the Trust Deed, and dismissive of information that the Trustees are obligated to provide to Consumers/Beneficiaries if they are to properly carry out their fiduciary duty as Trustees. Where is their integrity? Where are the discussions and valuations relating to alternative options available to the Consumer/Beneficiaries?

The valuations we have indicated to Supporters are real. The Trust secretary offered a view which is in line with our own calculations. Our valuations have been confirmed by independent sources, including long-standing electricity industry executives.

The PwC Report

Our first observation after reading the PwC report, and the associated Directors report, is that the entire focus of both reports is on the question: "what is best for Unison". The second observation is that there is an undeniable bias towards the Directors preferred outcome: "retain Trust ownership".

The PwC report compares the performance of Unison against other lines/network companies. By most measures there is very little difference between the performance of Unison and the other companies examined. It is fundamentally important to understand that the selection of the five other companies, all monopolies, are variously owned by community groups and Councils, or Trusts, or by offshore companies. All have their prices and quality performance regulated by the Commerce Commission. In fact there is no distinction in their performance. Trust ownership conveys no performance advantage.

Is Unison actually performing well under the Trust “ownership”? Here are two “highlights” in the PwC report:

- Unison Group EBITDA growth of 0.5% reflects a compounding growth rate of 0.1% p.a.
- Unison Networks EBITDA over the review period had a compounding average growth rate of **negative 2.2%**.

Is that a reflection of a good performance, under Trust ownership? With a **NEGATIVE** growth rate? We don't think so.

What is fundamentally important is the statement by PwC on the need for significant capital investment in Unison over the next 10 or more years, and their warning which follows . .

*“The next decade will require significant investment by Unison in electricity network infrastructure which will need to be funded by a combination of regulated revenue recovered from customers and other sources of funds, including borrowing. This is relevant to the ownership review as Unison's current shareholders, the **HBPCT**, cannot provide additional capital. If Unison is cash constrained, it may not be able to maintain its dividend flow to the Trust”.*

PwCs comments relating to “inter-generational” aspects are thoroughly disingenuous. The Trust Deed is not a deed in perpetuity as it could terminate at any of the 5 yearly reviews. Consumers [Beneficiaries] are clearly defined in the Deed as those customers connected to the Unison network . . *“at any appropriate date designated by the Trustees from time to time”.*

The PwC report makes it abundantly clear that Trust ownership adds no value to Unison. Unison is much more likely to perform better with independent Directors, and real shareholders who are able to continually hold them responsible for operational and overall performance in the regulated environment in which they operate. In doing so Unison also gains the ability to raise capital for future development thus improving the outlook for shareholder value.

The Proposal

Clearly the Trust adds no value for the Consumer/Beneficiaries. Accordingly, the Free the Funds Supporters wish to have all the shares in Unison distributed to the Consumers/Beneficiaries, to own and manage in their own right.

Yours faithfully,

Stephen Dine

From:
Sent: 15 October 2023 1:44 pm
To: Stephen Dine
Subject: HBPCT "Ownership Review"

The Trustees HBPCT

I offer the following in response to the Ownership Review for Unison Networks Limited.

1. The Trust Deed itself clearly envisages and authorises the option of distributing the shares in Unison Networks to the Beneficiaries. **The Trust was NOT established with a purpose of holding the assets of Unison Networks in perpetuity.** If it had been, the trust deed would have mandated that. In fact, the reverse is clear, identifying alternative ownership options in Rule 4, and mandating a regular review procedure.
2. A recent legal opinion by Chapman Tripp, relating to a very similar consumer Trust, owning the shares of a lines company, makes a number of fundamentally important statements: [Note, "Unison" replaces the original company name]:

*"When exercising trustee powers, trustees must act in accordance with their fiduciary duties. The carrying out of that action must be for a proper purpose **and for the benefit of beneficiaries.** This is key amongst the mandatory and default duties imposed upon trustees. Failing that, the act will be outside their powers, and amount to a breach of Trust".*

*"The Trustees, considering alternative ownership options for Unison Networks and its business, **MUST consider a variety of factors such as:***

- *The market value of the whole of the Unison Networks business;*
- *The value of the parcel of shares to be distributed to the Beneficiaries;*
- *The future value of the whole of the Unison Networks business and the likely dividends should ownership remain with the Trust;*
- *The benefit to Unison Networks should the business list on the NZX;*
- *Any detriments to the beneficiaries should the shares in Unison Networks be distributed."*

3. An author of the original Trust Deed, a prominent lawyer in Hawkes Bay, made a very interesting submission to the 2018 "Ownership Review". He stated . . .

*"There is a lamentable lack of understanding of the distinction between consumers and community. It is important that the Trustees emphasise and clarify that the sole beneficiaries of the Trust are consumers connected to the HB network of UNL, and that the terms of the Trust Deed clearly require the **distribution of shares directly to the "consumers of the day" and for no other***

purpose. The Trustees of HBPCT have a fiduciary duty to uphold and comply with the specific provisions of the Trust Deed”.

4. Where is the discussion and the detail around these issues of “value” which the Trustees must consider, and ought to disclose to the Beneficiaries? Did the Trustees actually read the submissions to the previous review? The silence from the Trustees is deafening.
5. The deafening silence does not help Consumer/Beneficiaries establish a viewpoint. Occasional statements from the Trust chair have been inaccurate interpretations of the Trust Deed, and dismissive of information that the Trustees are obligated to provide to Consumers/Beneficiaries if they are to properly carry out their fiduciary duty as Trustees. Where is their integrity?
6. There are express engagement obligations imposed on the Trustees with respect to the Trust Beneficiaries. A core duty incumbent on trustees of any trust is to **act for the benefit of the beneficiaries of that trust**, in accordance with the terms of the Trust itself. A Trustee cannot fulfil these duties properly if he or she does not have a proper understanding of the wishes of the Beneficiaries in respect of the proposed alternatives.
7. The so-called “independent” reports are totally focussed on what is best for Unison. That is NOT the Trustees concern. Even the Trust website is in error. It says the Trust *“oversees the operation of Unison”*. That is fundamentally incorrect. That is what the Directors are supposed to do. How do the Trustees show that continuing the current ownership model is of greater benefit to the Beneficiaries? Where is their disclosure of the benefit of any alternative ownership option?
8. There is no better time than right now to act for the benefit of the Beneficiaries. All Hawke's Bay consumers/Beneficiaries have been impacted by the cyclone and many are in desperate need of financial support. Owning the shares directly gives us all a new, and better option: the option of continuing to own our shares and receive future dividends, or to sell the shares after Unison Networks lists on the NZX, for a sum that would substantially exceed the accumulated value of dividend payments for many years into the future.
9. The Trust was established in 1993. Since that time it has carried out 5 “Ownership Reviews”, all resulting in a decision to maintain the status quo. But, the Trust must terminate, as mandated by the Trust Deed, and the Trust wound up on or before 1 January 2072. That means another 9 “Ownership Reviews” might be possible before the mandated Termination date. What event or environment would cause the Trustees to make the decision to distribute the shares that would be likely to be more beneficial to the Beneficiaries today, than the current need and benefit to Hawkes Bay, following the cyclone in February of this year?
10. It is easy to demonstrate the likely value of the parcel of shares that each Beneficiary would receive. Unison’ financial reports quote the total shareholder funds at \$509M. That translates to \$8,300 for each beneficiary. Unison’s market value is a deal more than that, and a sensible estimate is \$12,000. This valuation has been confirmed by the Trust secretary and a number of independent sources, including long-standing industry executives.
11. If the Trustees know and understand the value of the shares, but fail to act for the Beneficiaries, and disclose that information during the course of an “ownership review”, then that would be a serious omission and the Trustees would be in breach of Trust.

12. When reading the PwC report, and the associated Directors report, it is clear that the entire focus of both reports is on the question: "what is best for Unison". The second observation is that there is an undeniable bias towards the Directors preferred outcome: "retain Trust ownership".
13. The PwC report compares the performance of Unison against other lines/network companies. By most measures there is very little difference between the performance of Unison and the other companies examined. It is fundamentally important to understand that the five other companies selected, are all monopolies, are variously owned by community groups and Councils, or Trusts, or by offshore companies. All have their prices and quality performance regulated by the Commerce Commission. In fact there is no distinction in their performance. Trust ownership conveys no performance advantage.
14. The PwC comments about the costs of listing on the NZX are entirely irrelevant, and have been misrepresented in recent Trustee statements. Initial listing fees for a company the size of Unison would be about \$350,000. The PwC comments relate to companies seeking an initial public offering, an IPO, which is absolutely not the case when distributing shares to Beneficiaries.
15. Is Unison actually performing well under the Trust "ownership"? With a compounding average growth rate of **NEGATIVE 2.2%**, the answer surely is NO!
16. The PwC report highlights the need for about \$100 million additional capital expenditure, each year, for the next 10 years. That money can only come from additional borrowing, or from selling assets, and under Trust ownership . . . ***"Unison may not be able to maintain its dividend flow to the Trust"***. The Trustees must surely have concerns about the real possibility that dividends will reduce or stop altogether. Where is their analysis?
17. The Trust is NOT a "Community" Trust. The concept of "inter-generational" does NOT exist in the Trust Deed. It is a construct created by the Trustees in order to argue for the "status quo". Consumers [Beneficiaries] are clearly defined in the Deed as those customers connected to the Unison network . . . *"at any appropriate date designated by the Trustees from time to time"*. The discussion on page 23 of the PwC report, relating to Consumer and Community Outcomes, is entirely out of place. The discussion mis-represents the proper objectives of the Trust, and the proper Beneficiaries and illustrates a lack of understanding of the Trust Deed on the part of PwC and the Directors. The fact that the Trust Deed provides for the Trust to terminate and be wound up at any of the 5 yearly "ownership reviews", and if not before, then certainly on 1 January 2072, confirms this.
18. The PwC Report shows clearly that the HBPCT adds no value to Unison, and when I read the most recent Trust annual report [or any previous reports] I cannot see that it adds any value or benefit to the Beneficiaries either. Unison is much more likely to perform better with independent Directors, and real shareholders who are able to continually hold them responsible for operational and overall performance in the regulated environment in which they operate. In doing so Unison also gains the ability to raise capital for future development thus improving the outlook for shareholder value.

Considering the report prepared by Unison Directors, and the lack of a proper analysis of the factors listed in 2 above, I believe that Trustees must resolve that the shares in Unison be distributed to the beneficiaries, to own and manage in their own right, as provided for in Rule 4.4 (c) of the Trust Deed.

Yours sincerely,

Stephen Dine

From:
Sent: 7 October 2023 1:24 pm
To: Stephen Dine
Subject: Dividend

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I oppose the suggested sale of Unison shares as suggested by a nameless consortium, as it is short-sighted, and fiscally unsound. I advocate the retention of the annual dividend payment as it stands. Yours,

Stephen Dine

From:
Sent: 9 October 2023 8:14 am
To: Stephen Dine
Subject: Submission

Good morning

In my view, the trust should retain the shares (in Unison).

I think it would be short term thinking to sell the shares in the company and portion out the proceeds amongst consumers. That is a one off sweetener, then all is gone.

Ownership should be retained and preserved for our future generations coming through. The yearly dividend coming a month before Christmas really helps. As does the sponsorship unison provide to sports groups and organisations

Local ownership is always going to be better than selling to interests outside of Hawkes Bay. Unison Networks Ltd is a large employer in Hawke's Bay and that adds financial benefit to the community, and they use the services of many other businesses as supply partners and that is of great economic benefit.

Having large businesses like Unison are a brain gain to the local community and many talented people are employed by the company and they make personal contributions to other school trust boards, sporting and community organisations.

I strongly feel the very fast response in terms of getting power restored and repaired in the wake of Cyclone Gabrielle was because we were dealing with local people and local companies. Distant ownership potentially has no vested interest in the province - ie. don't live here, don't have the local knowledge on the ground - and that would likely have made power repair and restoration much more protracted and difficult.

I have read what the Free the Funds movement has to say. I believe the dollar figures being bandied about are inaccurate. It is not helpful. Some people will be blinded by the promise of easy money.

I do hope the trustees resist the pressure from a disgruntled few and retain ownership, not only as a continuation of the yearly dividend payments for current consumers' but also for the benefit of our children and grandchildren.

Kindly

Stephen Dine

From:
Sent: 14 October 2023 12:58 pm
To: Stephen Dine
Subject: Submission to the HBPC Trust

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As a current share holder I wish to make a submission to the HBPC Trust for the shares to be cashed in for a lump sum payment,.

Sent from [Mail](#) for Windows

Stephen Dine

From:
Sent: 22 September 2023 7:43 am
To: Stephen Dine
Subject: Submission

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Unison continues to perform well as a consumer owned business especially throughout the latest cyclone crisis . As shareholders we wish to retain the shares .

Stephen Dine

From:
Sent: 5 October 2023 8:26 pm
To: Stephen Dine
Subject: Ownership Review

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Would rather have the payout .

Sent from my Galaxy

Stephen Dine

From:
Sent: 16 October 2023 3:35 pm
To: Stephen Dine
Subject: Ownership model for Unison Networks

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Kia Ora

I am in favor of ownership of Unison remaining with the Hawke's Bay Power Consumers' Trust at this stage.

I would however add that the performance of the HBPCT needs far more public scrutiny. It is my belief that much of the discussion about selling down the shareholding stems from the lack of understanding around the HBPCT's functions.

It is also difficult to understand what benefit is gained from having the shareholding held in a trust which does not actually appear to do anything.

As trustees, this responsibility sits fairly on your shoulders. We deserve much better.

I wish to speak to my submission

Nga mihi

Stephen Dine

From:
Sent: 21 September 2023 8:50 pm
To: Stephen Dine
Subject: Hawkes Bay Power Consumers Trust Review. !

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To Whom it May Concern.

My name is _____ and my wife and I are electricity consumers and beneficiaries of Unisons services.

Our Positions.

1. Retain Unison ownership in the Hawkes Bay Power Consumers Trust.
2. Continue to expand the Unison Groups ownership in electricity related services and suppliers in New Zealand and in particular, Hawkes bay and Central North Island.
3. Do not sell off any part of or the asset base that is built up (Companies, other descendants of Electric Power Boards elsewhere etc).
4. Retain Hawkes Bay assets in the ownership of resident Hawkes Bay electricity consumers.

Some reasons for this.

- a. Where the assets of other Power Boards were purchased (Wellington MED and Hutt Valley Electric Power and Gas Board) these transited to TransAlta, United Networks, Vector, to end up with Hong Kong based companies CK Infrastructure Holdings and Power Asset Holdings.) No doubt profits end up offshore, not in the Wellington – Hutt Valley area. The situation should not be replicated in Hawkes Bay. Keep Hawkes Bay owned assets in the ownership in as many Hawkes Bay people (electricity consumers) as possible.
- b. There is good accountability with local ownership from governance level to Unisons senior managers. This was best evidenced during the 14 February 2023 floods. The GM lines fronted up at Public Meetings, spoke clearly, delivered what he said he would do and was more credible than most other agencies during the recovery phase. Some people spoke from the floor of these meetings saying that other organisations could learn from his approach. The floods were a testing time and those affected were on edge, demanding, frustrated, irritated and wanted results promptly. Unison delivered better than most. I doubt that this connectedness would have been as good if Unison was sold off in part or in whole. Keep ownership with electricity consumers.
- c. Selling shares in publicly owned New Zealand organisations ultimately ends up in foreign ownership and control is lost. This is a pity and a long term loss for future generations. I feel that this is how the Napier Port will go in 20 years and if the Hawkes Bay Airport was put up for partial sale, it would end up in offshore ownership in a few decades. 51% of Auckland Airport was owned by Auckland Local Authorities. Now, only Auckland City Council and Manukau City Council have any shareholding – according to Bing. I would not want this to happen with Hawkes Bay owned assets: Unison, Napier Port, Hawkes Bay Airport.

This should cover the position.

Yours sincerely,

Stephen Dine

From:
Sent: 1 October 2023 5:06 pm
To: Stephen Dine
Subject: Response to Ownership Review

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The Trustees

HBPCT

Ownership Review, Unison Networks Limited

In my view the HBPCT adds no value to Unison, and when I read the most recent annual report I cannot see that it adds any value or benefit to the Beneficiaries either.

The Trust was NOT established with a purpose of holding the assets of Unison Networks in perpetuity. If it had been, the trust deed would have mandated that. In fact, the reverse is clear, with the mandated reviews every 5 years.

There is no better time than right now to act for the benefit of the Beneficiaries. All Hawke's Bay consumers/Beneficiaries have been impacted by the cyclone and many are in desperate need of financial support.

Owning the shares directly gives us all a new, and better option: the option of continuing to own our shares and receive future dividends, or to sell the shares for a significant cash settlement. Of course Unison must apply to list on the NZX but this is a simple and inexpensive procedure.

The shares in Unison should be distributed to the beneficiaries now, as provided for in Rule 4.4 (c) of the Trust Deed.

Yours sincerely,

Stephen Dine

From:
Sent: 14 October 2023 8:41 am
To: Stephen Dine
Subject: Unison shares

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I'd much rather have the Unison shares under my own name rather than an annual payout of \$240.

This enables me to release the value as I see fit.

Stephen Dine

From:
Sent: 22 September 2023 9:55 am
To: Stephen Dine
Subject: Ownership Review

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Hi

After consideration of the documents presented, I support the full distribution of shares to consumer beneficiaries and ask that the trust puts this to a vote.

Belford Submission – HBPCT Ownership Review

My submission is as follows:

1. The optimum ownership arrangement is one that ensures: a) Unison's feet are kept to the fire as it seeks to deliver first-rate services and dependable sustainable shareholder value; and b) Unison is best able to meet its burgeoning capital investment requirements.
2. Whether or not the Trust so wishes, it is incumbent upon Unison's corporate directors to explicitly and routinely examine alternative ownership structures that might potentially benefit the business. And to produce an estimate of current share value.

Unison's directors have little incentive to encourage the prospect of any ownership structure that might place more intense scrutiny upon their stewardship of the company. Or as the directors put it in their report: "From the Company's perspective, the Directors consider that what the Company needs as an owner of long-life intergenerational assets, alongside access to capital, is a *stable shareholder* (italics added). One might suggest a 'supine' shareholder would be ideal; well, they have one.

Consequently, it is outrageous, but unsurprising that the Trust finds the entire question of what Unison shares might be worth as irrelevant ... effectively none of the business of us shareholders. This despite the fact that knowledgeable insiders place that value in the \$12,000 to \$15,000 range, starting from an asset base of \$990 million.

But since no one has been asked in the review to officially estimate that value, the party line is simply to dismiss these estimates as 'ungrounded' and unrelated to the ownership issue.

That's preposterous, flying in the face of your Trustee duties on behalf of your beneficiaries. This is not an approach calculated to inform current shareholders of what the actual value of their shares might be. Or how that value might be best leveraged for the good of the company and its shareholders.

Even as Unison's capital requirements reach and exceed \$100 million per year, it is argued there is no present need to 'unlock' the full market value that exists, as was successfully done with Napier Port. The directors say that they can meet near-term needs by borrowing or selling unregulated assets.

PwC says: "...future growth in shareholder value may be constrained under the current ownership model. Unexpected changes to the regulatory settings or higher than anticipated demand for network or subsidiary investment are factors which could use up available borrowing headroom and create funding constraints."

Yet already now, as I read Unison's latest asset and risk management plan, clearly projects had been placed on the backburner that might have spared HB residents some of the power loss pain of the recent cyclone. Similarly, one might query the pace that investments should be made to meet the region's and nation's electrification goals, or to

lessen rural residents' dependence on the connected grid? Faster than Unison now contemplates? Or should we just complacently dream that Hawke's Bay won't face another Cyclone Gabrielle for a generation?

The Unison directors have taken a feeble step toward fiduciary responsibility in their report to the Trust: "The Directors are unanimous in concluding that Trust ownership remains the most appropriate form of ownership at this time but note that other forms of ownership may need to be considered if circumstances change significantly in time. In this regard, the Directors recommend that the Trust should confirm that it wishes the Directors to continue, over the next five-year period, to undertake further preliminary investigative work on sensible capital structure options required to meet any future material capital needs."

Anything less than an unequivocal mandate from the Trust for Unison Directors to proceed with such an investigation, including share valuation scenarios, should be considered a challengeable failure of legal responsibility on the part of Trustees. Moreover, this review should be conducted with transparency, with full public reporting on its progress, including in Unison's annual reports.

3. The Trust offers no substantive value to Unison's corporate leadership or to us ultimate shareholders.

For us beneficiaries, the Trust initiated no review of Unison's preparedness for the cyclone disaster or report on lessons learnt. It merely issued a media release applauding Unison's on-the-ground disaster response, which indeed deserved praise. One might think these are matters that an 'oversight' body like the Power Trust might explore with insight and gusto ... and in public view.

Consequently, the Trust's dissolution should be addressed alongside the more substantial ownership review just described in Item #2.

In the meantime, the Trust should adopt transparency rules regarding meetings to be held in public, appropriate Agenda papers made public, as well as public minutes reporting matters addressed and decided.

I would like to present my submission in person on 10 November.

I would urge the Trust to fully record both its 10 and 17 November public sessions.

Submitted by:

Stephen Dine

From:
Sent: 2 October 2023 8:33 pm
To: Stephen Dine
Subject: Response to Ownership Review

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The Trustees

HBPCT

Ownership Review, Unison Networks Limited

I offer the following in response to the Ownership Review for Unison Networks Limited.

1. The Trust Deed itself clearly envisages and authorises the option of distributing the shares in Unison Networks to the Beneficiaries. The Trust was NOT established with a purpose of holding the assets of Unison Networks in perpetuity. If it had been, the trust deed would have mandated that. In fact, the reverse is clear, identifying alternative ownership options in Rule 4, and mandating a regular review procedure.

2. A recent legal opinion relating to a very similar Trust makes a number of fundamentally important statements, including . . .

- "When exercising trustee powers, trustees must act in accordance with their fiduciary duties. The carrying out of that action must be for a proper purpose and for the benefit of beneficiaries. This is key amongst the mandatory and default duties imposed upon trustees. Failing that, the act will be outside their powers, and amount to a breach of Trust".

Surely the current Trustees ought to understand this.

3. An author of the original Trust Deed, a prominent lawyer in Hawkes Bay, made a very interesting submission to the 2018 "Ownership Review". He stated . . .

- "There is a lamentable lack of understanding of the distinction between consumers and community. It is important that the Trustees emphasise and clarify that the sole beneficiaries of the Trust are consumers connected to the HB network of UNL, and that the terms of the Trust Deed clearly require the distribution of shares directly to the "consumers of the day" and for no other purpose. The Trustees of HBPCT have a fiduciary duty to uphold and comply with the specific provisions of the Trust Deed".

4. The Trustees, considering alternative ownership options for Unison Networks and its business, MUST consider a variety of factors such as:

- The market value of the whole of the Unison Networks business;
- The value of the parcel of shares to be distributed to the Beneficiaries;
- The future value of the whole of the Unison Networks business and the likely dividends should ownership remain with the Trust.

5. Where is the discussion and the detail around these issues of "value" which the Trustees must consider, and ought to disclose to the Beneficiaries?

6. There are express engagement obligations imposed on the Trustees with respect to the Trust Beneficiaries. A core duty incumbent on trustees of any trust is to act for the benefit of the beneficiaries of that trust, in accordance with the terms of the trust itself. A trustee cannot fulfil these duties properly if he or she does not have a proper understanding of the wishes of the Beneficiaries in respect of the proposed alternatives.

7. The so-called "independent" reports are totally focussed on what is best for Unison. That is NOT the Trustees

concern. How do the Trustees show that continuing the current ownership model is of greater benefit to the Beneficiaries?

8. There is no better time than right now to act for the benefit of the Beneficiaries. All Hawke's Bay consumers/Beneficiaries have been impacted by the cyclone and many are in desperate need of financial support. Owning the shares directly gives us all a new, and better option: the option of continuing to own our shares and receive future dividends, or to sell the shares after Unison Networks lists on the NZX, for a sum that would substantially exceed the accumulated value of dividend payments for many years into the future.

9. The Trust was established in 1993. Since that time it has carried out 5 "Ownership Reviews", all resulting in a decision to maintain the status quo. But, the Trust must terminate, as mandated by the Trust Deed, and the Trust wound up on or before 1 January 2072. That means another 9 "Ownership Reviews" might be possible before the mandated Termination date. What event or environment would cause the Trustees to make the decision to distribute the shares that would be likely to be more beneficial to the Beneficiaries today, than the current need and benefit to Hawkes Bay, following the cyclone in February of this year?

10. It is easy to demonstrate the likely value of the parcel of shares that each Beneficiary would receive. Unison's financial reports quote the total shareholder funds at \$509M. That translates to \$8,300 for each beneficiary. Unison's market value is very possibly a deal more than that, and a sensible estimate is \$12,000.

11. If the Trustees know and understand the value of the shares, but fail to act for the Beneficiaries, and disclose that information during the course of an "ownership review", then that would be a serious omission and the Trustees would be in breach of trust.

12. The PwC comments about the costs of listing on the NZX are entirely irrelevant, and have been mis-interpreted in recent Trustee statements. Initial listing fees for a company the size of Unison would be about \$350,000. The PwC comments relate to companies seeking an initial public offering, an IPO, which is absolutely not the case when distributing shares to Beneficiaries.

13. Is Unison actually performing well under the Trust "ownership"? With a compounding average growth rate of NEGATIVE 2.2%, the answer surely is NO!

14. The PwC report highlights the need for about \$100 million additional capital expenditure, each year, for the next 10 years. That money can only come from additional borrowing, or from selling assets, and under Trust ownership . . . "Unison may not be able to maintain its dividend flow to the Trust".

15. The Trust is NOT a "Community" Trust. The concept of "intergenerational" does NOT exist in the Trust Deed. It is a construct created by the Trustees in order to argue for the "status quo". The fact that the Trust Deed provides for the Trust to terminate and be wound up at any of the 5 yearly "ownership reviews", and if not before, then certainly on 1 January 2072, confirms this.

16. Considering the report prepared by Unison Directors, and the lack of a proper analysis of the factors listed in 1 above, I believe that the shares in Unison should be distributed to the beneficiaries, as provided for in Rule 4.4 (c) of the Trust Deed.

Yours sincerely,

Stephen Dine

From:
Sent: 26 September 2023 9:15 am
To: Stephen Dine
Subject: Response to Ownership Review

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The Trustees

HBPCT

Ownership Review, Unison Networks Limited

I offer the following in response to the Ownership Review for Unison Networks Limited.

1. The Trust Deed itself clearly envisages and authorises the option of distributing the shares in Unison Networks to the Beneficiaries. The Trust was NOT established with a purpose of holding the assets of Unison Networks in perpetuity. If it had been, the trust deed would have mandated that. In fact, the reverse is clear, identifying alternative ownership options in Rule 4, and mandating a regular review procedure.
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5. There is no better time than right now to act for the benefit of the Beneficiaries. All Hawke's Bay consumers/Beneficiaries have been impacted by the cyclone and many are in desperate need of financial support. Owning the shares directly gives us all a new, and better option: the option of continuing to own our shares and receive future dividends, or to sell the shares after Unison Networks lists on the NZX, for a sum that would substantially exceed the accumulated value of dividend payments for many years into the future.
6. The Trust was established in 1993. Since that time it has carried out 5 “Ownership Reviews”, all resulting in a decision to maintain the status quo. But, the Trust must terminate, as mandated by the Trust Deed, and the Trust wound up on or before 1 January 2072. That means another 9 “Ownership Reviews” might be possible before the mandated Termination date. What event or environment would cause the Trustees to make the decision to distribute the shares that would be likely to be more beneficial to the Beneficiaries today, than the current need and benefit to Hawkes Bay, following the cyclone in February of this year?
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13. Considering the report prepared by Unison Directors, and the lack of a proper analysis of the factors listed in 1 above, I believe that the shares in Unison should be distributed to the beneficiaries, as provided for in Rule 4.4 (c) of the Trust Deed.

Sincerely

incerely,

Stephen Dine

From:
Sent: 3 October 2023 6:58 pm
To: Stephen Dine
Subject: Ownership of HBCPT

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I would like to submit that the ownership of the unison network shares remains 100% within the trust. Furthermore, I would like to see the current dividend paid to consumers be reduced by 20% per year which is invested in generation of electricity as an asset to go with the distribution network. Generation being solar rather than wind.

I think owning a network and being a generator today can be compared to having an oil well on your land in America in the mid 1800' s. It sets you up with an income stream for further expansion and further opportunities.

Thank you to the current trustees for carrying on your wise work.

Stephen Dine

From:
Sent: 5 October 2023 8:43 am
To: Stephen Dine
Subject: Ownership Review, Unison Networks Limited

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**The Trustees
HBPCT**

Ownership Review, Unison Networks Limited

In my view the HBPCT adds no value to Unison, and when I read the most recent annual report I cannot see that it adds any value or benefit to the Beneficiaries either.

The Trust was NOT established with a purpose of holding the assets of Unison Networks in perpetuity. If it had been, the trust deed would have mandated that. In fact, the reverse is clear, with the mandated reviews every 5 years and the opportunity to distribute the shares to the Beneficiaries.

There is no better time than right now to act for the benefit of the Beneficiaries. All Hawke's Bay consumers/Beneficiaries have been impacted by the cyclone and many are in desperate need of financial support. Owning the shares directly gives us all a new, and better option: the option of continuing to own our shares and receive future dividends, or to sell the shares for a significant cash settlement. Of course Unison must apply to list on the NZX but this is a simple and inexpensive procedure.

The shares in Unison should be distributed to the beneficiaries now, as provided for in Rule 4.4 (c) of the Trust Deed.

Yours sincerely,

Stephen Dine

From:
Sent: 6 October 2023 10:29 am
To: Stephen Dine
Subject: Response to Ownership Review

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The Trustees

HBPCT

Ownership Review, Unison Networks Limited

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- "When exercising trustee powers, trustees must act in accordance with their fiduciary duties. The carrying out of that action must be for a proper purpose and for the benefit of beneficiaries. This is key amongst the mandatory and default duties imposed upon trustees. Failing that, the act will be outside their powers, and amount to a breach of Trust".

Surely the current Trustees ought to understand this.

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13. Is Unison actually performing well under the Trust "ownership"? With a compounding average growth rate of NEGATIVE 2.2%, the answer surely is NO!
14. The PwC report highlights the need for about \$100 million additional capital expenditure, each year, for the next 10 years. That money can only come from additional borrowing, or from selling assets, and under Trust ownership . . . "Unison may not be able to maintain its dividend flow to the Trust".
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Stephen Dine

From:
Sent: 26 September 2023 5:04 pm
To: Stephen Dine
Subject: Response to Ownership Review

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The Trustees

HBPCT

Ownership Review, Unison Networks Limited

I offer the following in response to the Ownership Review for Unison Networks Limited.

1. Ownership of Unison through a commercial, NZX-traded vehicle offers options for raising capital beyond those available to the Trust and which will be useful as Unison seeks more capital (\$100 m per year over next 10 years). Furthermore, a fully commercial model allows for commercial processes and discipline by the Board that are not typically within the domain of the Trust. I expect commercial directors will be much more accountable to shareholders than Trustees are currently to consumers.
2. The Trust Deed itself clearly envisages and authorises the option of distributing the shares in Unison Networks to the Beneficiaries. The Trust was NOT established with a purpose of holding the assets of Unison Networks in perpetuity. If it had been, the trust deed would have mandated that. In fact, the reverse is clear, identifying alternative ownership options in Rule 4, and mandating a regular review procedure.
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11. Is Unison actually performing well under the Trust "ownership"? With a compounding average growth rate of NEGATIVE 2.2%, the answer surely is NO!
12. The PwC report highlights the need for \$100 about million additional capital expenditure, each year, for the next 10 years. That money can only come from additional borrowing, or from selling assets, and under Trust ownership "Unison may not be able to maintain its dividend flow to the Trust".
13. The Trust is NOT a "Community" Trust. The concept of "intergenerational" does NOT exist in the Trust Deed. It is a construct created by the Trustees in order to argue for the "status quo". The fact that the Trust Deed provides for the Trust to terminate and be wound up at any of the 5 yearly "ownership reviews", and if not before, then certainly on 1 January 2072, confirms this.
14. Considering the report prepared by Unison Directors, and the lack of a proper analysis of the factors listed in 1 above, I believe that the shares in Unison should be distributed to the beneficiaries, as provided for in Rule 4.4 (c) of the Trust Deed.

Stephen Dine

From:
Sent: 15 October 2023 6:53 pm
To: Stephen Dine
Subject: Response to Ownership Review

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The Trustees

HBPCT

Ownership Review, Unison Networks Limited

I offer the following in response to the Ownership Review for Unison Networks Limited.

1. The Trust Deed itself clearly envisages and authorises the option of distributing the shares in Unison Networks to the Beneficiaries. The Trust was NOT established with a purpose of holding the assets of Unison Networks in perpetuity. If it had been, the trust deed would have mandated that. In fact, the reverse is clear, identifying alternative ownership options in Rule 4, and mandating a regular review procedure.
2. A recent legal opinion relating to a very similar Trust makes a number of fundamentally important statements, including . . .
 - "When exercising trustee powers, trustees must act in accordance with their fiduciary duties. The carrying out of that action must be for a proper purpose and for the benefit of beneficiaries. This is key amongst the mandatory and default duties imposed upon trustees. Failing that, the act will be outside their powers, and amount to a breach of Trust".Surely the current Trustees ought to understand this.
3. An author of the original Trust Deed, a prominent lawyer in Hawkes Bay, made a very interesting submission to the 2018 "Ownership Review". He stated . . .
 - "There is a lamentable lack of understanding of the distinction between consumers and community. It is important that the Trustees emphasise and clarify that the sole beneficiaries of the Trust are consumers connected to the HB network of UNL, and that the terms of the Trust Deed clearly require the distribution of shares directly to the "consumers of the day" and for no other purpose. The Trustees of HBPCT have a fiduciary duty to uphold and comply with the specific provisions of the Trust Deed".
4. The Trustees, considering alternative ownership options for Unison Networks and its business, MUST consider a variety of factors such as:
 - The market value of the whole of the Unison Networks business;
 - The value of the parcel of shares to be distributed to the Beneficiaries;
 - The future value of the whole of the Unison Networks business and the likely dividends should ownership remain with the Trust.
5. Where is the discussion and the detail around these issues of "value" which the Trustees must consider, and ought to disclose to the Beneficiaries?
6. There are express engagement obligations imposed on the Trustees with respect to the Trust Beneficiaries. A core duty incumbent on trustees of any trust is to act for the benefit of the beneficiaries of that trust, in accordance with the terms of the trust itself. A trustee cannot fulfil these duties properly if he or she does not have a proper understanding of the wishes of the Beneficiaries in respect of the proposed alternatives.
7. The so-called "independent" reports are totally focussed on what is best for Unison. That is NOT the Trustees

concern. How do the Trustees show that continuing the current ownership model is of greater benefit to the Beneficiaries?

8. There is no better time than right now to act for the benefit of the Beneficiaries. All Hawke's Bay consumers/Beneficiaries have been impacted by the cyclone and many are in desperate need of financial support. Owning the shares directly gives us all a new, and better option: the option of continuing to own our shares and receive future dividends, or to sell the shares after Unison Networks lists on the NZX, for a sum that would substantially exceed the accumulated value of dividend payments for many years into the future.

9. The Trust was established in 1993. Since that time it has carried out 5 "Ownership Reviews", all resulting in a decision to maintain the status quo. But, the Trust must terminate, as mandated by the Trust Deed, and the Trust wound up on or before 1 January 2072. That means another 9 "Ownership Reviews" might be possible before the mandated Termination date. What event or environment would cause the Trustees to make the decision to distribute the shares that would be likely to be more beneficial to the Beneficiaries today, than the current need and benefit to Hawkes Bay, following the cyclone in February of this year?

10. It is easy to demonstrate the likely value of the parcel of shares that each Beneficiary would receive. Unison's financial reports quote the total shareholder funds at \$509M. That translates to \$8,300 for each beneficiary. Unison's market value is very possibly a deal more than that, and a sensible estimate is \$12,000.

11. If the Trustees know and understand the value of the shares, but fail to act for the Beneficiaries, and disclose that information during the course of an "ownership review", then that would be a serious omission and the Trustees would be in breach of trust.

12. The PwC comments about the costs of listing on the NZX are entirely irrelevant, and have been mis-interpreted in recent Trustee statements. Initial listing fees for a company the size of Unison would be about \$350,000. The PwC comments relate to companies seeking an initial public offering, an IPO, which is absolutely not the case when distributing shares to Beneficiaries.

13. Is Unison actually performing well under the Trust "ownership"? With a compounding average growth rate of NEGATIVE 2.2%, the answer surely is NO!

14. The PwC report highlights the need for about \$100 million additional capital expenditure, each year, for the next 10 years. That money can only come from additional borrowing, or from selling assets, and under Trust ownership . . . "Unison may not be able to maintain its dividend flow to the Trust".

15. The Trust is NOT a "Community" Trust. The concept of "intergenerational" does NOT exist in the Trust Deed. It is a construct created by the Trustees in order to argue for the "status quo". The fact that the Trust Deed provides for the Trust to terminate and be wound up at any of the 5 yearly "ownership reviews", and if not before, then certainly on 1 January 2072, confirms this.

16. Considering the report prepared by Unison Directors, and the lack of a proper analysis of the factors listed in 4 above, I believe that the shares in Unison should be distributed to the beneficiaries, as provided for in Rule 4.4 (c) of the Trust Deed.

Yours sincerely,

Stephen Dine

From:
Sent: 1 October 2023 6:29 pm
To: Stephen Dine
Subject: Response to Ownership Review

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The Trustees

HBPCT

Ownership Review, Unison Networks Limited

In my view the HBPCT adds no value to Unison, and when I read the most recent annual report I cannot see that it adds any value or benefit to the Beneficiaries either.

The Trust was NOT established with a purpose of holding the assets of Unison Networks in perpetuity. If it had been, the trust deed would have mandated that. In fact, the reverse is clear, with the mandated reviews every 5 years.

There is no better time than right now to act for the benefit of the Beneficiaries. All Hawke's Bay consumers/Beneficiaries have been impacted by the cyclone and many are in desperate need of financial support.

Owning the shares directly gives us all a new, and better option: the option of continuing to own our shares and receive future dividends, or to sell the shares for a significant cash settlement. Of course Unison must apply to list on the NZX but this is a simple and inexpensive procedure.

The shares in Unison should be distributed to the beneficiaries now, as provided for in Rule 4.4 (c) of the Trust Deed.

Stephen Dine

From:
Sent: 26 September 2023 10:50 am
To: Stephen Dine
Subject: OWNERSHIP REVIEW

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We believe the current ownership structure should remain in place,

Stephen Dine

From:
Sent: 22 September 2023 5:57 am
To: Stephen Dine
Subject: Ownership Review

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We advise that we consider the HBpwct should remain as the status quo. We are happy with the financial performance.

This is on behalf of

Stephen Dine

From:
Sent: 22 September 2023 2:34 pm
To: Stephen Dine
Subject: Ownership review. -

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Hi,

My preference is to sell and distribute the proceeds to power account holders.

The annual distribution is only your own money back less tax in my opinion.

I do not want to make any public submissions.

Thanks,

Stephen Dine

From:
Sent: 8 October 2023 3:54 pm
To: Stephen Dine
Subject: Response to Ownership Review

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HBPCT

Ownership Review, Unison Networks Limited

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The shares in Unison should be distributed to the beneficiaries now, as provided for in Rule 4.4 (c) of the Trust Deed.

Yours sincerely,

Stephen Dine

From:
Sent: 2 October 2023 4:49 pm
To: Stephen Dine
Subject: CONSUMER TRUST

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Hi Members

My recommendation is for it to stay as it has been. This is a community asset and it is for the community to enjoy each year.

Stephen Dine

From:
Sent: 25 September 2023 11:07 am
To: Stephen Dine
Subject: Ownership Review

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Hello

I support the retention of the current ownership model.

Thanks

Stephen Dine

From:
Sent: 11 October 2023 10:57 am
To: Stephen Dine
Subject: Meeting

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<https://aka.ms/LearnAboutSenderIdentification>]

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Dear Members

As one of the original Trustees of the Hawke's Bay Power Consumers Trust I feel I must offer my support to the present Trustees as you deal with the proposal to sell off shares in the company.

It has always been the Trust's position that a safe and secure network is the very best option to provide an efficient service to the community. As Trustees, you were elected on this clear understanding by the consumers and I can see no sensible reason why this should change. The steady growth of Unison as a proficient and prudent company demonstrates that the present model does not need to change.

I support 100% ownership of Unison Networks Ltd by the Hawke's Bay Power Consumers Trust.

Stephen Dine

From:
Sent: 22 September 2023 4:36 am
To: Stephen Dine
Subject: Proposal for " Changes in HB Unison " structure.

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<https://aka.ms/LearnAboutSenderIdentification>]

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To whom it may concern,

Please could give " A VERY POSITIVE TICK " in the box to : RETAIN the EXISTING structure of Unison " AS IT IS now"

I have been with Unison now for a lot of years and I have found that they are :

1. Always OPEN and TRANSPARENT in ALL their dealing with me, both with regards Billing and any information about that billing.
2. They have given me a full report into their Structure and Election of Officials.
3. They have kept me up to date with regards payments of Reimbursement and when it is to be Paid-out.
4. They have ALWAYS paid-out this Reimbursement on-time and exactly into my stipulated bank account.
5. They are " LOCAL " and give-back to local " good causes ".

So PLEASE " DO NOT " let a " WINNER on ALL FRONTS " loose out to an " UNKNOWN ".

The " PRICE " will be " TOO high " in the long-run. [We have seen that in many other organization who have " THOUGHT " that a " BIGGER organization or Merger " will be "better ".]

Yours sincerely,

Stephen Dine

From:
Sent: 5 October 2023 1:10 pm
To: Stephen Dine
Subject: Response to Ownership Review

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The Trustees

HBPCT

Ownership Review, Unison Networks Limited

In our view the HBPCT adds no value to Unison, and when we read the most recent annual report we cannot see that it adds any value or benefit to the Beneficiaries either.

The Trust was NOT established with a purpose of holding the assets of Unison Networks in perpetuity. If it had been, the trust deed would have mandated that. In fact, the reverse is clear, with the mandated reviews every 5 years.

There is no better time than right now to act for the benefit of the Beneficiaries. All Hawke's Bay consumers/Beneficiaries have been impacted by the cyclone and many are in desperate need of financial support.

Owning the shares directly gives us all a new, and better option: the option of continuing to own our shares and receive future dividends, or to sell the shares for a significant cash settlement. Of course Unison must apply to list on the NZX but this is a simple and inexpensive procedure.

The shares in Unison should be distributed to the beneficiaries now, as provided for in Rule 4.4 (c) of the Trust Deed. This money is of no use to us when we die but desperately needed now as the cost of everything continues to rise out of control and not only will it help boost the economy in the Hawkes Bay but it will help boost the very low morale of many residents who have lost much.

It would be very cruel to hold onto this money under the present circumstances....it rightfully belongs to us...the beneficiaries

From:
Sent: 14 October 2023 4:01 pm
To: Stephen Dine
Subject: Response to Ownership Review

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The Trustees

HBPCT

Ownership Review, Unison Networks Limited

1. The Trust Deed itself clearly envisages and authorises the option of distributing the shares in Unison Networks to the Beneficiaries. **The Trust was NOT established with a purpose of holding the assets of Unison Networks in perpetuity.** If it had been, the trust deed would have mandated that. In fact, the reverse is clear, identifying alternative ownership options in Rule 4, and mandating a regular review procedure.

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- “When exercising trustee powers, trustees must act in accordance with their fiduciary duties. The carrying out of that action must be for a proper purpose **and for the benefit of beneficiaries.** This is key amongst the mandatory and default duties imposed upon trustees. Failing that, the act will be outside their powers, and amount to a breach of Trust”.

3. An author of the original Trust Deed, a prominent lawyer in Hawkes Bay, made a very interesting submission to the 2018 "Ownership Review". He stated . . .

- "There is a lamentable lack of understanding of the distinction between consumers and community. It is important that the Trustees emphasise and clarify that the sole beneficiaries of the Trust are consumers connected to the HB network of UNL, and that the terms of the Trust Deed clearly require the distribution of shares directly to the "consumers of the day" and for no other purpose. The Trustees of HBPCT have a fiduciary duty to uphold and comply with the specific provisions of the Trust Deed”.

Surely the current Trustees ought to understand this.

4. The Trustees, considering alternative ownership options for Unison Networks and its business, **MUST** consider a variety of factors such as:

- The market value of the whole of the Unison Networks business;
- The value of the parcel of shares to be distributed to the Beneficiaries;
- The future value of the whole of the Unison Networks business and the likely dividends should ownership remain with the Trust.

5. Where is the discussion and the detail around these issues of “value” which the Trustees must consider, and ought to disclose to the Beneficiaries?

6. There are express engagement obligations imposed on the Trustees with respect to the Trust Beneficiaries. A core duty incumbent on trustees of any trust is to **act for the benefit of the beneficiaries of that trust**, in accordance with the terms of the trust itself. A trustee cannot fulfil these duties properly if he or she does not have a proper understanding of the wishes of the Beneficiaries in respect of the proposed alternatives.

7. The so-called “independent” reports are totally focussed on what is best for Unison. That is NOT the Trustees concern. How do the Trustees show that continuing the current ownership model is of greater benefit to the Beneficiaries?

8. There is no better time than right now to act for the benefit of the Beneficiaries. All Hawke's Bay consumers/Beneficiaries have been impacted by the cyclone and many are in desperate need of financial support. Owning the shares directly gives us all a new, and better option: the option of

continuing to own our shares and receive future dividends, or to sell the shares after Unison Networks lists on the NZX, for a sum that would substantially exceed the accumulated value of dividend payments for many years into the future.

9. The Trust was established in 1993. Since that time it has carried out 5 “Ownership Reviews”, all resulting in a decision to maintain the status quo. But, the Trust must terminate, as mandated by the Trust Deed, and the Trust wound up on or before 1 January 2072. That means another 9 “Ownership Reviews” might be possible before the mandated Termination date. What event or environment would cause the Trustees to make the decision to distribute the shares that would be likely to be more beneficial to the Beneficiaries today, than the current need and benefit to Hawkes Bay, following the cyclone in February of this year?

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11. If the Trustees know and understand the value of the shares, but fail to act for the Beneficiaries, and disclose that information during the course of an “ownership review”, then that would be a serious omission and the Trustees would be in breach of trust.

12. The PwC comments about the costs of listing on the NZX are entirely irrelevant, and have been mis-interpreted in recent Trustee statements. Initial listing fees for a company the size of Unison would be about \$350,000. The PwC comments relate to companies seeking an initial public offering, an IPO, which is absolutely not the case when distributing shares to Beneficiaries.

13. Is Unison actually performing well under the Trust “ownership”? With PwC showing Unison Network Limited has a compounding average growth rate of **NEGATIVE** 2.2%, the answer surely is NO!

14. The PwC report highlights the need for about \$100 million additional capital expenditure, each year, for the next 10 years. That money can only come from additional borrowing, or from selling assets, and under Trust ownership . . . “Unison may not be able to maintain its dividend flow to the Trust”.

15. The Trust is NOT a “Community” Trust. The concept of “intergenerational” does NOT exist in the Trust Deed. It is a construct created by the Trustees in order to argue for the “status quo”. The fact that the Trust Deed provides for the Trust to terminate and be wound up at any of the 5 yearly “ownership reviews”, and if not before, then certainly on 1 January 2072, confirms this.

16. Considering the report prepared by Unison Directors, and the lack of a proper analysis of the factors listed in 4 above, I believe that the shares in Unison should be distributed to the beneficiaries, as provided for in Rule 4.4 (c) of the Trust Deed.

Yours sincerely,

Stephen Dine

From:
Sent: 3 October 2023 3:16 pm
To: Stephen Dine
Subject: Unison Ownership Review 2023

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I wish Unison ownership to continue in the current form as a consumer-owned business managed by an elected Board of Trustees. The annual shareholder dividend is a welcome cash bonus to many recipients, including myself.

I do not need to present my submission in person.

Many thanks

Stephen Dine

From:
Sent: 9 October 2023 9:39 pm
To: Stephen Dine
Subject: Ownership review

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As a shareholder, we are happy to continue to with status quo.
Kind Regards

Stephen Dine

From:
Sent: 18 September 2023 1:38 pm
To: Stephen Dine
Subject: Submission re HBPCT 2023 Ownership Review

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I have read the Directors Review report including PWC Report on Unison Ownership Review dated September 2023. We support the PWC recommendation that medium to long term benefits to current and future users; that for now Unison shares should remain owned by the Hawkes Bay Power Consumers Trust.

We are in favour of keeping the current ownership model.

No we don't want to present our submission at a public meeting.

Stephen Dine

From:
Sent: 30 September 2023 4:38 pm
To: Stephen Dine
Subject: Response to Ownership Review

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The Trustees

HBPCT

Ownership Review, Unison Networks Limited

In my view the HBPCT adds no value to Unison, and when I read the most recent annual report I cannot see that it adds any value or benefit to the Beneficiaries either.

The Trust was NOT established with a purpose of holding the assets of Unison Networks in perpetuity. If it had been, the trust deed would have mandated that. In fact, the reverse is clear, with the mandated reviews every 5 years.

There is no better time than right now to act for the benefit of the Beneficiaries. All Hawke's Bay consumers/Beneficiaries have been impacted by the cyclone and many are in desperate need of financial support.

Owning the shares directly gives us all a new, and better option: the option of continuing to own our shares and receive future dividends, or to sell the shares for a significant cash settlement. Of course Unison must apply to list on the NZX but this is a simple and inexpensive procedure.

The shares in Unison should be distributed to the beneficiaries now, as provided for in Rule 4.4 (c) of the Trust Deed.

Yours sincerely,

Stephen Dine

From:
Sent: 23 September 2023 12:08 pm
To: Stephen Dine
Subject: Ownership Review

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Having read the 'Report by the Directors of Unison Networks Limited to the Hawke's Bay Power Consumers' Trust' and taking into consideration the following Directors' comments, I would submit that the ownership of Unison Networks Limited be retained by the Hawkes Bay Power Consumer Trust.

SUMMARY OF DIRECTORS' RESPONSES TO CLAUSE 4.1

Directors' Comment:

An analysis of Company performance is included in the attached report from PwC, as are the benefits or otherwise of Trust ownership to Consumers. The Directors consider that the PwC report correctly identifies the benefits or otherwise of consumer trust ownership

Directors' Comment: Analysis of other ownership options is included in the attached PwC report.

The Directors do not believe that other forms of ownership are preferable to Trust ownership at this time.

Directors' Conclusion: The Directors are unanimous in concluding that Trust ownership remains the most appropriate form of ownership at this time but note that other forms of ownership may need to be considered if circumstances change significantly in time.

Directors' Comment: As the Directors unanimously support retention of Trust ownership at this time, a distribution of shares is not recommended.

Stephen Dine

From:
Sent: 24 September 2023 1:50 pm
To: Stephen Dine
Subject: Ownership Review

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Connection number

My submission is to leave it as stasis quo.

In my opinion that is the best way to ensure that the Hawkes Bay people retain a good and secure electricity supply.

Yours Sincerely,

Stephen Dine

From:
Sent: 14 October 2023 9:56 am
To: Stephen Dine
Subject: Ownership of Shares

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I wish to submit to the HBPCT on the question of share ownership. I believe the Trust should be wound up and the shares released into individual ownership.

Signed: :

Stephen Dine

From:
Sent: 22 September 2023 8:10 am
To: Stephen Dine
Subject: HBPCT Contact Form

From:

Subject: Hawkes Bay Power Consumers Trust Message Body:I left a phone message earlier this week with no response from you.

We have never had a dividend cheque from you, ever, our address is :
I would be interested in the continuation of the trust,

--

This e-mail was sent from HBPCT Website contact form

Stephen Dine

From:
Sent: 1 October 2023 4:39 pm
To: Stephen Dine
Subject: Submission Ownership review

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To whom this may concern,
We would like to submit a submission with regards to the ownership of Unison.

In our view the setup of the trust is to serve the community and that is what they have been doing since the trust has been established.

We want to express our concern for the consequences of a sale. There are several examples of how a sale to private ownership always leads to less service and higher costs. We hope that the ratepayers who are being lured into voting for a sale, realise that private businesses are not charity organizations: they expect a return for their investment. Their main concern is not in the interest of the community, although those advocating for a sale try to get votes by promising cash at the time of sale. We understand that we live in testing economic times but consider that a lot of households, experiencing hardship at present, are being misled. They are not being informed about the negative long term effects of a sale to the private sector.

In times of new threats as a result of climate change (there is evidence that the weather is becoming more extreme), it is vital for a community to have an organisation that fights for their interest with regard to the provision of a basic need such as electricity.

Therefore, we strongly recommend that the ownership of Unison stays with the trust and oppose a possible sale.

Kind regards,

Stephen Dine

From:
Sent: 22 September 2023 3:36 pm
To: Stephen Dine
Subject: Ownership review submission

You don't often get email from [Learn why this is important](#)

I totally support retention of HBPCT ownership.

Stephen Dine

From:
Sent: 22 September 2023 8:24 am
To: Stephen Dine
Subject: Ownership review

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I believe it is best to be kept as is and owned by the trust. Do not sell shares to others especially other companies.

Thanks

Stephen Dine

From:
Sent: 15 October 2023 2:22 pm
To: Stephen Dine
Subject: Ownership Review Submission

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I support public ownership of Unison Networks. This should align the needs of the consumers more closely with that of the electricity network. Private ownership means that the requirements of the shareholders may not necessarily align with that of the consumers.

The reports notes that the projected capital expenditure requirements for Unison are significant over the next 5 years. I am happy to receive a reduced dividend or no dividend at all if this helps to keep debt to acceptable levels.

Also the report states that the income from the lines not that high and is strictly regulated. It may be worth approaching the new government to see if this can be changed.

Stephen Dine

From:
Sent: 21 September 2023 4:50 pm
To: Stephen Dine
Subject: Ownership Review

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To the trustess,

I agree with the broad description of Unison being an inter-generational asset and as such it should stay under the control of HBPCT.

Regards,

Stephen Dine

From:
Sent: 14 October 2023 10:54 am
To: Stephen Dine
Subject: Sale of shares hb power trust

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My submission is that my shares in the this trustbi recommend tgry be sold

Stephen Dine

From:
Sent: 16 October 2023 10:40 am
To: Stephen Dine; lyndaeadie@gmail.com
Subject: Ownership Review, Unison Networks Limited

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The Trustees

HBPCT

Ownership Review, Unison Networks Limited

I ask trustees not to discount the use of proforma response. I have spent much time reviewing the issues and feel strongly the Trust is not serving our community and myself as a consumer at all well . This letter articulates the issues with clarity.

1. The Trust Deed itself clearly envisages and authorises the option of distributing the shares in Unison Networks to the Beneficiaries. **The Trust was NOT established with a purpose of holding the assets of Unison Networks in perpetuity.** If it had been, the trust deed would have mandated that. In fact, the reverse is clear, identifying alternative ownership options in Rule 4, and mandating a regular review procedure.

2. A recent legal opinion relating to a very similar Trust makes a number of fundamentally important statements, including . .

- "When exercising trustee powers, trustees must act in accordance with their fiduciary duties. The carrying out of that action must be for a proper purpose **and for the benefit of beneficiaries.** This is key amongst the mandatory and default duties imposed upon trustees. Failing that, the act will be outside their powers, and amount to a breach of Trust".

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- "There is a lamentable lack of understanding of the distinction between consumers and community. It is important that the Trustees emphasise and clarify that the sole beneficiaries of the Trust are consumers connected to the HB network of UNL, and that the terms of the Trust Deed clearly require the distribution of shares directly to the "consumers of the day" and for no other purpose. The Trustees of HBPCT have a fiduciary duty to uphold and comply with the specific provisions of the Trust Deed".

Surely the current Trustees ought to understand this.

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- The market value of the whole of the Unison Networks business;
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5. Where is the discussion and the detail around these issues of “value” which the Trustees must consider, and ought to disclose to the Beneficiaries?

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7. The so-called “independent” reports are totally focussed on what is best for Unison. That is NOT the Trustees concern. How do the Trustees show that continuing the current ownership model is of greater benefit to the Beneficiaries?

8. There is no better time than right now to act for the benefit of the Beneficiaries. All Hawke's Bay consumers/Beneficiaries have been impacted by the cyclone and many are in desperate need of financial support. Owning the shares directly gives us all a new, and better option: the option of continuing to own our shares and receive future dividends, or to sell the shares after Unison Networks lists on the NZX, for a sum that would substantially exceed the accumulated value of dividend payments for many years into the future.

9. The Trust was established in 1993. Since that time it has carried out 5 “Ownership Reviews”, all resulting in a decision to maintain the status quo. But, the Trust must terminate, as mandated by the Trust Deed, and the Trust wound up on or before 1 January 2072. That means another 9 “Ownership Reviews” might be possible before the mandated Termination date. What event or environment would cause the Trustees to make the decision to distribute the shares that would be likely to be more beneficial to the Beneficiaries today, than the current need and benefit to Hawkes Bay, following the cyclone in February of this year?

10. It is easy to demonstrate the likely value of the parcel of shares that each Beneficiary would receive. Unison's financial reports quote the total shareholder funds at \$509M. That translates to \$8,300 for each beneficiary. Unison's market value is very possibly a deal more than that, and a sensible estimate is \$12,000.

11. If the Trustees know and understand the value of the shares, but fail to act for the Beneficiaries, and disclose that information during the course of an “ownership review”, then that would be a serious omission and the Trustees would be in breach of trust.

12. The PwC comments about the costs of listing on the NZX are entirely irrelevant, and have been mis-interpreted in recent Trustee statements. Initial listing fees for a company the size of Unison would be about \$350,000. The PwC comments relate to companies seeking an initial public offering, an IPO, which is absolutely not the case when distributing shares to Beneficiaries.

13. Is Unison actually performing well under the Trust “ownership”? With PwC showing Unison Network Limited has a compounding average growth rate of **NEGATIVE 2.2%**, the answer surely is **NO!**

14. The PwC report highlights the need for about \$100 million additional capital expenditure, each year, for the next 10 years. That money can only come from additional borrowing, or from selling assets, and under Trust ownership . . . “Unison may not be able to maintain its dividend flow to the Trust”.

15. The Trust is NOT a “Community” Trust. The concept of “intergenerational” does NOT exist in the Trust Deed. It is a construct created by the Trustees in order to argue for the “status quo”. The fact that the Trust Deed provides for the Trust to terminate and be wound up at any of the 5 yearly “ownership reviews”, and if not before, then certainly on 1 January 2072, confirms this.

16. Considering the report prepared by Unison Directors, and the lack of a proper analysis of the factors listed in 4 above, I believe that the shares in Unison should be distributed to the beneficiaries, as provided for in Rule 4.4 (c) of the Trust Deed.

Yours sincerely,

Stephen Dine

From:
Sent: 2 October 2023 2:08 pm
To: Stephen Dine
Subject: Ownership Review

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Hi there

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Please maintain status quo of ownership

Regards

Stephen Dine

From:
Sent: 9 October 2023 10:09 am
To: Stephen Dine; Brian and Karen Eales
Subject: the trust deed and the monies being withheld from the people it is meant to benefit

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The Trustees
HBPCT
Ownership Review, Unison Networks Limited

In our view the HBPCT adds no value to Unison, and when we read the most recent annual report we cannot see that it adds any value or benefit to the Beneficiaries either.

The Trust was NOT established with a purpose of holding the assets of Unison Networks in perpetuity. If it had been, the trust deed would have mandated that. In fact, the reverse is clear, with the mandated reviews every 5 years and the opportunity to distribute the shares to the Beneficiaries.

There is no better time than right now to act for the benefit of the Beneficiaries. All Hawke's Bay consumers/Beneficiaries have been impacted by the cyclone and many are in desperate need of financial support. Owning the shares directly gives us all a new, and better option: the option of continuing to own our shares and receive future dividends, or to sell the shares for a significant cash settlement. Of course Unison must apply to list on the NZX but this is a simple and inexpensive procedure.

The shares in Unison should be distributed to the beneficiaries now, as provided for in Rule 4.4 (c) of the Trust Deed.

It would also allow many consumers the opportunity to explore future green energy alternatives so that we are less likely to be without power in times of Localised disruption greater than 2 days as was in the case of the recent Cyclone.

This would be an awesome opportunity for the Hawkes Bay to lead NZ in switching 20,000 consumers to solar still using Unison as a supply company and a Solar installation company (but that is a another step)

Yours sincerely,

Stephen Dine

From:
Sent: 22 September 2023 4:40 pm
To: Stephen Dine
Subject: Ownership

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<https://aka.ms/LearnAboutSenderIdentification>]

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Hi Trustees

My wife and I fully support retaining the present structure of ownership of Unison in the Hawke's Bay Power Consumer's Trust Regards

Stephen Dine

From:
Sent: 22 September 2023 4:44 pm
To: Stephen Dine
Subject: Fwd: Ownership

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The Trustees
HBPCT

Ownership Review, Unison Networks Limited

In my view the HBPCT adds no value to Unison, and when I read the most recent annual report I cannot see that it adds any value or benefit to the Beneficiaries either.

The Trust was NOT established with a purpose **of holding the assets of Unison Networks in perpetuity. If it had been, the trust deed would have mandated that. In fact, the reverse is clear, with the mandated reviews every 5 years and the opportunity to distribute the shares to the Beneficiaries/owners**

There is no better time than right now to act for the benefit of the Beneficiaries. All Hawke's Bay consumers/Beneficiaries have been impacted by the cyclone and many are in desperate need of financial support. Owning the shares directly gives us all a new, and better option: the option of continuing to own our shares and receive future dividends, or to sell the shares for a significant cash settlement. Of course Unison must apply to list on the NZX but this is a simple and inexpensive procedure.

The shares in Unison should be distributed to the beneficiaries now, as provided for in Rule 4.4 (c) of the Trust Deed.

Yours sincerely,

Stephen Dine

From:
Sent: 23 September 2023 4:39 pm
To: Stephen Dine
Subject: Ownership review

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I consider my interests to have been well-catered for over many years by the trust and I am of the opinion that will remain the same if the status quo is maintained.

Yours sincerely

Dear HBPCT Secretary

Submission from:

We are in favour of the status quo; ie continuing HBPCT ownership of Unison.

Sincerely

3 October 2023

The Secretary
Hawke's Bay Power Consumers' Trust
PO Box 146
Hastings 4156

hbpct@bwr.co.nz

Consumer and Community Trust Ownership

The history behind Trust ownership of lines companies in New Zealand is an important element that needs to be restated, so that today's consumer-beneficiaries have a solid understanding of why ownership by Trusts has remained a significant feature in this country's electricity distribution sector.

In April 1998 the Government announced a reform package for the electricity industry, which had two main aspects. First, the Electricity Corporation was to be split into three units, and second, local power companies could not both own a lines business (such as Unison today) as well as a generation or retail operation. This caused a revolution in the industry and small community owned companies were forced to sell their retail and generation businesses to larger companies, or to the state.

This ownership split would remove the only form of consumer protection many domestic consumers had and replace it with nothing. Those community owned lines companies were not profit-driven, were low priced and efficient. This was a truly effective structure for supplying electricity to low-margin, commercially unattractive places. Put simply, community ownership (especially a Trust whose beneficiaries were defined as power consumers) gave consumers a natural hedge against high power prices. It also protected ongoing electricity supply for rural and country consumers.

At the time, our local electric power board members fought strongly for local ownership to continue after the reform and, through the Trust structure, ensured our consumers would in future have ownership and input into the lines company direction and priorities.

Alternative Ownership and Risks

There have been suggestions over the years that individual consumers should be allocated shares and that they manage their ownership of those shares.

Since the industry reform in 1998, some lines companies (or their Trusts) have sold their shares to other lines companies or to electricity retailers. The majority of Trusts have kept their shares. There are currently 20 trust owned lines companies in New Zealand, which collectively own around 75% of the country's distribution assets. Local authorities in Christchurch, Dunedin, Invercargill and South Canterbury own, or partially own, the local distributors. Two companies are foreign owned.

Benefits of Trust Ownership for Hawke's Bay

The Directors of Unison have provided a report to the Hawke's Bay Power Consumers' Trust on ownership options of the shares in Unison. The Directors are unanimous Trust ownership remains the most appropriate form of ownership at this time. I support that view, for the reasons given in their report to the Trust.

Concluding Comment

Our consumer shareholding is a tangible link to the inter-generational commitment previous consumers have given to today's consumer- owners of Unison. Through the Trust, their commitment has helped to 'keep the lights on' for all consumers connected to Unison's Hawke's Bay network over many generations. This was a key goal of our power board members in 1998, when they put pressure on the government of the day to keep local community ownership to enable influence on supply and pricing of such an essential energy source. It is a goal to be supported today.

An equitable share distribution to individual consumers, or partial/full sale of the shares to a separate entity with allocation of sale proceeds to consumers – as is favoured by some consumers – would remove or limit community or consumer oversight and influence on the pricing, service standards and overall direction Unison may adopt in years to come. This should be avoided.

I strongly support continued ownership of the shares by the Hawke's Bay Power Consumers' Trust.

Stephen Dine

From:
Sent: 16 October 2023 2:49 pm
To: Stephen Dine
Subject: 2023 Ownership Review Submission

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Dear Trustees,

We write this in response to the request for submissions around the five-yearly review of the ownership structure of Unisen Networks.

For a large number of households, the annual \$240 dividend is a welcome cash inflow at what some households see as being an expensive time of year. This valuable income stream needs to be protected for future generations of households to enjoy in the future.

While a change in ownership may potentially see return of capital to the current households connected to the electricity grid, there is the longstanding fear that it is only these immediate households that would see a greater one-off gain, leaving future generations out of pocket. In addition, it is highly likely that any return of capital may not be re-invested in income generating assets, but more just simply 'spent' meaning that a number of households, even if receiving the capital return, would not have any future benefit in the distant future.

Therefore, it is our submission to the Trustees that the ownership review retains the current ownership model and that the community benefits from its annual dividend for many generations to come.

Should you have any queries, please feel free to contact

Kind regards,

From:
Sent: 14 October 2023 1:21 pm
To: Stephen Dine
Subject: Submission

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The Trustees
HBPCT

Ownership Review, Unison Networks Limited

1. The Trust Deed itself clearly envisages and authorises the option of distributing the shares in Unison Networks to the Beneficiaries. **The Trust was NOT established with a purpose of holding the assets of Unison Networks in perpetuity.** If it had been, the trust deed would have mandated that. In fact, the reverse is clear, identifying alternative ownership options in Rule 4, and mandating a regular review procedure.

2. A recent legal opinion relating to a very similar Trust makes a number of fundamentally important statements, including . .

- “When exercising trustee powers, trustees must act in accordance with their fiduciary duties. The carrying out of that action must be for a proper purpose **and for the benefit of beneficiaries.** This is key amongst the mandatory and default duties imposed upon trustees. Failing that, the act will be outside their powers, and amount to a breach of Trust”.

3. An author of the original Trust Deed, a prominent lawyer in Hawkes Bay, made a very interesting submission to the 2018 "Ownership Review". He stated . . .

- "There is a lamentable lack of understanding of the distinction between consumers and community. It is important that the Trustees emphasise and clarify that the sole beneficiaries of the Trust are consumers connected to the HB network of UNL, and that the terms of the Trust Deed clearly require the distribution of shares directly to the "consumers of the day" and for no other purpose. The Trustees of HBPCT have a fiduciary duty to uphold and comply with the specific provisions of the Trust Deed”.

Surely the current Trustees ought to understand this.

4. The Trustees, considering alternative ownership options for Unison Networks and its business, **MUST** consider a variety of factors such as:

- The market value of the whole of the Unison Networks business;
- The value of the parcel of shares to be distributed to the Beneficiaries;
- The future value of the whole of the Unison Networks business and the likely dividends should ownership remain with the Trust.

5. Where is the discussion and the detail around these issues of “value” which the Trustees must consider, and ought to disclose to the Beneficiaries?

6. There are express engagement obligations imposed on the Trustees with respect to the Trust Beneficiaries. A core duty incumbent on trustees of any trust is to **act for the benefit of the beneficiaries of that trust**, in accordance with the terms of the trust itself. A trustee cannot fulfil these duties properly if he or she does not have a proper understanding of the wishes of the Beneficiaries in respect of the proposed alternatives.

7. The so-called “independent” reports are totally focussed on what is best for Unison. That is **NOT** the Trustees concern. How do the Trustees show that continuing the current ownership model is of greater benefit to the Beneficiaries?

8. There is no better time than right now to act for the benefit of the Beneficiaries. All Hawke’s Bay consumers/Beneficiaries have been impacted by the cyclone and many are in desperate need of financial support. Owning the shares directly gives us all a new, and better option: the option of continuing to own our shares and receive future dividends, or to sell the shares after Unison Networks lists on the NZX, for a sum that would substantially exceed the accumulated value of dividend payments for many years into the future.

9. The Trust was established in 1993. Since that time it has carried out 5 "Ownership Reviews", all resulting in a decision to maintain the status quo. But, the Trust must terminate, as mandated by the Trust Deed, and the Trust wound up on or before 1 January 2072. That means another 9 "Ownership Reviews" might be possible before the mandated Termination date. What event or environment would cause the Trustees to make the decision to distribute the shares that would be likely to be more beneficial to the Beneficiaries today, than the current need and benefit to Hawkes Bay, following the cyclone in February of this year?

10. It is easy to demonstrate the likely value of the parcel of shares that each Beneficiary would receive. Unison's financial reports quote the total shareholder funds at \$509M. That translates to \$8,300 for each beneficiary. Unison's market value is very possibly a deal more than that, and a sensible estimate is \$12,000.

11. If the Trustees know and understand the value of the shares, but fail to act for the Beneficiaries, and disclose that information during the course of an "ownership review", then that would be a serious omission and the Trustees would be in breach of trust.

12. The PwC comments about the costs of listing on the NZX are entirely irrelevant, and have been misinterpreted in recent Trustee statements. Initial listing fees for a company the size of Unison would be about \$350,000. The PwC comments relate to companies seeking an initial public offering, an IPO, which is absolutely not the case when distributing shares to Beneficiaries.

13. Is Unison actually performing well under the Trust "ownership"? With PwC showing Unison Network Limited has a compounding average growth rate of **NEGATIVE** 2.2%, the answer surely is NO!

14. The PwC report highlights the need for about \$100 million additional capital expenditure, each year, for the next 10 years. That money can only come from additional borrowing, or from selling assets, and under Trust ownership . . . "Unison may not be able to maintain its dividend flow to the Trust".

15. The Trust is NOT a "Community" Trust. The concept of "intergenerational" does NOT exist in the Trust Deed. It is a construct created by the Trustees in order to argue for the "status quo". The fact that the Trust Deed provides for the Trust to terminate and be wound up at any of the 5 yearly "ownership reviews", and if not before, then certainly on 1 January 2072, confirms this.

16. Considering the report prepared by Unison Directors, and the lack of a proper analysis of the factors listed in 4 above, I believe that the shares in Unison should be distributed to the beneficiaries, as provided for in Rule 4.4 (c) of the Trust Deed.

Yours sincerely,

Stephen Dine

From:
Sent: 12 October 2023 7:41 pm
To: Stephen Dine
Subject: Response to Ownership Review

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The Trustees

HBPCT

Ownership Review, Unison Networks Limited

In my view the HBPCT adds no value to Unison, and when I read the most recent annual report I cannot see that it adds any value or benefit to the Beneficiaries either.

The Trust was NOT established with a purpose of holding the assets of Unison Networks in perpetuity. If it had been, the trust deed would have mandated that. In fact, the reverse is clear, with the mandated reviews every 5 years.

There is no better time than right now to act for the benefit of the Beneficiaries. All Hawke's Bay consumers/Beneficiaries have been impacted by the cyclone and many are in desperate need of financial support.

Owning the shares directly gives us all a new, and better option: the option of continuing to own our shares and receive future dividends, or to sell the shares for a significant cash settlement. Of course Unison must apply to list on the NZX but this is a simple and inexpensive procedure.

The shares in Unison should be distributed to the beneficiaries now, as provided for in Rule 4.4 (c) of the Trust Deed.

Yours sincerely,

Sent from [Mail](#) for Windows

Stephen Dine

From:
Sent: 14 October 2023 6:58 pm
To: Stephen Dine
Subject: Response to Ownership Review

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The Trustees

HBPCT

Ownership Review, Unison Networks Limited

In my view the HBPCT adds no value to Unison, and when I read the most recent annual report I cannot see that it adds any value or benefit to the Beneficiaries either.

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There is no better time than right now to act for the benefit of the Beneficiaries. All Hawke's Bay consumers/Beneficiaries have been impacted by the cyclone and many are in desperate need of financial support.

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The shares in Unison should be distributed to the beneficiaries now, as provided for in Rule 4.4 (c) of the Trust Deed.

Yours sincerely,

Havelock North 4130

ICP number

15 October 2023

Ownership Review

The Secretary

Hawke's Bay Power Consumers' Trust

P O Box 146 or hbpcct@bwr.co.nz

HASTINGS 4156

Dear Sir/Madam,

Ownership Review: Hawke's Bay Power Consumers' Trust: 2023

Please find attached my submission to the review process.

Yours faithfully

Attachment

2023 Review of the Hawke's Bay Power Consumers' Trust:

Longer-term perspective

Introduction

This once in five years review provides Unison Group shareholders with an opportunity to assess their investments. In this note, Unison Group and Hawke's Bay Power Consumers' Trust are treated as two distinct entities.

Power Consumers' Trust

The Trust (established 1993) was formed to distribute annual dividend payments to 63,000 (2023) Unison shareholders, or \$240 per consumer (2023). On the surface, this appears commendable, however Trust reporting gives rise to concerns, namely:

- annual reports show the Trust as closely involved in Unison's activities to the extent they and the firm's financial reporting have become confusingly intermingled:
 - Has Unison's Hawkes Bay, Taupo and Rotorua activities all become the 'subsidiary' of the Trust?
 - Are shareholders being led to believe that Unison – as a single entity - is commercially and financially viable?
- Trust reports indicate duplications of effort between the Trust and Unison:
 - If this is correct, it must be clarified by both entities.
- Trustees - of what is essentially a 'not-for-profit' community/voluntary agency - are paid high fees:
 - Trustees are persons elected by the consumers to perform a defined task, and in doing so they could be paid a modest annual fee to cover travel and related expenses.
 - So, while are they paid so much?
 - How do they compare with other similar Hawke's Bay community/voluntary agencies?
- Trust frequently uses 'beneficiaries' instead of consumers or shareholders:
 - Trust is not a welfare or benevolent agency.
 - Are we not dealing with investor shareholdings in a trading company from which they derive annual dividends, but through a trust?

The Trust has reached a point in its history, where shareholders need to be informed of benefits for developing a direct client-to-firm relationship with Unison, to include:

- selling Unison shareholding entitlements to third parties; or
- receiving annual fixed dividend payment direct from Unison; or
- retaining shares within Unison receiving an annual variable dividend payment as well as benefitting from longer-term rewards: see below.

Shareholders should be reminded of other developments:

- whatever the outcome of the ownership review, Hawke's Bay all consumers will retain access to a well-maintained electricity distribution network (through Unison);

- Taupo and Rotorua where trusts were disestablished when Unison acquired consumer shareholdings (so, why not in Hawke's Bay?); and
- similar arrangement in the Gisborne, Wairoa and East Coast region where First Light also purchased consumer shares.

Unison Group

Since 1993, Unison of Hawke's Bay has continued the work of former local authority power distribution agencies led by directly-elected board members. With its wider geographic coverage, Unison has longer-term capital plans as Directors stated (2023). CAPEX projects, most probably would source funds from:

- Internal funding from Unison Owners' Equity/Shareholder Funds. If this approach is followed, directors could reduce cost of capital inputs by lowering the value of dividends released annually, and direct remaining funds to off-set the cost of purchasing external project funds. Even though shareholders may feel 'short changed' projects could have the capacity to generate additional Unison share capital and, thereby re-establish shareholder dividends to pre-programme levels or higher; and
- External sources – bank or commercial loans, New Zealand Stock Exchange registration and/or issuing shares or debentures.

If we work on the assumption that a majority of projects are Hawke's Bay-based, our local shareholders need to be informed soonest:

- information on expected future level of dividend payments by Unison, and
- other project benefits (viz, increased shares allocated to each shareholder).

Pursuing this option could take the 2023 review to a new level, notably without the need for a trust.

Recent activities

In recent months, public discussions between shareholder groups and the Trust have bought into question the rationale for retaining consumer trust arrangements.

Discussions have taken the form of 'mega-phone' debates around:

- short-term issues, especially the current value of consumer Unison shares – on the basis that they could be transferred directly to existing shareholders, or that shares could be retained within Unison, as noted above.
- the level of 'fees' paid annually to Trustees, plus Trust operating expenses, as noted above.
- the 'preservation of inter-generational interests.' Shares are bought and sold every working day in New Zealand: whoever worries about 'generational interests?

Somewhere in this, shareholder longer-term interests have become completely buried.

The Trust has leadership obligations – through its ETNZ membership – to create a climate enabling all review parties to hold frank and open discussions: see the Incorporated Societies Act 2022.

Recommendation

If an amicable consensus cannot be achieved before the next trustee election, the review should recommend that the Trust be terminated soonest, and responsibility for dividend distribution pass to Unison. In which case, shareholder investments would be protected by Unison's adherence to statutory obligations for electricity distribution (viz, Commerce Commission and Electricity Authority Acts), as well as provision under the Companies Act.

I would be pleased to discuss my option with the trustees.

15 October 2023

Stephen Dine

From:
Sent: 15 October 2023 8:52 pm
To: Stephen Dine
Subject: Hawke's Bay Power Consumers' Ownership Review

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After reviewing the extensive report, I am of the opinion that the current ownership model should continue for the next five years.

I believe that the sale of shares will, in the long run, lead to a reduction in services as the new (and probably corporate) shareholders seek profit over community and consumer interests.

I do not wish to be heard in support of my submission.

Norm O

ICP No.

Stephen Dine

From:
Sent: 24 September 2023 12:18 pm
To: Stephen Dine
Subject: Submission

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Name

Ownership needs to stay as is, we consumers need to be the focus. Moving away gives the opportunity for the "profit" focus to be selected ahead of consumer. Step by step departure can result in overseas ownership and consumers being victims (e.g. banks, supermarkets).
We want to rule ourselves not be ruled by International Corporates.

Regards

Stephen Dine

From:
Sent: 25 September 2023 4:30 pm
To: Stephen Dine
Subject: HBPCT - Ownership Review

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Dear Sir or Madam

I am writing to support the retention of ownership of Unison by the HBPCT on behalf of the people of Hawke's Bay.

Local ownership is the only way that the people of Hawke's Bay can feel secure in the provision of a vital piece of infrastructure. Who better to look after the interests of HB people than a group of local board members? The long term provision and monitoring is best overseen by people who live, work and know our communities. More so now, following the effects of Cyclone Gabrielle. Such infrastructure must continue to be held by the people, for the people.

The long term benefit of the current ownership model must not be forced to be 'cashed up' by a few current account holders, who just happen to have a connection on a particular day, and do not represent what the majority of shareholders want. Why should current members receive a payout from a sale, neglecting others who have gone before, and those to be members in the future, just because of a few who are vocal? Some in our community may be struggling financially, particularly now following the cyclone. But that is not a reason to sell the shareholding – in fact far from it. The cyclone reminds us that local events are best if they can be responded to locally – by the people, for the people.

I believe that most shareholders want the status quo to continue but are unlikely to make their voices heard by making a submission.

I strongly support the continued public ownership of Unison, under the current model of being run by the Trust. They have our best interests at heart.

Yours faithfully

Stephen Dine

From:
Sent: 22 September 2023 4:46 pm
To: Stephen Dine
Subject: ownership review

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<https://aka.ms/LearnAboutSenderIdentification>]

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Dear sirs,

We support the directors of HBPCT decision, to retain ownership of Unison Networks and the payment paid yearly to all subscribers to continue.

Sent from my iPad

The Secretary
Hawkes Bay Power Consumers Trust
hbpct@bwr.co.nz

Submission on 2023 Unison Ownership Review

I should say at the outset that I agree with the Unison Director's recommendation to continue with HBCT ownership, and the conclusions reached in the PWC report.

The PWC report has canvassed thoroughly the ownership options available to the Trust and carefully considered their impact not only on the current shareholders and the company but future impact including the need to respond to the increasing complexity of network operations, further investment requirements in smart technology and the effects of climate change already evident in the Cyclonic impacts earlier this year.

The report also sounds a cautionary note that conditions in five or ten years could change, and a different ownership structure may well be required.

The principal reasons for my support of the Directors recommendation are:

1. Unison the company has a strong connection with the HB Power Consumer Trust, this is important as the Trust represents the consumers of Hawkes Bay. This is an active not a passive role in holding the Board to account against the strategy expressed in the Annual Statement of Intent and ensures that the Trust will always have the interests of Hawkes Bay consumers at the forefront. A change in the ownership model could mean the loss of this oversight.

2. Since the acquisition of the Taupo and Rotorua assets Unison has invested heavily in Smart Technology which strengthens the operational efficiency and responsiveness. It is possible that a new majority owner in seeking to optimise returns would dilute this investment. It is important that Unisons 10-year capital expenditure forecast is also not compromised by a change of ownership with a new shareholder seeking to optimise returns.

The PWC report points out that the \$990m 10 year capital expenditure could impact returns to shareholder consumers for a period. Much of this expenditure addresses the Gabrielle effect on the Network and the need for energy transition. A stable shareholder committed to the Hawkes Bay community is very important for the capex plan to be fully implemented.

3. It is clear from the reports that Unison performs well financially when compared with its peers and is in a strong financial position and while there will be a need to finance the capital spend through borrowing there is appropriate headroom keeping within its debt covenants as demonstrated in the PWC report. There is therefore no need for additional share capital from an outside investor.

4. One of the major strengths of Unison is its people. The exponential growth of Unison over the last 25 years has brought with it a significant increase in talented, skilled frontline and management people across the network. A loss of shareholder control could mean a loss of many senior people. It is my belief that both the company and Hawkes Bay as a region will continue to benefit from the qualities these people bring with the continuation of the status quo.

Stephen Dine

From:
Sent: 14 October 2023 11:22 am
To: Stephen Dine
Subject: Ownership review

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Maintain present Trust structure

Electricity ICP:

**The Trustees
HB Power Consumer Trust**

Dear Trustees

5 Year Ownership Review

I have read the documents provided with interest. I would make the following submissions for trustee and community consideration:

1. The trust deed and ownership review process was hard wired at the time of the formation of the trust. Without going in to specifics, the way this was done made it almost impossible for anything to change. This is exactly what those who developed the Deed intended, and what has ensued.
2. With the process for electing trustees, unanimous voting requirements and historically poor engagement with the consumers (gotten slightly better recently), meaningful dialogue is impossible if trustees simply follow the requirements of the Deed.
3. The documents provided seem confused about the distinction between consumer and community purpose. I have argued for years the trust should act as a community trust and not hide behind its 'consumer' label. Trustees in the past were not willing to consider allowing a community discussion on this.
4. Underlying ownership of the shares in Unison is probably the biggest financial asset many of our community have. But no one cares or understands. Ownership reviews where only a handful of submissions are received show the model is not working. Trustees need to take ownership and responsibility for that.
5. The documents themselves and especially the PwC report read like a sales advertisement for Unison. PwC have conducted this review too many times, and are too close to directors, and the interest directors have in not considering meaningful change. Trustees need to own this and have any review completed by a party who will consider issues beyond the simple financial position of Unison. Where was the societal impact assessment in the report?
6. Whilst non core businesses may have been a success for now (although strange silence everywhere about Unison Fibre and lack of disclosure over what losses consumers have experienced with this investment failure), the decision to allow Unison to sacrifice current dividends to consumers in favour of these investments was done without any consultation with the beneficiaries.

I am in no doubt the result of this review will be the retaining of the status quo. But I encourage trustees to consider the long term benefits to the consumers and community of Hawke's Bay in the way our largest community asset (by far) is governed. This is our asset but we don't have voice.

I'm reminded of the quote often used by Ruth Bader Ginsburg who said the Supreme Court "should never be influenced by the weather of the day but inevitably they will be influenced by the climate of the era". It's time to enter into meaningful dialogue to review the Trust Deed.

Yours sincerely

Hawke's Bay Power Consumers' Trust

Submission to the Ownership Review

From:

Phone:

E-mail:

Property ICP Number:

Oral Submission: I wish to speak to my submission.

Summary: I strongly support the concept of the assets of the Hawke's Bay Power Consumers' Trust remaining in community ownership. I am concerned that under the present model financial returns to power consumers are poor. Future expansion of the electricity supply industry as part of the decarbonisation process together with increasing risks of infrastructure damage from climate change events are likely to further reduce dividends to consumers.

My proposal is for the Trust to sell Unison and invest the proceeds in a power consumers trust. Returns from such an investment are likely to be significantly greater than current dividends and more secure in the future as the electricity supply industry enters more challenging times. I would like to see the Trust obtain a valuation for the company to provide a sound background for considering the various possible options in the ownership review.

My Submission: I strongly support the concept of the assets of HPBCT remaining in community ownership although not necessarily in the current form.

I am concerned about the poor returns to consumers from the Trust being a rather small proportion of the profit from Unison. I note that this concern was also expressed by others at this year's AGM of the Trust.

The proposed dividend to consumers this year of \$15.8 million is only about 58% of Unison's net profit. The dividend is only about 1.5% of the book value of the company or about 3% of Shareholders Funds. These returns compare poorly with current interest rates and I believe it is time to seek higher returns for consumers.

While there is no doubt that Unison is a profitable operation the company does experience considerable constraint while operating under community ownership. The present ownership model makes it difficult to raise capital for continuing development as the only current access to additional capital is from profit retention and borrowing, neither of which are conducive to maximising returns to shareholders.

It has been noted in reports on the ownership review that capital expenditure is likely to increase in the immediate future as the electricity supply industry responds to the decarbonisation process. Given that the wider industry has pursued a policy of maintaining marginal supply shortage in recent years it is likely that expansion of the industry is likely to prove to be a major challenge to power

companies in the immediate future. I am therefore concerned that that dividends to local power consumers are only likely to fall.

The major challenge in recovering from Cyclone Gabrielle earlier this year highlights the risk attached to investment in the electricity supply industry which is only likely to increase as successive governments drag their feet on policy implementation to counter the risks of climate change.

I also recall that the Port of Napier, another local

community owned company, was forced to sell part of the company to finance major port development.

These concerns lead me to suggest that changes are needed to the asset base of the HB Power Consumers' Trust to better protect the interests of local consumers.

My suggestion is that Unison should be sold and the proceeds invested in a fund for the benefit of Hawke's Bay power consumers to be administered by the HB Power Consumers' Trust.

I am not qualified to get into any serious debate about the value of the company, but I note that that the Free The Funds group are suggesting that the value of the company could be around \$12,000 per consumer or about \$730 million. This figure equates to a price to earnings ratio of about 27 which is probably not unreasonable compared to companies listed in the NZX 50. I also note that this value is well below the reported book value of the company of around \$1 billion.

I am concerned that the above value has been dismissed by the Trust as "fanciful" possibly indicating that the Trust has no serious intention of exercising its constitutional obligations to consider any departure from the status quo in the current ownership review.

The company has significant debt so the net return to consumers in the event of a sale might be around \$430 million. While this might be, very much, a ball park figure it is evident that prudent investment by the Trust would generate an increased dividend of over \$20 million based on current interest rates or around \$345 per consumer.

I am asking the Trust to provide a valuation for the company to provide a sound basis for the various future ownership options.

I am suggesting that prudent investment by the HB Power Consumers' Trust of funds from the sale of Unison will provide increased returns to consumers over a period when returns are likely to fall under the present Unison ownership arrangement.

Stephen Dine

From:
Sent: 16 October 2023 11:35 am
To: Stephen Dine
Subject: Ownership Review

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Customer Number

This is the submission of _____ regarding the ownership of the shares in Unison Networks Limited.

In my view the present ownership arrangement is the best option to safeguard the interests of the community now and into the future, along with also ensuring that the electricity supply in Hawke's Bay best serves the needs of residents.

Arguments to divest the company and either distribute the funds to current owners/shareholders or invest for the benefit of the community may appear to be a financially attractive outcome for the community who are the owners in 2023, but this needs to be balanced against the original terms and intent of the Trust, the current performance of Unison Networks, and consideration of what might best benefit the community of the future.

The group of five Trustees serve and represent us all as the guardians of the community's asset, so that the interests of beneficiaries/owners are forefront in their oversight of the strategic direction of the operation of Unison. In the business world of the 2020s, corporate social responsibility has become one of the buzzwords. The consumer-trust based structure of Unison Networks that has been in place for three decades, firmly places the company/consumer trust structure in that role, operating simultaneously as a community asset, a community service provider, and a distributor of benefit to the community.

In my view, from a longterm perspective—and that means both a past and a future perspective—it would be not only fiscally irresponsible to change the current Trust/Unison structural relationship, it would also not be honouring the original intent of the Trust, which was to establish an entity that could benefit the total community both socially and financially for the next 80 years.

Looking at the options outlined as a consideration for future ownership of the Unison shares, one that has been advocated by some is distribution to the current customers. I do not believe that this is either a prudent or equitable option. I comment on this with a background of having recently completed a project commissioned by the Central Energy Trust in Manawatu, researching and writing their history. It is relevant to observe that the \$82,000,000 in funds now held by the CET constitute the sole remaining local asset of the two bodies set up

in the 1920s as the Manawatu-Oroua Electric Power Board (MOEPB) and the electricity department of Palmerston North City Council.

The option selected by the MOEPB when the Electricity Companies Act of 1992 passed into law was distribution of 85% of the shares to the current customers. Although the dividend yield each year from those small parcels of shares was relatively high in terms of percentage, it was just a small amount in the pocket of the individual shareholder. As further electricity sector reforms took place, the company known as CentralPower was obliged to divest either its retail or its lines operation. Consumer shareholders had already begun to sell their small parcel of shares, and as this accelerated the sale of those small parcels became a contributing factor facilitating the eventual takeover of the CentralPower company by the former New Plymouth energy company, Powerco – which has subsequently also been taken over by a larger offshore company.

I don't believe that Hawke's Bay residents would be any different from those in Manawatu if they were given the opportunity to sell their small parcel of shares. If there is any intent in the community to retain local ownership of Unison then, in my view, distribution of the shares is not the way to ensure this.

Other options available of sale of some or all shares in the company to the public or to an institutional investor will even more quickly end local ownership.

Some of those in favor of sale do not see local ownership as being important, with financial return being the prime consideration. However, they are viewing the benefits only from the perspective of the current owners, and also from a short-term business perspective. Unless the purpose of the Trust is no longer being fulfilled, it is unjustifiable to meddle with a valuable and valued community asset to gain an outcome that would be a benefit solely for the current generation, without regard to either the wishes of the community that set the Trust up in 1993, or the potential benefits to the community of the future.

I do have two suggestions for change in the operation of the Trust.

I would like to see the benefit to the community from the annual dividend adjusted to incorporate a scheme of community grants in line with the operation of the Central Energy Trust.

As already described, in 1993 the MOEPB distributed 85% of the shares to Manawatu consumers; the remaining 15% were allocated to a community trust, with the dividend received allocated to grants to community projects each year. With the sale of CentralPower that has now become simply an \$82,000,000 fund yielding interest on investments. Each year the CET distributes around \$2,000,000 to Manawatu community groups for projects. Hundreds of organisations big and small have benefited since 1994, and some major projects have been supported, including ongoing sponsorship of Arena Manawatu (the Palmerston North Showgrounds), the Wildbase Recovery Centre in the Victoria Esplanade. If the Hawke's Bay Power Consumers' Trust initiated a similar level of annual community grants, based on what has in the past few years been an annual dividend of around \$15,000,000, the allocation from

some \$13,000,000 to individual consumers would still be a significant contribution to the recipients' annual power bill, while also benefiting community organisations and groups.

My second suggestion (or plea) relates to underground services. As Trustees with responsibility for oversight of the strategic direction of the operation of Unison, services to local consumers are a prime consideration. Both Hastings and Napier have many areas that still have overhead powerlines, and in this regard, the two cities look like poor relations when compared with many other urban communities of similar size round New Zealand. This aspect of the operation of Unison Networks needs urgent attention. I am aware that the HB Power Consumers' Trust currently allocates a sum to undergrounding of powerlines in the area, but Trustees need to be far more proactive in their role as representatives of the community in this regard. Trustees have a role in ensuring that the company is applying far more substantial resources to remedying this – and replacement of wooden power poles with concrete power poles, or even of aging concrete power poles with new ones are NOT the upgrade that consumers want or deserve.



2023 ownership review – You're invited

How to make a submission

Written submissions on the Unison Directors' Report to the Trustees are invited, with submissions closing Monday, 16 October 2023. You can submit via email to hbpct@bwr.co.nz or via mail to Ownership Review, The Secretary, Hawke's Bay Power Consumers', Trust, PO Box 146 Hastings 4156.

Name: _____

Address: _____

ICP number: _____

[- available from your latest power account]

Your submission comments:

I have no faith in the trust
and I would like to sell my shares
I'm sure I could benefit more by
doing so

Stephen Dine

From:
Sent: 21 September 2023 5:44 pm
To: Stephen Dine
Subject: Ownership review

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The Secretary,
Hawke's Bay Power Consumers', Trust,
PO Box 146 Hastings 4156.

My name

I would like to see the ownership of the power shares be decided by the individual consumer as there are a lot of struggling people in our community since covid then the cyclone.

I believe the influx of income will generate more jobs and better living conditions.

I myself cannot afford to fix my leaking roof so will use it for that.

I know some small business owners would use it to keep their small businesses open.

There are not many regions of Nz that receive the power check and to date it has been helpful but in the current economy \$240.00 does not go far.

The profits from the unison i feel is wasted I have 6 drink bottles and over the shoulder bags from one child. It's a waste it may seem helpful for the community but how many bags and drink bottles end up in land fill I can't even give them away and I have 5 unused brand new bags.

Anywho I would much appreciate the choice as to whether I continue to receive a cheque or cash out to upgrade my living situation as I believe the best person to decide is the consumer.

Thank you

Stephen Dine

From:
Sent: 22 September 2023 7:41 am
To: Stephen Dine
Subject: report

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Stick with the status quo.

The trustees have and are doing a great job.

Richard

RE: Unison Networks Ownership Review:

Dear Trustee/Directors.

I have been a consumer in Hawkes Bay since 2006. I have been a professional director for 27 years and a Chartered Fellow of the Institute of Directors for eighteen years. My governance work falls into two areas Engineering/Technology and FMCG/Primary.

I am relieved to see the outcome of the review. I support the permanent consumer ownership of Unison Networks. There is no need or justification for external investors.

It is true that “financing future infrastructure may indeed require borrowings on top of regulated revenue recovery from consumers” however PWC neatly and politically ignores the elephant in the room. To state the obvious,

- Unison Networks owns an essential public utility, (there may well be a statistically irrelevant number of “off grid” residents in the network footprint) upon which we depend for continuous supply.
- Unison consumers are a captive market. It is physically impossible to arrange an alternative “infrastructure supplier” ,
- Unison consumers are unable to negotiate individual terms and conditions with the infrastructure provider.

In other words Unison Networks own an essential service, supplying a captive market, with monopoly rents. Indeed, all the while we need a hard wired network for power distribution, there is no possible alternative.

Which is why these entities are a financiers dream and private equity’s path to unbelievable dividends and riches. In my view and that of many others, the private ownership of essential services, that supply a captive market, with monopoly rents is, frankly, a morally and intellectually bankrupt proposition.

I find the PWC report from a governance point of view sadly lacking. It is conveniently insular and tactical, although it does – quietly – conclude the existing model is currently optimal, while not criticising private ownership. Strange, because the world is awash with examples of the failure of the private equity model and the consequences for consumers.

One might read “These Are the Plunderers” (April 2023) which (to quote the WSJ) “lucidly and maddeningly traces the thirty-year history of corporate takeovers in America and private equity’s increasing dominance. Morgenson and Rosner investigate some of the biggest names in private equity, exposing how they buy companies, load them with debt, and then bleed them of assets and profits. All while prosecutors and regulators stand idle....Morgenson and Rosner show how companies absorbed by private equity have worse outcomes for everyone but the financiers ”

Anyone observing the inevitable and catastrophic decline of the utilities/essential services industry in the United Kingdom over the last few years as they have all fallen prey to the depredations of private equity investors masquerading as financial saviours/responsible owners, would look at the PWC report and wonder why international examples of the disaster wrought by private ownership of essential utilities and services are not cited as the “catastrophic grey rhino impacts” that inevitably follow this model. The Water Industry, NHS and the Railways are the current poster children of this literally, bankrupt philosophy. In the end game we now see the farcical situation in the UK where the government is setting up OLRs (operators of last resort) so that when the private equity investors, having stripped the entity of assets and cash by way of dividends fold their cards and leave the table, the OLR steps in to maintain a service, and persuade someone else to take on a crippled and badly maintained entity. In that world, the only, and biggest losers and victims, are the consumers who are finding out that no one is coming to help and no one is in control any more; and, as in the USA regulators and prosecutors stand idle. The fact is, the interests of private equity and essential service/captive market consumers are diametrically opposed. There is no possible way to practically reconcile those interests. Tactical financing issues are scare tactics and a smokescreen generated by private equity and their advocates. Consumer ownership whether provincial or national is the only model that delivers a fair outcome for captive consumers of essential services, provided it is well governed and managed.

Regards,

Stephen Dine

From:
Sent: 21 September 2023 5:07 pm
To: Stephen Dine
Subject: Unison ownership submission

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I support retention of HBPCT ownership.

Stephen Dine

From:
Sent: 23 September 2023 12:39 pm
To: Stephen Dine
Subject: Review

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Dear Sir/Madam,

This is to advise that we are happy with the existing operations of the Trust on behalf of trustees and would like to thank them for the efforts made on our behalf. Therefore, we do not wish to see any change in ownership.

Thank you for the opportunity to air our views.

Regards

Sent from [Mail](#) for Windows

Stephen Dine

From:
Sent: 13 October 2023 1:54 pm
To: Stephen Dine
Subject: RE: Unison ownership review

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Good afternoon team,

I would support a change in the ownership plan i.e. a one off lump payment to the consumers, I read in the news would be in the area of \$12,000. If this is the case I would fully support this idea.

From: Hawke's Bay Power Consumers' Trust <hbpct@bwr.co.nz>

Sent: Thursday, September 21, 2023 4:19 PM

Subject: Unison ownership review

No images? [Click here](#)



2023 Ownership Review

Stephen Dine

From:
Sent: 11 October 2023 7:22 pm
To: Stephen Dine
Subject: Response to Ownership Review

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The Trustees

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HBPCT

Ownership Review, Unison Networks Limited

In my view the HBPCT adds no value to Unison, and when I read the most recent annual report I cannot see that it adds any value or benefit to the Beneficiaries either.

The Trust was NOT established with a purpose of holding the assets of Unison Networks in perpetuity. If it had been, the trust deed would have mandated that. In fact, the reverse is clear, with the mandated reviews every 5 years.

There is no better time than right now to act for the benefit of the Beneficiaries. All Hawke's Bay consumers/Beneficiaries have been impacted by the cyclone and many are in desperate need of financial support.

Owning the shares directly gives us all a new, and better option: the option of continuing to own our shares and receive future dividends, or to sell the shares for a significant cash settlement. Of course Unison must apply to list on the NZX but this is a simple and inexpensive procedure.

The shares in Unison should be distributed to the beneficiaries now, as provided for in Rule 4.4 (c) of the Trust Deed.

Yours sincerely,

Stephen Dine

From:
Sent: 16 October 2023 3:40 am
To: Stephen Dine
Subject: Response to Ownership Review

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The Trustees

HBPCT

Ownership Review, Unison Networks Limited

In my view the HBPCT adds no value to Unison, and when I read the most recent annual report I cannot see that it adds any value or benefit to the Beneficiaries either.

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The shares in Unison should be distributed to the beneficiaries now, as provided for in Rule 4.4 (c) of the Trust Deed.

Yours sincerely,

Kia ora

Nga mihi

ICP #:

25 September 2023

Trustees

Hawke's Bay Power Consumers Trust
PO Box 146
HASTINGS 4156

Dear Trustees

I write in submission to the Hawke's Bay Power Consumers' Trust review of ownership.

I fully support retaining the current ownership model – that Unison remain owned by the Hawke's Bay Power Consumers' Trust on behalf of power consumers connected to Unison's network.

Unison is a high-performing company. I strongly believe this is because the HBPCT ensures that the best interests of power consumers are kept at the heart of the company's strategy and decision-making. This is essential, especially given the lifeline assets and services Unison is responsible for maintaining and managing.

It is also clear that the current ownership model does not hold Unison back from being able to invest and grow, despite the highly regulated nature of New Zealand's electricity industry. Again, this proves the current ownership model works well for the company and for power consumers.

I strongly disagree with the views of the so-called "Free the Funds" campaign and its supporters. They make absolutely no rational argument for changing Unison's ownership model and, frankly, show little or no regard for the interests (long- or short-term) of Hawke's Bay's power consumers and the wider community.

In the interests of Unison continuing to perform at its best, I strongly encourage Trustees to retain the current ownership model.

Yours faithfully

Stephen Dine

From:
Sent: 26 September 2023 11:39 am
To: Stephen Dine
Subject: Response to Ownership Review

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The Trustees

HBPCT

Ownership Review, Unison Networks Limited

In my view the HBPCT adds no value to Unison, and when I read the most recent annual report I cannot see that it adds any value or benefit to the Beneficiaries either.

The Trust was NOT established with a purpose of holding the assets of Unison Networks in perpetuity. If it had been, the trust deed would have mandated that. In fact, the reverse is clear, with the mandated reviews every 5 years.

There is no better time than right now to act for the benefit of the Beneficiaries. All Hawke's Bay consumers/Beneficiaries have been impacted by the cyclone and many are in DESPERATE need of financial support.

Owning the shares directly gives us all a new, and better option: the option of continuing to own our shares and receive future dividends, or to sell the shares for a significant cash settlement. Of course Unison must apply to list on the NZX but this is a simple and inexpensive procedure.

The shares in Unison should be distributed to the beneficiaries now, as provided for in Rule 4.4 (c) of the Trust Deed.

Yours sincerely,

From:
Sent: 26 September 2023 8:53 am
To: Stephen Dine
Subject: Ownership Review, Unison Networks Limited

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The Trustees

HBPCT

1. The Trust Deed itself clearly envisages and authorises the option of distributing the shares in Unison Networks to the Beneficiaries. **The Trust was NOT established with a purpose of holding the assets of Unison Networks in perpetuity.** If it had been, the trust deed would have mandated that. In fact, the reverse is clear, identifying alternative ownership options in Rule 4, and mandating a regular review procedure.

2. The Trustees, considering alternative ownership options for Unison Networks and its business, **MUST** consider a variety of factors such as:

The market value of the whole of the Unison Networks business;

The value of the parcel of shares to be distributed to the Beneficiaries;

The future value of the whole of the Unison Networks business and the likely dividends should ownership remain with the Trust.

Where is the discussion and the detail around these issues of "value" which the Trustees must consider, and ought to disclose to the Beneficiaries?

4. There are express engagement obligations imposed on the Trustees with respect to the Trust Beneficiaries. A core duty incumbent on trustees of any trust is to **act for the benefit of the beneficiaries of that trust**, in accordance with the terms of the trust itself. A trustee cannot fulfil these duties properly if he or she does not have a proper understanding of the wishes of the Beneficiaries in respect of the proposed alternatives.

5. There is no better time than right now to act for the benefit of the Beneficiaries. All Hawke's Bay consumers/Beneficiaries have been impacted by the cyclone and many are in desperate need of financial support. Owning the shares directly gives us all a new, and better option: the option of continuing to own our shares and receive future dividends, or to sell the shares after Unison Networks lists on the NZX, for a sum that would substantially exceed the accumulated value of dividend payments for many years into the future.

6. The Trust was established in 1993. Since that time it has carried out 5 "Ownership Reviews", all resulting in a decision to maintain the status quo. But, the Trust must terminate, as mandated by the Trust Deed, and the Trust wound up on or before 1 January 2072. That means another 9 "Ownership Reviews" might be possible before the mandated Termination date. What event or environment would cause the Trustees to make the decision to distribute the shares that would be likely to be more beneficial to the Beneficiaries today, than the current need and benefit to Hawkes Bay, following the cyclone in February of this year?

7. It is easy to demonstrate the likely value of the parcel of shares that each Beneficiary would receive. Unison's financial reports quote the total shareholder funds at \$509M. That translates to \$8,300 for each beneficiary. Unison's market value is very possibly a deal more than that.

8. If the Trustees know and understand the value of the shares, but fail to act for the Beneficiaries, and disclose that information during the course of an "ownership review", then that would be a serious omission and the Trustees would be in breach of trust.

9. The PwC comments about the costs of listing on the NZX are entirely irrelevant, and have been misinterpreted in recent Trustee statements. Initial listing fees for a company the size of Unison would be about \$350,000. The PwC comments relate to companies seeking an initial public offering, an IPO, which is absolutely not the case when distributing shares to Beneficiaries.

10. Is Unison actually performing well under the Trust "ownership"? With a compounding average growth rate of **NEGATIVE** 2.2%, the answer surely is NO!

11. The PwC report highlights the need for about \$100 million additional capital expenditure, each year, for the next 10 years. That money can only come from additional borrowing, or from selling assets, and under Trust ownership "Unison may not be able to maintain its dividend flow to the Trust".

12. The Trust is NOT a "Community" Trust. The concept of "intergenerational" does NOT exist in the Trust Deed. It is a construct created by the Trustees in order to argue for the "status quo". The fact that the Trust Deed provides for the Trust to terminate and be wound up at any of the 5 yearly "ownership reviews", and if not before, then certainly on 1 January 2072, confirms this.

13. Considering the report prepared by Unison Directors, and the lack of a proper analysis of the factors listed in 2 above, I believe that the shares in Unison should be distributed to the beneficiaries, as provided for in Rule 4.4 (c) of the Trust Deed.

Yours sincerely,

--

Stephen Dine

From:
Sent: 7 October 2023 6:17 pm
To: Stephen Dine
Subject: Ownership Review - submission

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My submission is that I see no value in the current structure having shares managed by the HBPCT and this only creates additional costs that dilute the return to shareholders including Administration costs & directors fees for trustees. I would like shares to be controlled and available to the actual shareholders - to manage as they see fit and the HBPCT to be dissolved.

Thanks

Stephen Dine

From:
Sent: 7 October 2023 8:20 pm
To: Stephen Dine
Subject: Response to Ownership Review

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The Trustees

HBPCT

Ownership Review, Unison Networks Limited

In my view the HBPCT adds no value to Unison, and when I read the most recent annual report I cannot see that it adds any value or benefit to the Beneficiaries either.

The Trust was NOT established with a purpose of holding the assets of Unison Networks in perpetuity. If it had been, the trust deed would have mandated that. In fact, the reverse is clear, with the mandated reviews every 5 years.

There is no better time than right now to act for the benefit of the Beneficiaries. All Hawke's Bay consumers/Beneficiaries have been impacted by the cyclone and many are in desperate need of financial support.

Owning the shares directly gives us all a new, and better option: the option of continuing to own our shares and receive future dividends, or to sell the shares for a significant cash settlement. Of course Unison must apply to list on the NZX but this is a simple and inexpensive procedure.

The shares in Unison should be distributed to the beneficiaries now, as provided for in Rule 4.4 (c) of the Trust Deed.

Yours sincerely,

Stephen Dine

From:
Sent: 6 October 2023 11:07 am
To: Stephen Dine
Subject: Response to Ownership Review

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The Trustees

HBPCT

Ownership Review, Unison Networks Limited

I offer the following in response to the Ownership Review for Unison Networks Limited.

1. The Trust Deed itself clearly envisages and authorises the option of distributing the shares in Unison Networks to the Beneficiaries. The Trust was NOT established with a purpose of holding the assets of Unison Networks in perpetuity. If it had been, the trust deed would have mandated that. In fact, the reverse is clear, identifying alternative ownership options in Rule 4, and mandating a regular review procedure.
2. A recent legal opinion relating to a very similar Trust makes a number of fundamentally important statements, including . . .
 - "When exercising trustee powers, trustees must act in accordance with their fiduciary duties. The carrying out of that action must be for a proper purpose and for the benefit of beneficiaries. This is key amongst the mandatory and default duties imposed upon trustees. Failing that, the act will be outside their powers, and amount to a breach of Trust".Surely the current Trustees ought to understand this.
3. An author of the original Trust Deed, a prominent lawyer in Hawkes Bay, made a very interesting submission to the 2018 "Ownership Review". He stated . . .
 - "There is a lamentable lack of understanding of the distinction between consumers and community. It is important that the Trustees emphasise and clarify that the sole beneficiaries of the Trust are consumers connected to the HB network of UNL, and that the terms of the Trust Deed clearly require the distribution of shares directly to the "consumers of the day" and for no other purpose. The Trustees of HBPCT have a fiduciary duty to uphold and comply with the specific provisions of the Trust Deed".
4. The Trustees, considering alternative ownership options for Unison Networks and its business, MUST consider a variety of factors such as:
 - The market value of the whole of the Unison Networks business;
 - The value of the parcel of shares to be distributed to the Beneficiaries;
 - The future value of the whole of the Unison Networks business and the likely dividends should ownership remain with the Trust.
5. Where is the discussion and the detail around these issues of "value" which the Trustees must consider, and ought to disclose to the Beneficiaries?
6. There are express engagement obligations imposed on the Trustees with respect to the Trust Beneficiaries. A core duty incumbent on trustees of any trust is to act for the benefit of the beneficiaries of that trust, in accordance with the terms of the trust itself. A trustee cannot fulfil these duties properly if he or she does not have a proper understanding of the wishes of the Beneficiaries in respect of the proposed alternatives.
7. The so-called "independent" reports are totally focussed on what is best for Unison. That is NOT the Trustees

concern. How do the Trustees show that continuing the current ownership model is of greater benefit to the Beneficiaries?

8. There is no better time than right now to act for the benefit of the Beneficiaries. All Hawke's Bay consumers/Beneficiaries have been impacted by the cyclone and many are in desperate need of financial support. Owning the shares directly gives us all a new, and better option: the option of continuing to own our shares and receive future dividends, or to sell the shares after Unison Networks lists on the NZX, for a sum that would substantially exceed the accumulated value of dividend payments for many years into the future.

9. The Trust was established in 1993. Since that time it has carried out 5 "Ownership Reviews", all resulting in a decision to maintain the status quo. But, the Trust must terminate, as mandated by the Trust Deed, and the Trust wound up on or before 1 January 2072. That means another 9 "Ownership Reviews" might be possible before the mandated Termination date. What event or environment would cause the Trustees to make the decision to distribute the shares that would be likely to be more beneficial to the Beneficiaries today, than the current need and benefit to Hawkes Bay, following the cyclone in February of this year?

10. It is easy to demonstrate the likely value of the parcel of shares that each Beneficiary would receive. Unison's financial reports quote the total shareholder funds at \$509M. That translates to \$8,300 for each beneficiary. Unison's market value is very possibly a deal more than that, and a sensible estimate is \$12,000.

11. If the Trustees know and understand the value of the shares, but fail to act for the Beneficiaries, and disclose that information during the course of an "ownership review", then that would be a serious omission and the Trustees would be in breach of trust.

12. The PwC comments about the costs of listing on the NZX are entirely irrelevant, and have been mis-interpreted in recent Trustee statements. Initial listing fees for a company the size of Unison would be about \$350,000. The PwC comments relate to companies seeking an initial public offering, an IPO, which is absolutely not the case when distributing shares to Beneficiaries.

13. Is Unison actually performing well under the Trust "ownership"? With a compounding average growth rate of NEGATIVE 2.2%, the answer surely is NO!

14. The PwC report highlights the need for about \$100 million additional capital expenditure, each year, for the next 10 years. That money can only come from additional borrowing, or from selling assets, and under Trust ownership . . . "Unison may not be able to maintain its dividend flow to the Trust".

15. The Trust is NOT a "Community" Trust. The concept of "intergenerational" does NOT exist in the Trust Deed. It is a construct created by the Trustees in order to argue for the "status quo". The fact that the Trust Deed provides for the Trust to terminate and be wound up at any of the 5 yearly "ownership reviews", and if not before, then certainly on 1 January 2072, confirms this.

16. Considering the report prepared by Unison Directors, and the lack of a proper analysis of the factors listed in 1 above, I believe that the shares in Unison should be distributed to the beneficiaries, as provided for in Rule 4.4 (c) of the Trust Deed.

Yours sincerely,

Stephen Dine

From:
Sent: 20 September 2023 3:55 pm
To: Stephen Dine
Subject: Ownership

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We buy out re ownership for this address we vote YES as that money could go along way to help the poor flooded victims and boost our economy right now that the District is suffering

Kind regards

Sent from [Mail](#) for Windows

Stephen Dine

From:
Sent: 14 October 2023 4:58 pm
To: Stephen Dine
Subject: Response to Ownership Review

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The Trustees

HBPCT

Ownership Review, Unison Networks Limited

In my view the HBPCT adds no value to Unison, and when I read the most recent annual report I cannot see that it adds any value or benefit to the Beneficiaries either.

The Trust was NOT established with a purpose of holding the assets of Unison Networks in perpetuity. If it had been, the trust deed would have mandated that. In fact, the reverse is clear, with the mandated reviews every 5 years.

There is no better time than right now to act for the benefit of the Beneficiaries. All Hawke's Bay consumers/Beneficiaries have been impacted by the cyclone and many are in desperate need of financial support.

Owning the shares directly gives us all a new, and better option: the option of continuing to own our shares and receive future dividends, or to sell the shares for a significant cash settlement. Of course Unison must apply to list on the NZX but this is a simple and inexpensive procedure.

The shares in Unison should be distributed to the beneficiaries now, as provided for in Rule 4.4 (c) of the Trust Deed.

Yours sincerely,

[Get Outlook for Android](#)

Stephen Dine

From:
Sent: 6 October 2023 7:30 am
To: Stephen Dine
Subject: Submission - Ownership Review

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As an electricity consumer in Napier it is my view that the HBPCT should sell the shares in Unison and return the funds to the consumers. The Trust panel should listen to the consumers and not decide themselves on what they think is the best course of action.

Please note my submission when this review is made.

The Secretary
Hawkes Bay Power Consumers' Trust

I support ownership of Unison Group by the Consumers' Trust but find it increasingly difficult to justify my position. The Trust continues to allow Unison to operate below its capabilities.

The Unregulated Business

For many years I have felt that the unregulated part of the Unison Group was not as profitable as it should be. The annual reports made analysis difficult, so I decided to take a reverse view and look at the regulated operation. I set up a model of the electricity lines business alone and the model used data for the financial years 2008 to 2022 inclusive. Cash flow figures were taken from the Annual Reports until 2017 and then the Financial Disclosures made to the Commerce Commission. My conclusion was that the regulated business had been capable of providing the same dividend payout over the period, and so the group activities had indeed contributed little.

The starting point for the model was that Unison had borrowings of \$157.6M, being the balance of the debt used to buy the Rotorua-Taupo network. The model accounted for debt servicing but did not reduce the amount borrowed. The model showed this scenario would have generated \$134M in dividends over the period, this being less than the \$150M that Unison Group paid ¹.

I then ran the model with restraints on operating expenditure and capital expenditure. These showed that the regulated business was able to perform as well as the group.

Scenario	Total Dividends
Actual Expenditure	\$134M
Restrained Opex ²	\$157M
Restrained Capex ³	\$160M

Of course, this is a model, and the restraints were designed to make a point. But the model was only trying to achieve a saving of \$16M over 15 years, i.e. a little over a million dollars per annum. For comparison, average unrestrained annual Opex was \$34M and Capex was \$43M, so trimming a million and a bit isn't difficult.

The take away is that the regulated company was capable of supplying the same dividend as the group and hold its debt at \$156.7M. Unison Group debt at the end of FY 2022 was \$301M.

Disclosure

I commented in my 2018 submission that Unison's annual reports had become progressively less informative. I listed the notable absences in the accounts as:

2010: Stopped giving salary bands of staff earning more than \$100,000

2013: Stopped showing direct and indirect costs separately.

2017: Only showed consolidated Group accounts, so the unregulated businesses are invisible.

Intra-company loans were always hard to track but at least the PWC report used to give an insight through an overview and financial analysis of each subsidiary. The 2023 report no longer provides this.

Summary

I think Unison Group can thrive under trust ownership but I urge the Trustees to enhance their annual Statement of Corporate Intent. Please ask the board to improve the financial reporting of the unregulated companies and to instruct the boards of those companies to plan for a higher return to shareholders.

Thank you for the opportunity to make a submission to the Directors' Report. I wish to be heard at the public meeting in November.

Notes

1: The dividend total of \$150M is from FY 2009 to FY 2022 inclusive. The group paid a dividend in 2008 but it borrowed the money to do it. It could not have otherwise paid it.

2: Opex was set at 24% of annual receipts from customers.

3: Capex was set at the sum of contributions from customers and the amount claimed for tax purposes as depreciation. The sum of these two numbers was then scaled up by 30% to give a capital expenditure each year.

Stephen Dine

From:
Sent: 21 September 2023 5:17 pm
To: Stephen Dine
Subject: Ownership Review

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Prefer to keep the status quo.

Sent from my iPad

Stephen Dine

From:
Sent: 22 September 2023 7:24 am
To: Stephen Dine
Subject: Ownership Review

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Morena

Thank you for the opportunity to provide Hawke's Bay Power Consumers' Trust an Ownership Review submission.

I have read the two reports and based on the information presented the status quo is the best option. What I will say is that the next cycle of the review must also consider the consumer perspective and what the distribution actually means to the current owners of Unison. Could this distribution under a different form have a much greater impact for the consumer/owner, our community and society.

The PWC Report is an internal focused review and silent on the benefits to the consumers/community. It is one thing to look at the management of the Trust and the company it owns but there needs to be consideration of what has the greatest benefit for the benefactors. The outcome of the report has the two trust options very similar and only split by "Minimises cost and complexity" based on:

- Higher cost to administer as more complex process to manage and allocate distributions, and
- Requires a change to the Trust Deed

With only one comparative Community Trust reviewed, and no investigation undertaken with the consumer network to understand the value of the annual distribution (\$240 in 2023) there is no appreciation of benefit.

Recommendation: The next Ownership Review is to include in the scope a "Social value contribution" criteria and undertake both quantitative and qualitative research with samples of the consumer/owners.

The base outcome of the 2023 Ownership Review is likely to be similar in 2028 so the next review can investigate the social value element potentially as stage two assessment. It would be great to understand the social benefit of regular individual consumer payments compared to that of a sale payout, or of targeted community investment (even if the cost of administration is higher).

Thanks again for the opportunity and I will appreciate a considered response to my submission, in particular with regard to my recommendation for the next Ownership Review cycle.

Ngā mihi

Stephen Dine

From:
Sent: 9 October 2023 1:33 pm
To: Stephen Dine
Subject: Submission

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Good afternoon

In my view, the trust should retain the shares (in Unison).

I think it would be short term thinking to sell the shares in the company and portion out the proceeds amongst consumers. That is a one off sweetener, then all is gone.

Ownership should be retained and preserved for our future generations coming through. The yearly dividend coming a month before Christmas really helps. As does the sponsorship unison provide to sports groups and organisations

Local ownership is always going to be better than selling to interests outside of Hawkes Bay. Unison Networks Ltd is a large employer in Hawke's Bay and that adds financial benefit to the community, and they use the services of many other businesses as supply partners and that is of great economic benefit.

Having large businesses like Unison are a brain gain to the local community and many talented people are employed by the company and they make personal contributions to other school trust boards, sporting and community organisations.

I strongly feel the very fast response in terms of getting power restored and repaired in the wake of Cyclone Gabrielle was because we were dealing with local people and local companies. Distant ownership potentially has no vested interest in the province - ie. don't live here, don't have the local knowledge on the ground - and that would likely have made power repair and restoration much more protracted and difficult.

I have read what the Free the Funds movement has to say. I believe the dollar figures being bandied about are inaccurate. It is not helpful. Some people will be blinded by the promise of easy money.

I hope the trustees resist the pressure from a disgruntled few and retain ownership, not only as a continuation of the yearly dividend payments for current consumers' but also for the benefit of future generations.

Stephen Dine

From:
Sent: 23 September 2023 2:37 pm
To: Stephen Dine
Subject: unison networks ownership

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We agree with the Directors of HB Power Consumers Trust that the shares in the ownership of Unison Networks be retained by the public with an on-going yearly dividend.

Thanks:

Stephen Dine

From:
Sent: 15 October 2023 11:37 am
To: Stephen Dine
Subject: Trustee Ownership Review

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The Trustees

HBPCT

Ownership Review, Unison Networks Limited

In my view the HBPCT adds no value to Unison, and when I read the most recent annual report I cannot see that it adds any value or benefit to the Beneficiaries either.

The Trust was NOT established with a purpose of holding the assets of Unison Networks in perpetuity. If it had been, the trust deed would have mandated that. In fact, the reverse is clear, with the mandated reviews every 5 years and the opportunity to distribute the shares to the Beneficiaries.

There is no better time than right now to act for the benefit of the Beneficiaries. All Hawke's Bay consumers/Beneficiaries have been impacted by the cyclone and many are in desperate need of financial support. Owning the shares directly gives us all a new, and better option: the option of continuing to own our shares and receive future dividends, or to sell the shares for a significant cash settlement. Of course Unison must apply to list on the NZX but this is a simple and inexpensive procedure.

The shares in Unison should be distributed to the beneficiaries now, as provided for in Rule 4.4 (c) of the Trust Deed.

Stephen Dine

From: Stephen Dine
Sent: 24 September 2023 2:41 pm
To: Stephen Dine
Subject: Ownership review Submission.

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Dear Trustees.

Re Ownership Review.

I would like to express my support for the retention of H.B. Power Consumer's Trust ownership of Unison.

The assets were built up over the years for the benefit of the consumers of the time and those following after them, and continuing that seems fairest for everyone.

Stephen Dine

From:
Sent: 13 October 2023 3:05 pm
To: Stephen Dine
Subject: Ownership Review of Unison Networks Ltd

The Trustees

HBPCT

Ownership Review, Unison Networks Limited

In my view the HBPCT adds no value to Unison, and when I read the most recent annual report, I cannot see that it adds any value or benefit to the Beneficiaries of the HBPCT either.

The Trust was NOT established with a purpose of holding the assets of Unison Networks in perpetuity. If it had been, the Trust Deed would have mandated that. In fact, the reverse is clear, with the mandated reviews every 5 years. The Trustees have some clear obligations to meet with this Ownership Review process, which they have totally failed to do. Starting off with a market valuation of Unison Networks Limited which is not even established or talked about in the PWC Ownership report. They are also a lot of other legal requirements, in order to properly carry out their duties, that have not been addressed.

There is no better time than right now to act for the benefit of the Beneficiaries. All Hawke's Bay consumers/Beneficiaries have been impacted by the cyclone and many are in desperate need of financial support.

Owning the shares directly gives us all a new, and better option: the option of continuing to own our shares and receive future dividends, or to sell the shares for a significant cash settlement. Of course, Unison must apply to list on the NZX but this is a simple and inexpensive procedure.

The shares in Unison should be distributed to the beneficiaries now, as provided for in Rule 4.4 (c) of the Trust Deed.

Yours sincerely,

Kind regards

10th October 2023

The Trustees

Hawkes Bay Power Consumer Trust

hbpct@bwr.co.nz

Dear Trustees

Proposition:

That all the shares the Hawkes Bay Power Consumer Trusts holds in Unison Networks Ltd are distributed to eligible consumer beneficiaries of the Trust.

The PWC 5 Yearly Ownership Review of Unison Networks Ltd

This PWC review is of very poor quality with numerous errors throughout it. It discusses ownership options that are not available to the Trustees under the Trust Deed. Its major flaw is that it does not provide a valuation of Unison Networks Ltd, which you absolutely need if discussing ownership options. The Review also makes a few totally wrong statements, such as the share market cost of listing Unison, which is overstated 10-fold. The report also talks about "what is best for Unison," this is not a factor to be considered under the Trust Deed in this review. I would also question whether the review is independent as stated by Trustees and directors, because reading it, Trust ownership of Unison seems to be a conclusion looking for facts to support it.

Unison Networks Ltd

Unison is facing challenging times ahead when you read the review carefully. Profits after tax have reduced over the last 5 years by -22% even though the Unison's capital invested has increased by 15%, this increase has been at the expense of increased Consumer dividends. Unison's borrowing over the last 5 years have increased from \$329 million to \$476 million, a 45 % increase. It has significant negative cash flows and increasing cash requirements leading up to 2028, when this may put any

dividend at jeopardy. If Unison were listed, it would have access to increased funding that Trust ownership cannot provide. The expect significant financial losses from the sale of Unison Fibre Ltd that will have to be recognized in the accounts this year.

The directors of Unison are also conflicted, as they are appointed and serve at the behest of the Trustees, and consequently must support the Trust ownership model for Unison, to continue in their role. The directors are also responsible for having to complete the 5 yearly ownership review of Unison for the Trust, another conflict for them, as the only outcome that is acceptable to the Trustees is a recommendation for continued Trust ownership for Unison.

With Consumers owning the shares directly it would give the company direct market access to increased capital, and a more aligned governance structure with correctly focused directors, delivering shareholders appropriate returns, while the company met the expectations of power consumers.

The Hawkes Bay Power Consumer Trust

The Trust has bumbled along as a secret society for years, with poor leadership and creating havoc with some of its decisions. It has nothing to show consumers when asked to justify its existence. If it did not exist, consumers would be much better off with probably increased dividends, or the ability to sell their shares in these hard times post cyclone Gabrielle. This cash could make a significant difference to their lives. The Trusts sole role is to look after eligible Consumers interests, and by not distributing Unison's shares they are not doing this.

Faithfully yours

Stephen Dine

From:
Sent:
To:
Subject:

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My preference is that the shares be sold and proportionate payments be made to all consumers.
I consider this to be a fair & equitable solution instead of the annual 'dividend' currently in vogue.

Thank you for your attention to my thoughts.
Regards,

Stephen Dine

From:
Sent: 8 October 2023 11:38 am
To: Stephen Dine
Subject: Response to Ownership Review

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The Trustees

HBPCT

Ownership Review, Unison Networks Limited

I offer the following in response to the Ownership Review for Unison Networks Limited.

1. The Trust Deed itself clearly envisages and authorises the option of distributing the shares in Unison Networks to the Beneficiaries. The Trust was NOT established with a purpose of holding the assets of Unison Networks in perpetuity. If it had been, the trust deed would have mandated that. In fact, the reverse is clear, identifying alternative ownership options in Rule 4, and mandating a regular review procedure.
2. A recent legal opinion relating to a very similar Trust makes a number of fundamentally important statements, including . . .
 - "When exercising trustee powers, trustees must act in accordance with their fiduciary duties. The carrying out of that action must be for a proper purpose and for the benefit of beneficiaries. This is key amongst the mandatory and default duties imposed upon trustees. Failing that, the act will be outside their powers, and amount to a breach of Trust".Surely the current Trustees ought to understand this.
3. An author of the original Trust Deed, a prominent lawyer in Hawkes Bay, made a very interesting submission to the 2018 "Ownership Review". He stated . . .
 - "There is a lamentable lack of understanding of the distinction between consumers and community. It is important that the Trustees emphasise and clarify that the sole beneficiaries of the Trust are consumers connected to the HB network of UNL, and that the terms of the Trust Deed clearly require the distribution of shares directly to the "consumers of the day" and for no other purpose. The Trustees of HBPCT have a fiduciary duty to uphold and comply with the specific provisions of the Trust Deed".
4. The Trustees, considering alternative ownership options for Unison Networks and its business, MUST consider a variety of factors such as:
 - The market value of the whole of the Unison Networks business;
 - The value of the parcel of shares to be distributed to the Beneficiaries;
 - The future value of the whole of the Unison Networks business and the likely dividends should ownership remain with the Trust.
5. Where is the discussion and the detail around these issues of "value" which the Trustees must consider, and ought to disclose to the Beneficiaries?
6. There are express engagement obligations imposed on the Trustees with respect to the Trust Beneficiaries. A core duty incumbent on trustees of any trust is to act for the benefit of the beneficiaries of that trust, in accordance with the terms of the trust itself. A trustee cannot fulfil these duties properly if he or she does not have a proper understanding of the wishes of the Beneficiaries in respect of the proposed alternatives.
7. The so-called "independent" reports are totally focussed on what is best for Unison. That is NOT the Trustees

concern. How do the Trustees show that continuing the current ownership model is of greater benefit to the Beneficiaries?

8. There is no better time than right now to act for the benefit of the Beneficiaries. All Hawke's Bay consumers/Beneficiaries have been impacted by the cyclone and many are in desperate need of financial support. Owning the shares directly gives us all a new, and better option: the option of continuing to own our shares and receive future dividends, or to sell the shares after Unison Networks lists on the NZX, for a sum that would substantially exceed the accumulated value of dividend payments for many years into the future.

9. The Trust was established in 1993. Since that time it has carried out 5 "Ownership Reviews", all resulting in a decision to maintain the status quo. But, the Trust must terminate, as mandated by the Trust Deed, and the Trust wound up on or before 1 January 2072. That means another 9 "Ownership Reviews" might be possible before the mandated Termination date. What event or environment would cause the Trustees to make the decision to distribute the shares that would be likely to be more beneficial to the Beneficiaries today, than the current need and benefit to Hawkes Bay, following the cyclone in February of this year?

10. It is easy to demonstrate the likely value of the parcel of shares that each Beneficiary would receive. Unison's financial reports quote the total shareholder funds at \$509M. That translates to \$8,300 for each beneficiary. Unison's market value is very possibly a deal more than that, and a sensible estimate is \$12,000.

11. If the Trustees know and understand the value of the shares, but fail to act for the Beneficiaries, and disclose that information during the course of an "ownership review", then that would be a serious omission and the Trustees would be in breach of trust.

12. The PwC comments about the costs of listing on the NZX are entirely irrelevant, and have been mis-interpreted in recent Trustee statements. Initial listing fees for a company the size of Unison would be about \$350,000. The PwC comments relate to companies seeking an initial public offering, an IPO, which is absolutely not the case when distributing shares to Beneficiaries.

13. Is Unison actually performing well under the Trust "ownership"? With a compounding average growth rate of NEGATIVE 2.2%, the answer surely is NO!

14. The PwC report highlights the need for about \$100 million additional capital expenditure, each year, for the next 10 years. That money can only come from additional borrowing, or from selling assets, and under Trust ownership . . . "Unison may not be able to maintain its dividend flow to the Trust".

15. The Trust is NOT a "Community" Trust. The concept of "intergenerational" does NOT exist in the Trust Deed. It is a construct created by the Trustees in order to argue for the "status quo". The fact that the Trust Deed provides for the Trust to terminate and be wound up at any of the 5 yearly "ownership reviews", and if not before, then certainly on 1 January 2072, confirms this.

16. Considering the report prepared by Unison Directors, and the lack of a proper analysis of the factors listed in 1 above, I believe that the shares in Unison should be distributed to the beneficiaries, as provided for in Rule 4.4 (c) of the Trust Deed.

Yours sincerely,

HBPCT

I would like to forward the following comments as a submission pertaining to the 5 yearly review of the Trusts ownership. It has come to my notice that an organisation entitled "Free the Funds" is to submit to the review a paper in favour of floating the assets of the trust via a stock exchange listing. The organisation has put forward a possible return to a beneficiary of up to \$12000 in the event of privatisation. As Free the Funds puts forward its views anonymously it is not possible to determine the credibility of the conclusions.

What the Trustees should be aware of is:

1. the history of the privatisation of state industries with the collapse of the Soviet Union and the rapid transfer of total ownership of those assets to influential individuals at negligible benefit to the citizen shareholders.

Of greater relevance is the present predicament of :

2. Thames Water in the UK where its present negative equity resulting from excessive borrowing, lack of capital and vast dividend payouts to the shareholders (circa \$US 100 billion over 30 years) raises the issue of renationalisation to maintain Thames Water as a going concern. This is a good example of Shareholders taking the value out of a company while the State takes the losses.

So what is a likely outcome of a public float? A 100% float of the company will eventually see it totally owned by one shareholder. My view is that this is highly likely to be Cheung Kong Infrastructure (CK) a Chinese controlled business listed in Hong Kong and the owners of Wellington Electricity Lines. (CK share price has fallen by 33% over 5 years giving lie to the fact that privatisation inevitably adds value to a public concern) The synergistic partnership of Unison and Wellington Electricity seems to be a natural outcome to maximise scale. Of course this would be highly unlikely at the initial offering which is more likely to be via local players who would arbitrage value out of the initial offering price as an acceptable conduit to CK ownership without adding tangible worth.

.

If the Trust is considering a public float they could look at retaining a majority shareholding as used for the HBRC float of Napier Port.

In conclusion . It is difficult to find evidence of 100% privatisation of a monopoly public infrastructure without strict regulatory controls offering any value to a captive consumer.

Stephen Dine

From:
Sent: 22 September 2023 12:45 pm
To: Stephen Dine
Subject: Ownership

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Dear Sir Madam

Please keep retention of HBPCT ownership with the HB people and pay out a dividend every year.

Regards

Stephen Dine

From:
Sent: 14 October 2023 7:32 am
To: Stephen Dine
Subject: Unison Ownership

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I support the paying out of the existing shareholders of Unison & disbanding the current ownership model which we feel is not 'fit for purpose' in the current economic environment.

Yours sincerely,

Stephen Dine

From:
Sent: 14 October 2023 2:33 pm
To: Stephen Dine
Subject: Unison Trust

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<https://aka.ms/LearnAboutSenderIdentification>]

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Hello

I would like to make a submission that the Trust ownership of Unison be abolished and current shareholders be paid out.

Stephen Dine

From:
Sent: 26 September 2023 10:32 am
To: Stephen Dine
Subject: Response to Ownership Review

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The Trustees

HBPCT

Ownership Review, Unison Networks Limited

I offer the following in response to the Ownership Review for Unison Networks Limited.

1. The Trust Deed itself clearly envisages and authorises the option of distributing the shares in Unison Networks to the Beneficiaries. The Trust was NOT established with a purpose of holding the assets of Unison Networks in perpetuity. If it had been, the trust deed would have mandated that. In fact, the reverse is clear, identifying alternative ownership options in Rule 4, and mandating a regular review procedure.
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 - The future value of the whole of the Unison Networks business and the likely dividends should ownership remain with the Trust.
3. Where is the discussion and the detail around these issues of "value" which the Trustees must consider, and ought to disclose to the Beneficiaries?
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5. There is no better time than right now to act for the benefit of the Beneficiaries. All Hawke's Bay consumers/Beneficiaries have been impacted by the cyclone and many are in desperate need of financial support. Owning the shares directly gives us all a new, and better option: the option of continuing to own our shares and receive future dividends, or to sell the shares after Unison Networks lists on the NZX, for a sum that would substantially exceed the accumulated value of dividend payments for many years into the future.
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10. Is Unison actually performing well under the Trust "ownership"? With a compounding average growth rate of NEGATIVE 2.2%, the answer surely is NO!
11. The PwC report highlights the need for about \$100 million additional capital expenditure, each year, for the next 10 years. That money can only come from additional borrowing, or from selling assets, and under Trust ownership "Unison may not be able to maintain its dividend flow to the Trust".
12. The Trust is NOT a "Community" Trust. The concept of "intergenerational" does NOT exist in the Trust Deed. It is a construct created by the Trustees in order to argue for the "status quo". The fact that the Trust Deed provides for the Trust to terminate and be wound up at any of the 5 yearly "ownership reviews", and if not before, then certainly on 1 January 2072, confirms this.
13. Considering the report prepared by Unison Directors, and the lack of a proper analysis of the factors listed in 1 above, I believe that the shares in Unison should be distributed to the beneficiaries, as provided for in Rule 4.4 (c) of the Trust Deed.

Yours sincerely,

Stephen Dine

From:
Sent: 21 September 2023 4:36 pm
To: Stephen Dine

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I am in support of the Hawkes Bay Power Consumers Trust retaining ownership of our assets. The Trust have done an amazing job, and I know they will continue to do so.

Stephen Dine

From:
Sent: 15 October 2023 4:04 pm
To: Stephen Dine
Subject: Submission for Ownership review.

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Trustees,

For us it makes absolute sense for the HB Power Consumer's Trust to distribute the shares for the benefit of all ICP Holders.

As we are retired, having the ability to invest and control our own assets rather than have a group of Trustees act for us with no consultation is undemocratic.

Given the value for each ICP or shareholder is approximately \$12,000.00, we find that the annual dividend of around \$240.00 received from the Trust, falls short of what this investment could earn.

There will be many many people in our district who would benefit tremendously from the freeing up of these funds and therefore we make our submission for the ownership to be reviewed and the funds distributed accordingly.

Your sincerely

Stephen Dine

From:
Sent: 21 September 2023 4:50 pm
To: Stephen Dine
Subject: Re: Unison ownership review

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On Thu, Sep 21, 2023 at 4:19 PM Hawke's Bay Power Consumers' Trust <hbpct@bwr.co.nz> wrote:

No images? [Click here](#)



2023 Ownership Review



Your chance to have a say on the future ownership structure of Unison

Every five years, Hawke's Bay Power Consumers' Trust reviews the ownership structure of Unison Networks, considering proposals and available options for the future ownership of the shares in the company. It's underway now, and here's how you can get involved.

There are two reports available with information that HBPCT will consider:

1. An independent report from Price Waterhouse Coopers (PwC) that analyses the performance of Unison under HBPCT ownership, and reviewing various ownership options set out in the Trust deed
2. A report from Unison Directors commenting on the various ownership options and giving their opinion on the most appropriate form of ownership.

Both are available at www.hbpct.co.nz together with other information about the review including FAQs.

The key outtake from the PwC report is the "Unison has performed well as a consumer owned business". The key outtake from the Unison Directors' report is that "Unison Directors unanimously support retention of HBPCT ownership". However, it is important that you read these documents yourself.

Stephen Dine

From:
Sent: 7 October 2023 8:19 pm
To: Stephen Dine
Subject: Response to Ownership Review

[You don't often get email from
<https://aka.ms/LearnAboutSenderIdentification>]

Learn why this is important at

The Trustees

HBPCT

Ownership Review, Unison Networks Limited

I offer the following in response to the Ownership Review for Unison Networks Limited.

1. The Trust Deed itself clearly envisages and authorises the option of distributing the shares in Unison Networks to the Beneficiaries. The Trust was NOT established with a purpose of holding the assets of Unison Networks in perpetuity. If it had been, the trust deed would have mandated that. In fact, the reverse is clear, identifying alternative ownership options in Rule 4, and mandating a regular review procedure.

2. A recent legal opinion relating to a very similar Trust makes a number of fundamentally important statements, including . . .

- "When exercising trustee powers, trustees must act in accordance with their fiduciary duties. The carrying out of that action must be for a proper purpose and for the benefit of beneficiaries. This is key amongst the mandatory and default duties imposed upon trustees. Failing that, the act will be outside their powers, and amount to a breach of Trust".

Surely the current Trustees ought to understand this.

3. An author of the original Trust Deed, a prominent lawyer in Hawkes Bay, made a very interesting submission to the 2018 "Ownership Review". He stated . . .

- "There is a lamentable lack of understanding of the distinction between consumers and community. It is important that the Trustees emphasise and clarify that the sole beneficiaries of the Trust are consumers connected to the HB network of UNL, and that the terms of the Trust Deed clearly require the distribution of shares directly to the "consumers of the day" and for no other purpose. The Trustees of HBPCT have a fiduciary duty to uphold and comply with the specific provisions of the Trust Deed".

4. The Trustees, considering alternative ownership options for Unison Networks and its business, MUST consider a variety of factors such as:

- The market value of the whole of the Unison Networks business;
- The value of the parcel of shares to be distributed to the Beneficiaries;
- The future value of the whole of the Unison Networks business and the likely dividends should ownership remain with the Trust.

5. Where is the discussion and the detail around these issues of "value" which the Trustees must consider, and ought to disclose to the Beneficiaries?

6. There are express engagement obligations imposed on the Trustees with respect to the Trust Beneficiaries. A core duty incumbent on trustees of any trust is to act for the benefit of the beneficiaries of that trust, in accordance with the terms of the trust itself. A trustee cannot fulfil these duties properly if he or she does not have a proper understanding of the wishes of the Beneficiaries in respect of the proposed alternatives.

7. The so-called "independent" reports are totally focussed on what is best for Unison. That is NOT the Trustees concern. How do the Trustees show that continuing the current ownership model is of greater benefit to the Beneficiaries?
8. There is no better time than right now to act for the benefit of the Beneficiaries. All Hawke's Bay consumers/Beneficiaries have been impacted by the cyclone and many are in desperate need of financial support. Owning the shares directly gives us all a new, and better option: the option of continuing to own our shares and receive future dividends, or to sell the shares after Unison Networks lists on the NZX, for a sum that would substantially exceed the accumulated value of dividend payments for many years into the future.
9. The Trust was established in 1993. Since that time it has carried out 5 "Ownership Reviews", all resulting in a decision to maintain the status quo. But, the Trust must terminate, as mandated by the Trust Deed, and the Trust wound up on or before 1 January 2072. That means another 9 "Ownership Reviews" might be possible before the mandated Termination date. What event or environment would cause the Trustees to make the decision to distribute the shares that would be likely to be more beneficial to the Beneficiaries today, than the current need and benefit to Hawkes Bay, following the cyclone in February of this year?
10. It is easy to demonstrate the likely value of the parcel of shares that each Beneficiary would receive. Unison's financial reports quote the total shareholder funds at \$509M. That translates to \$8,300 for each beneficiary. Unison's market value is very possibly a deal more than that, and a sensible estimate is \$12,000.
11. If the Trustees know and understand the value of the shares, but fail to act for the Beneficiaries, and disclose that information during the course of an "ownership review", then that would be a serious omission and the Trustees would be in breach of trust.
12. The PwC comments about the costs of listing on the NZX are entirely irrelevant, and have been mis-interpreted in recent Trustee statements. Initial listing fees for a company the size of Unison would be about \$350,000. The PwC comments relate to companies seeking an initial public offering, an IPO, which is absolutely not the case when distributing shares to Beneficiaries.
13. Is Unison actually performing well under the Trust "ownership"? With a compounding average growth rate of NEGATIVE 2.2%, the answer surely is NO!
14. The PwC report highlights the need for about \$100 million additional capital expenditure, each year, for the next 10 years. That money can only come from additional borrowing, or from selling assets, and under Trust ownership . . . "Unison may not be able to maintain its dividend flow to the Trust".
15. The Trust is NOT a "Community" Trust. The concept of "intergenerational" does NOT exist in the Trust Deed. It is a construct created by the Trustees in order to argue for the "status quo". The fact that the Trust Deed provides for the Trust to terminate and be wound up at any of the 5 yearly "ownership reviews", and if not before, then certainly on 1 January 2072, confirms this.
16. Considering the report prepared by Unison Directors, and the lack of a proper analysis of the factors listed in 1 above, I believe that the shares in Unison should be distributed to the beneficiaries, as provided for in Rule 4.4 (c) of the Trust Deed.

Yours sincerely,

Stephen Dine

From:
Sent: 22 September 2023 9:19 am
To: Stephen Dine
Subject: ownership review

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pl keep existing ownership.

Stephen Dine

From:
Sent: 26 September 2023 3:33 pm
To: Stephen Dine
Subject: Ownership Review

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<https://aka.ms/LearnAboutSenderIdentification>]

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Hi
I strongly feel ownership should stay as the status quo, please.

Sent from my iPhone

Stephen Dine

From:
Sent: 15 October 2023 9:28 pm
To: Stephen Dine
Subject: Ownership review

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I support the PWC report recommendation to retain the current HBPCT ownership model.

Hawkes Bay Power Consumer Trust

2023 Ownership Review

I support keeping the ownership as it is, by the HBPCT

I do not support any of change alternatives as outlined in the discussion paper or any other changes.

My reasons are;

Unison is an infrastructure company being an electricity lines company. Unison is a monopoly, as there is no feasible alternative for a competitive provider. Unison is under the oversight of the Commerce Commission for being a monopoly.

I regard infrastructure monopolies should be publically owned as is the current status of Unison.

The Unison assets were built through public initiatives. Unisons is owned by its consumers. I advocate to remain so.

The founding objective was to build and operate a lines network to deliver electricity at lowest cost to promote economic wealth growth and prosperity for all in the region. This remains unchanged and has been very successful.

Such an arrangement is democracy implemented. Democracy is defined as, "the governance of the people, by the people, FOR the people". Very much the definition of the HBPCT operational model being FOR the advantage of the owner consumers and the region.

To issue tradable shares to the consumers negates the objective of maximising FOR the public good, and is in reality a road to privatisation of ownership external to the consumers.

Private ownership shareholders do not have the same objective as public ownership. They want to maximise returns to themselves exclusively.

A monopoly has no competitors and can easily achieve excessive returns and develop operational inefficiencies due to no external competitive challenges. Economic theorists regard this results in economic inefficiency and leads to reduced performance of the economy and reduces society's wealth.

The extra operating costs and excess profits required by alternative ownership management models are handed on to consumers who have no competing alternative suppliers and have to accept them. The extra costs reduce the electricity consumer's competitiveness for business, especially industry and reduces the affordability for domestic consumers and subtracts from their and the regions wealth.

The current Trust can accept modest return which then returned as a dividend to its consumers, the actual beneficiary owners. But this does not reflect the full benefit the trust ownership provides. Its beneficiary owners receive an additional benefit of lower charges then a shareholding owner would require.

Similarly contracting out the operation to an external supplier would result in a higher long term cost for consumers.

Typically operational contractors or external shareholders work on a short term strategy and they normally require a higher rate of return. They are looking to profit on a sale at the end of normally about 10 years term, to capture the capital gains, whilst receiving a substantial management fee. The company assets normally are run down to achieve short term profit maximisation resulting in impairment of the long term operational costs and efficiencies.

Such alternative management and ownership is completely inappropriate and suboptimal for Unison. The current public ownership model is best to obtain the optimum long term benefit for the consumer owners and additionally the capital gains are retained.

Another disadvantage is that the intellectual operating knowledge is now with an outsider which can compromise choice of replacement alternatives and makes it very difficult to return to self-management.

Unison have long life assets requiring a long term strategy to obtain the lowest life time cost of supplying those assets to the consumer owners.

Additionally long term strategies are required to manage changing circumstances such as the identified changes expected in the energy market.

Significantly the decarbonising of New Zealand's energy supply mostly by the replacement of carbon based fuels with renewable electricity. Most likely will lead to significant growth in electricity usage in the immediate and continuing future.

The value gain in Unison could be huge and this benefit should be retained by the current owners and the local economy and people.

SUMMARY

I strongly support the retention of the HB Power Consumer Trust, unchanged.

I absolutely reject any change to the existing model. Any of the proposed changes in the discussion paper do have my approval. Infrastructure should only ever be in public ownership, operated FOR the benefit of the served public.

I would like to attend any hearing on the matter to support my submission.

Stephen Dine

From:
Sent: 11 October 2023 5:48 pm
To: Stephen Dine
Subject: Response to Ownership Review

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The Trustees

HBPCT

Ownership Review, Unison Networks Limited

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1. The Trust Deed itself clearly envisages and authorises the option of distributing the shares in Unison Networks to the Beneficiaries. The Trust was NOT established with a purpose of holding the assets of Unison Networks in perpetuity. If it had been, the trust deed would have mandated that. In fact, the reverse is clear, identifying alternative ownership options in Rule 4, and mandating a regular review procedure.
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 - "There is a lamentable lack of understanding of the distinction between consumers and community. It is important that the Trustees emphasise and clarify that the sole beneficiaries of the Trust are consumers connected to the HB network of UNL, and that the terms of the Trust Deed clearly require the distribution of shares directly to the "consumers of the day" and for no other purpose. The Trustees of HBPCT have a fiduciary duty to uphold and comply with the specific provisions of the Trust Deed".
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7. The so-called "independent" reports are totally focussed on what is best for Unison. That is NOT the Trustees

concern. How do the Trustees show that continuing the current ownership model is of greater benefit to the Beneficiaries?

8. There is no better time than right now to act for the benefit of the Beneficiaries. All Hawke's Bay consumers/Beneficiaries have been impacted by the cyclone and many are in desperate need of financial support. Owning the shares directly gives us all a new, and better option: the option of continuing to own our shares and receive future dividends, or to sell the shares after Unison Networks lists on the NZX, for a sum that would substantially exceed the accumulated value of dividend payments for many years into the future.

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14. The PwC report highlights the need for about \$100 million additional capital expenditure, each year, for the next 10 years. That money can only come from additional borrowing, or from selling assets, and under Trust ownership ... "Unison may not be able to maintain its dividend flow to the Trust".

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16. Considering the report prepared by Unison Directors, and the lack of a proper analysis of the factors listed in 1 above, I believe that the shares in Unison should be distributed to the beneficiaries, as provided for in Rule 4.4 (c) of the Trust Deed.

Yours sincerely,

Sent from my Galaxy

Stephen Dine

From:
Sent: 16 October 2023 4:54 pm
To: Stephen Dine
Subject: Response to Ownership Review

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The Trustees

HBPCT

Ownership Review, Unison Networks Limited

In my view the HBPCT adds no value to Unison, and when I read the most recent annual report I cannot see that it adds any value or benefit to the Beneficiaries either.

The Trust was NOT established with a purpose of holding the assets of Unison Networks in perpetuity. If it had been, the trust deed would have mandated that. In fact, the reverse is clear, with the mandated reviews every 5 years.

There is no better time than right now to act for the benefit of the Beneficiaries. All Hawke's Bay consumers/Beneficiaries have been impacted by the cyclone and many are in desperate need of financial support.

Owning the shares directly gives us all a new, and better option: the option of continuing to own our shares and receive future dividends, or to sell the shares for a significant cash settlement. Of course Unison must apply to list on the NZX but this is a simple and inexpensive procedure.

The shares in Unison should be distributed to the beneficiaries now, as provided for in Rule 4.4 (c) of the Trust Deed.

Stephen Dine

From:
Sent: 27 September 2023 4:05 pm
To: Stephen Dine
Subject: Response to Ownership Review

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The Trustees

HBPCT

Ownership Review, Unison Networks Limited

I offer the following in response to the Ownership Review for Unison Networks Limited.

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13. Considering the report prepared by Unison Directors, and the lack of a proper analysis of the factors listed in 1 above, I believe that the shares in Unison should be distributed to the beneficiaries, as provided for in Rule 4.4 (c) of the Trust Deed.

Yours sincerely,

Stephen Dine

From:
Sent: 21 September 2023 8:50 am
To: Stephen Dine

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Hi there, I wish to know when you (HBPCT) Will be releasing my shares back to my control, unfortunately I no longer need (HBPCT) to look after mine.

Stephen Dine

From:
Sent: 22 September 2023 9:21 am
To: Stephen Dine
Subject: Unison ownership review

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Greetings,

As a power consumer of Hawkes Bay, I strongly support retention of HBPCT ownership.

Thank you for managing the Unison network on behalf of the Hawkes Bay community.

Kind regards,

Stephen Dine

From:
Sent: 15 October 2023 11:01 am
To: Stephen Dine
Subject: Response to Ownership Review

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The Trustees

HBPCT

Ownership Review, Unison Networks Limited

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16. Considering the report prepared by Unison Directors, and the lack of a proper analysis of the factors listed in 4 above, I believe that the shares in Unison should be distributed to the beneficiaries, as provided for in Rule 4.4 (c) of the Trust Deed.

Yours sincerely,

Stephen Dine

From:
Sent: 24 September 2023 11:10 am
To: Stephen Dine
Subject: Ownership Review

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Ownership Review

To whom it may concern.

It is my belief that the structure of HB Power Consumers Trust should be retained.

Regards

2023 Review of Ownership of the Shares in Unison Networks Limited

Submission

I am in favour of the Hawke's Bay Power Consumers' Trust retaining ownership of the shares in Unison Networks Limited.

Unison has prospered under the ownership of the HBPCT, a stable stakeholder that very clearly understands our local community. The Trust brings a strong community perspective that was very clearly evidenced in the response to Cyclone Gabrielle.

The Directors of Unison are unanimous in support of the retention of the Trust ownership, and the PWC report concludes that the Consumer Trust's ownership of Unison has served Hawke's Bay consumers well to date.

The shares are an intergenerational asset, and should stay that way. If shares are sold, the only beneficiaries would be those who are currently consumers, and future generations would miss out. Those shares may well be on-sold to investors who have no interest in our community, and future consumers located in Hawke's Bay would miss out. The community focus of Unison may well be lost if shares are acquired by external investors.

The shares in Unison must be retained by the HBPCT.

Stephen Dine

From:
Sent: 16 October 2023 11:52 am
To: Stephen Dine
Subject: Ownership Review

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Submission from:

Thank you for the opportunity to comment on the 2023 ownership review in relation to the Unison network.

We support retaining the current local consumer ownership structure by way of the Hawke's Bay Power Consumers Trust owning 100% of Unison shares. From the information provided we do not believe there is any commercial imperative to warrant a change to the current ownership, nor any meaningful benefits in making a change at present.

With regards the option to sell all or part of the shares, it is important to bear in mind that this would be akin to 'selling the family silver' - once it's gone, it's gone. Our message here is that once local control is lost, it would be more or less impossible to restore, and we hope that our fellow consumers fully appreciate this.

One of the advantages of trust ownership noted in the Directors' Report is that it 'allows the Company to focus on operating excellence initiatives, rather than primarily shareholder returns'. To us, this is paramount; the current structure works, and puts our local needs first. When shareholder returns become the main commercial driver, there is an inevitable loss of focus on the real stakeholders, being the local consumers.

We acknowledge that Unison will need capital for investment in meeting future power infrastructure needs, particularly in the coming decade. Based on the information provided, we are satisfied the capital requirements can be achieved under the current ownership structure. Should a trigger event occur, accepting a reduced annual dividend (or no dividend) is, in our view, preferable to losing local ownership and control.

Stephen Dine

From:
Sent: 2 October 2023 7:44 pm
To: Stephen Dine
Subject: maintain ownership and dividend -

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Stephen Dine

From:
Sent: 22 September 2023 11:01 am
To: Stephen Dine
Subject: Ownership Review

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Dear Directors,

Thank you for your email.

I do not see any evidence of community engagement in either report. How can PWC or the Directors have a balanced view without this?

With all due respect, a Director's review and Director paid report by PWC does not constitute a full review.

There needs to be more effort than a community meeting organised on 10 Nov for a decision on 17 November.

Reading the correspondence it is evident that a Comms personnel has deliberately crafted a message that presents this as "clear directive" rather than a review open to feedback.

I understand there are interest groups who have alternative models they would like to see considered - I would like these to be part of the review....not just given a voice at a meeting.

This is not adequate consideration of your responsibility to the community.

Regards,

Stephen Dine

From:
Sent: 15 October 2023 10:51 pm
To: Stephen Dine
Subject: Ownership Review

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I would like to submit my opinion that ownership of the Trust should remain as it is, in the hands of the community which uses its services.

We have lost so much of our core infrastructure to the private sector, channelling profits away from and removing the ethos of service to the common good. The energy sector serves the entire community, now and in the future, and the current Trust system seems to be the most fair and equitable.

I am also concerned that the transition to sustainable and renewable energy sources will require significant investment, and I would like to think that my share in the Trust will contribute towards that.

Stephen Dine

From:
Sent: 8 October 2023 1:54 pm
To: Stephen Dine
Subject: 2023 Ownership review (HBPCT).

TO
The Secretary
HB Power Consumers Trust (HBPCT)
Hastings

8 Oct 2023

Unison Networks Ownership Review 2023

Dear Trustees

From creation the HBPCT has been owned by the elected trustees, on behalf of the Consumers. Having attended many annual meetings and presentations and read annual reports on the operating outcome of the HBPCT and the Unison Group I see no reason to discontinue my support of the current ownership arrangement.

The power distribution network is a significant public utility, (like water and sewer services) and should be owned and managed in a manner that provides the best outcome for consumers, ie the status quo. An ownership that provides an outcome that favours a financial return to private share holders means that monetary resources are taken from the operating result and handed to private share holders rather than being returned to the Unison Group for use within the Group where they can be put to best communal use. The fact that consumers get a "dividend payout" is probably the best compromise by this communal utility trust (ie the HBPCT). (Personally I'd be happy to forgo this payout in favour of "keeping the lights turned on").

It seems to me that those who wish that the business be sold off for private gain have no consideration of it's communal value. It is a utility for communal support not personal/private gain. It has a high profile because of how it is operated and it's significance to the community and industry. Any ownership arrangement that puts monetary profit into the hands of private owners detracts from the purpose of the communal asset and leaves less money available for the development and support of the resource. The summary is that it is a community utility not a private "money box".

Having read the current Unison "Directors' Review", I see within same several comments with merit indicating continued HBPCT ownership is working fine therefore I say leave it as it is, ie owned by the HBPCT, on our behalf.

Please remain with the status quo of ownership.

(I wish to speak in support of this submission, at the 10 November 2023, Public Meeting).

Thank you and regards,

Hawkes Bay Power Consumers' Trust
hbpct@bwr.co.nz

7 October 2023

Ownership Review Submission

The Trust was formed in 1993. Despite changes in legislation in the 1990's it still remains in public ownership with power consumers.

Independent reviewers, Price, Waterhouse Cooper, are in favour of keeping the structure behind our annual power cheque as power consumers.

HB Power Consumers' Trust hold shares in Unison on behalf of 61,000 households. This year, in spite of the cyclone, consumers receive a pre-Christmas payment of \$240.00. This payment goes to the poorest in our community regardless of years of residence. I hope our public ownership will continue past the lifetime of many senior citizens.

Unity is strength. Unison did a remarkable job after the cyclone. Unison provides local jobs and careers to people who have a vested interest in the resilience of future power supply and future of the company.

Privatisation

If the shares held by the HB Consumers' Power Trust were put on sale to the public, they could be taken up by a wealthy few or overseas buyers with no interest but their profit margin. That would be the end of your annual payment.

Anderson, of the lobby group, Free the Funds, wants the shares at a claimed book value of \$8,300 per household to be handed over to individual ownership to the current householder. **No one benefits thereafter.** You could sell your individually owned shares on the value on the market on the day. Values touted by some are purely speculative.

Both options of privatisation favour profit for shareholders over maintaining and upgrading the infrastructure and improving its resilience. Worker welfare, pay and conditions suffer in my opinion.

Let's keep it local and with the current ownership structure.

Stephen Dine

From:
Sent: 14 October 2023 10:44 am
To: Stephen Dine
Subject: Response to Ownership Review

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The Trustees

HBPCT

Ownership Review, Unison Networks Limited

I offer the following in response to the Ownership Review for Unison Networks Limited.

1. The Trust Deed itself clearly envisages and authorises the option of distributing the shares in Unison Networks to the Beneficiaries. The Trust was NOT established with a purpose of holding the assets of Unison Networks in perpetuity. If it had been, the trust deed would have mandated that. In fact, the reverse is clear, identifying alternative ownership options in Rule 4, and mandating a regular review procedure.

2. A recent legal opinion relating to a very similar Trust makes a number of fundamentally important statements, including . . .

- "When exercising trustee powers, trustees must act in accordance with their fiduciary duties. The carrying out of that action must be for a proper purpose and for the benefit of beneficiaries. This is key amongst the mandatory and default duties imposed upon trustees. Failing that, the act will be outside their powers, and amount to a breach of Trust".

Surely the current Trustees ought to understand this.

3. An author of the original Trust Deed, a prominent lawyer in Hawkes Bay, made a very interesting submission to the 2018 "Ownership Review". He stated . . .

- "There is a lamentable lack of understanding of the distinction between consumers and community. It is important that the Trustees emphasise and clarify that the sole beneficiaries of the Trust are consumers connected to the HB network of UNL, and that the terms of the Trust Deed clearly require the distribution of shares directly to the "consumers of the day" and for no other purpose. The Trustees of HBPCT have a fiduciary duty to uphold and comply with the specific provisions of the Trust Deed".

4. The Trustees, considering alternative ownership options for Unison Networks and its business, MUST consider a variety of factors such as:

- The market value of the whole of the Unison Networks business;
- The value of the parcel of shares to be distributed to the Beneficiaries;
- The future value of the whole of the Unison Networks business and the likely dividends should ownership remain with the Trust.

5. Where is the discussion and the detail around these issues of "value" which the Trustees must consider, and ought to disclose to the Beneficiaries?

6. There are express engagement obligations imposed on the Trustees with respect to the Trust Beneficiaries. A core duty incumbent on trustees of any trust is to act for the benefit of the beneficiaries of that trust, in accordance with the terms of the trust itself. A trustee cannot fulfil these duties properly if he or she does not have a proper understanding of the wishes of the Beneficiaries in respect of the proposed alternatives.

7. The so-called "independent" reports are totally focussed on what is best for Unison. That is NOT the Trustees

concern. How do the Trustees show that continuing the current ownership model is of greater benefit to the Beneficiaries?

8. There is no better time than right now to act for the benefit of the Beneficiaries. All Hawke's Bay consumers/Beneficiaries have been impacted by the cyclone and many are in desperate need of financial support. Owning the shares directly gives us all a new, and better option: the option of continuing to own our shares and receive future dividends, or to sell the shares after Unison Networks lists on the NZX, for a sum that would substantially exceed the accumulated value of dividend payments for many years into the future.

9. The Trust was established in 1993. Since that time it has carried out 5 "Ownership Reviews", all resulting in a decision to maintain the status quo. But, the Trust must terminate, as mandated by the Trust Deed, and the Trust wound up on or before 1 January 2072. That means another 9 "Ownership Reviews" might be possible before the mandated Termination date. What event or environment would cause the Trustees to make the decision to distribute the shares that would be likely to be more beneficial to the Beneficiaries today, than the current need and benefit to Hawkes Bay, following the cyclone in February of this year?

10. It is easy to demonstrate the likely value of the parcel of shares that each Beneficiary would receive. Unison's financial reports quote the total shareholder funds at \$509M. That translates to \$8,300 for each beneficiary. Unison's market value is very possibly a deal more than that, and a sensible estimate is \$12,000.

11. If the Trustees know and understand the value of the shares, but fail to act for the Beneficiaries, and disclose that information during the course of an "ownership review", then that would be a serious omission and the Trustees would be in breach of trust.

12. The PwC comments about the costs of listing on the NZX are entirely irrelevant, and have been mis-interpreted in recent Trustee statements. Initial listing fees for a company the size of Unison would be about \$350,000. The PwC comments relate to companies seeking an initial public offering, an IPO, which is absolutely not the case when distributing shares to Beneficiaries.

13. Is Unison actually performing well under the Trust "ownership"? With a compounding average growth rate of NEGATIVE 2.2%, the answer surely is NO!

14. The PwC report highlights the need for about \$100 million additional capital expenditure, each year, for the next 10 years. That money can only come from additional borrowing, or from selling assets, and under Trust ownership . . . "Unison may not be able to maintain its dividend flow to the Trust".

15. The Trust is NOT a "Community" Trust. The concept of "intergenerational" does NOT exist in the Trust Deed. It is a construct created by the Trustees in order to argue for the "status quo". The fact that the Trust Deed provides for the Trust to terminate and be wound up at any of the 5 yearly "ownership reviews", and if not before, then certainly on 1 January 2072, confirms this.

16. Considering the report prepared by Unison Directors, and the lack of a proper analysis of the factors listed in 4 above, I believe that the shares in Unison should be distributed to the beneficiaries, as provided for in Rule 4.4 (c) of the Trust Deed.

Yours sincerely,

Stephen Dine

From:
Sent: 1 October 2023 10:49 am
To: Stephen Dine
Subject:

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Learn why this is important at

Please retain ownership.

From:
Sent: 27 September 2023 2:34 am
To: Stephen Dine
Subject: Response to Ownership Review

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The Trustees

HBPCT

Ownership Review, Unison Networks Limited

1. The Trust Deed itself clearly envisages and authorises the option of distributing the shares in Unison Networks to the Beneficiaries. **The Trust was NOT established with a purpose of holding the assets of Unison Networks in perpetuity.** If it had been, the trust deed would have mandated that. In fact, the reverse is clear, identifying alternative ownership options in Rule 4, and mandating a regular review procedure.

2. The Trustees, considering alternative ownership options for Unison Networks and its business, **MUST** consider a variety of factors such as:

- The market value of the whole of the Unison Networks business;
- The value of the parcel of shares to be distributed to the Beneficiaries;
- The future value of the whole of the Unison Networks business and the likely dividends should ownership remain with the Trust.

Where is the discussion and the detail around these issues of “value” which the Trustees must consider, and ought to disclose to the Beneficiaries?

4. There are express engagement obligations imposed on the Trustees with respect to the Trust Beneficiaries. A core duty incumbent on trustees of any trust is to **act for the benefit of the beneficiaries of that trust**, in accordance with the terms of the trust itself. A trustee cannot fulfil these duties properly if he or she does not have a proper understanding of the wishes of the Beneficiaries in respect of the proposed alternatives.

5. There is no better time than right now to act for the benefit of the Beneficiaries. All Hawke's Bay consumers/Beneficiaries have been impacted by the cyclone and many are in desperate need of financial support. Owning the shares directly gives us all a new, and better option: the option of continuing to own our shares and receive future dividends, or to sell the shares after Unison Networks lists on the NZX, for a sum that would substantially exceed the accumulated value of dividend payments for many years into the future.

6. The Trust was established in 1993. Since that time it has carried out 5 “Ownership Reviews”, all resulting in a decision to maintain the status quo. But, the Trust must terminate, as mandated by the Trust Deed, and the Trust wound up on or before 1 January 2072. That means another 9 “Ownership Reviews” might be possible before the mandated Termination date. What event or environment would cause the Trustees to make the decision to distribute the shares that would be likely to be more beneficial to the Beneficiaries today, than the current need and benefit to Hawkes Bay, following the cyclone in February of this year?

7. It is easy to demonstrate the likely value of the parcel of shares that each Beneficiary would receive. Unison' financial reports quote the total shareholder funds at \$509M. That

translates to \$8,300 for each beneficiary. Unison's market value is very possibly a deal more than that.

8. If the Trustees know and understand the value of the shares, but fail to act for the Beneficiaries, and disclose that information during the course of an "ownership review", then that would be a serious omission and the Trustees would be in breach of trust.

9. The PwC comments about the costs of listing on the NZX are entirely irrelevant, and have been mis-interpreted in recent Trustee statements. Initial listing fees for a company the size of Unison would be about \$350,000. The PwC comments relate to companies seeking an initial public offering, an IPO, which is absolutely not the case when distributing shares to Beneficiaries.

10. Is Unison actually performing well under the Trust "ownership"? With a compounding average growth rate of **NEGATIVE** 2.2%, the answer surely is NO!

11. The PwC report highlights the need for about \$100 million additional capital expenditure, each year, for the next 10 years. That money can only come from additional borrowing, or from selling assets, and under Trust ownership "Unison may not be able to maintain its dividend flow to the Trust".

12. The Trust is NOT a "Community" Trust. The concept of "intergenerational" does NOT exist in the Trust Deed. It is a construct created by the Trustees in order to argue for the "status quo". The fact that the Trust Deed provides for the Trust to terminate and be wound up at any of the 5 yearly "ownership reviews", and if not before, then certainly on 1 January 2072, confirms this.

13. Considering the report prepared by Unison Directors, and the lack of a proper analysis of the factors listed in 2 above, I believe that the shares in Unison should be distributed to the beneficiaries, as provided for in Rule 4.4 (c) of the Trust Deed.

Yours sincerely,

Stephen Dine

From:
Sent: 30 September 2023 9:34 pm
To: Stephen Dine
Subject: Unison ownership review.

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To whom it may concern,

I am writing in regards to the unison ownership review. I vote in favour of the buyout of shares, and believe the dividends should be given back to the people.

Stephen Dine

From:
Sent: 2 October 2023 3:49 pm
To: Stephen Dine
Subject: Response to Ownership Review

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The Trustees

HBPCT

Ownership Review, Unison Networks Limited

In my view the HBPCT adds no value to Unison, and when I read the most recent annual report i cannot see that it adds any value or benefit to the Beneficiaries either.

The Trust was NOT established with a purpose of holding the assets of Unison Networks in perpetuity. If it had been, the trust deed would have mandated that. In fact, the reverse is clear, with the mandated reviews every 5 years.

There is no better time than right now to act for the benefit of the Beneficiaries. All Hawke's Bay consumers/Beneficiaries have been impacted by the cyclone and many are in desperate need of financial support.

Owning the shares directly gives us all a new, and better option: the option of continuing to own our shares and receive future dividends, or to sell the shares for a significant cash settlement. Of course Unison must apply to list on the NZX but this is a simple and inexpensive procedure.

The shares in Unison should be distributed to the beneficiaries now, as provided for in Rule 4.4 (c) of the Trust Deed.

Yours sincerely,
Sent from [Mail](#) for Windows



2023 ownership review – You're invited

How to make a submission

Written submissions on the Unison Directors' Report to the Trustees are invited, with submissions closing Monday, 16 October 2023. You can submit via email to hbpct@bwr.co.nz or via mail to Ownership Review, The Secretary, Hawke's Bay Power Consumers', Trust, PO Box 146 Hastings 4156.

Name: _____

Address: _____

ICP number: _____

[– available from your latest power account]

Your submission comments:

Not enough information about what's happening with the funds reports are on line which is no good to me.
in fact the only information I get is in the paper (not much)
So I'm with ~~face~~ the funds don't sell the power company just pay out a lump sum to shareholders get rid of the trustees.
And where and when ~~are~~ are the public meetings held.



2023 ownership review – You're invited

How to make a submission

Written submissions on the Unison Directors' Report to the Trustees are invited, with submissions closing Monday, 16 October 2023. You can submit via email to hbpct@bwr.co.nz or via mail to Ownership Review, The Secretary, Hawke's Bay Power Consumers', Trust, PO Box 146 Hastings 4156.

Name: _____

Address: _____

ICP number: _____

[– available from your latest power account]

Your submission comments:

I wish to inform Trustees
that I would like to request that
the funds be paid out in full
to myself, also I think the Trustees
should have informed us that this
review was taking place sooner
this is what you were voted in for.

Stephen Dine

From:
Sent: 16 October 2023 2:59 pm
To: Stephen Dine
Subject: Ownership Review, Unison Networks Limited

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The Trustees

HBPCT

1. The Trust Deed itself clearly envisages and authorises the option of distributing the shares in Unison Networks to the Beneficiaries. **The Trust was NOT established with a purpose of holding the assets of Unison Networks in perpetuity.** If it had been, the trust deed would have mandated that. In fact, the reverse is clear, identifying alternative ownership options in Rule 4, and mandating a regular review procedure.
2. A recent legal opinion relating to a very similar Trust makes a number of fundamentally important statements, including...
 - “When exercising trustee powers, trustees must act in accordance with their fiduciary duties. The carrying out of that action must be for a proper purpose **and for the benefit of beneficiaries.** This is key amongst the mandatory and default duties imposed upon trustees. Failing that, the act will be outside their powers, and amount to a breach of Trust”.
3. An author of the original Trust Deed, a prominent lawyer in Hawkes Bay, made a very interesting submission to the 2018 “Ownership Review”. He stated...
 - “There is a lamentable lack of understanding of the distinction between consumers and community. It is important that the Trustees emphasise and clarify that the sole beneficiaries of the Trust are consumers connected to the HB network of UNL, and that the terms of the Trust Deed clearly require the distribution of shares directly to the “consumers of the day” and for no other purpose. The Trustees of HBPCT have a fiduciary duty to uphold and comply with the specific provisions of the Trust Deed”.

Surely the current Trustees ought to understand this.

4. The Trustees, considering alternative ownership options for Unison Networks and its business, **MUST** consider a variety of factors such as:
 - The market value of the whole of the Unison Networks business;
 - The value of the parcel of shares to be distributed to the Beneficiaries;
 - The future value of the whole of the Unison Networks business and the likely dividends should ownership remain with the Trust.
5. Where is the discussion and the detail around these issues of “value” which the Trustees must consider, and ought to disclose to the Beneficiaries?
6. There are express engagement obligations imposed on the Trustees with respect to the Trust Beneficiaries. A core duty incumbent on trustees of any trust is to **act for the benefit of the beneficiaries of that trust**, in accordance with the terms of the trust itself. A trustee cannot fulfil these duties properly if he or she does not have a proper understanding of the wishes of the Beneficiaries in respect of the proposed alternatives.
7. The so-called “independent” reports are totally focussed on what is best for Unison. That is **NOT** the Trustees concern. How do the Trustees show that continuing the current ownership model is of greater benefit to the Beneficiaries?
8. There is no better time than right now to act for the benefit of the Beneficiaries. All Hawke's Bay consumers/Beneficiaries have been impacted by the cyclone and many are in desperate need of financial support. Owning the shares directly gives us all a new, and better option: the option of continuing to own our shares and receive future dividends, or to sell the shares after Unison Networks lists on the NZX, for a sum that would substantially exceed the accumulated value of dividend payments for many years into the future.
9. The Trust was established in 1993. Since that time it has carried out 5 “Ownership Reviews”, all resulting in a decision to maintain the status quo. But, the Trust must terminate, as mandated by the Trust Deed, and the

Trust wound up on or before 1 January 2072. That means another 9 "Ownership Reviews" might be possible before the mandated Termination date. What event or environment would cause the Trustees to make the decision to distribute the shares that would be likely to be more beneficial to the Beneficiaries today, than the current need and benefit to Hawkes Bay, following the cyclone in February of this year?

10. It is easy to demonstrate the likely value of the parcel of shares that each Beneficiary would receive. Unison's financial reports quote the total shareholder funds at \$509M. That translates to \$8,300 for each beneficiary. Unison's market value is very possibly a deal more than that, and a sensible estimate is \$12,000.

11. If the Trustees know and understand the value of the shares, but fail to act for the Beneficiaries, and disclose that information during the course of an "ownership review", then that would be a serious omission and the Trustees would be in breach of trust.

12. The PwC comments about the costs of listing on the NZX are entirely irrelevant, and have been misinterpreted in recent Trustee statements. Initial listing fees for a company the size of Unison would be about \$350,000. The PwC comments relate to companies seeking an initial public offering, an IPO, which is absolutely not the case when distributing shares to Beneficiaries.

13. Is Unison actually performing well under the Trust "ownership"? With PwC showing Unison Network Limited has a compounding average growth rate of **NEGATIVE 2.2%**, the answer surely is NO!

14. The PwC report highlights the need for about \$100 million additional capital expenditure, each year, for the next 10 years. That money can only come from additional borrowing, or from selling assets, and under Trust ownership . . . "Unison may not be able to maintain its dividend flow to the Trust".

15. The Trust is NOT a "Community" Trust. The concept of "intergenerational" does NOT exist in the Trust Deed. It is a construct created by the Trustees in order to argue for the "status quo". The fact that the Trust Deed provides for the Trust to terminate and be wound up at any of the 5 yearly "ownership reviews", and if not before, then certainly on 1 January 2072, confirms this.

16. Considering the report prepared by Unison Directors, and the lack of a proper analysis of the factors listed in 4 above, I believe that the shares in Unison should be distributed to the beneficiaries, as provided for in Rule 4.4 (c) of the Trust Deed.

Yours sincerely,

Stephen Dine

From:
Sent: 23 September 2023 9:41 am
To: Stephen Dine
Subject: Unison Ownership Review

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We fully support the present Ownership and management position and long may it continue.
No change please, We have read all the information Provided.

Stephen Dine

From:
Sent: 22 September 2023 2:52 pm
To: Stephen Dine
Subject: Ownership Review

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We wish to support the proposition that the Unison Network will remain under the control/ownership of the Hawke's Bay Power Consumer Trust.

We also support the ongoing Annual Dividend Distribution to HB Consumer Beneficiaries to be continued.

Thank you,

Stephen Dine

From:
Sent: 22 September 2023 11:14 am
To: Stephen Dine
Subject: Ownership Review

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I would like to see it remain as a consumer owned business (HBPCT Ownership).

Stephen Dine

From:
Sent: 22 September 2023 4:20 pm
To: Stephen Dine
Subject: Ownership review

Good afternoon

I wish to let you know that I prefer the current ownership by HB Power Consumers Trust

Stephen Dine

From:
Sent: 14 October 2023 9:11 am
To: Stephen Dine
Subject: Alternative to Power Trust

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I would prefer not to have a trust. I'm not even sure that they accomplish what we need them to. Rather than spend the money on a trust with an inconsequential \$200 or so a year, let's spend a lot more money on improvements. I was without power for ten days after cyclone Gabrielle and there were others without power for a lot longer. Let's work on improving that.

Also not happy about Unison selling off the fibre. We have one of the most expensive internet provision in the world. It's quite outrageous what we pay here in New Zealand.

Thank you

Sent from my iPhone

Stephen Dine

From:
Sent: 14 October 2023 1:07 pm
To: Stephen Dine
Subject: Response to Ownership Review

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The Trustees

HBPCT

Ownership Review, Unison Networks Limited

I offer the following in response to the Ownership Review for Unison Networks Limited.

1. The Trust Deed itself clearly envisages and authorises the option of distributing the shares in Unison Networks to the Beneficiaries. The Trust was NOT established with a purpose of holding the assets of Unison Networks in perpetuity. If it had been, the trust deed would have mandated that. In fact, the reverse is clear, identifying alternative ownership options in Rule 4, and mandating a regular review procedure.

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3. An author of the original Trust Deed, a prominent lawyer in Hawkes Bay, made a very interesting submission to the 2018 "Ownership Review". He stated . . .

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concern. How do the Trustees show that continuing the current ownership model is of greater benefit to the Beneficiaries?

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11. If the Trustees know and understand the value of the shares, but fail to act for the Beneficiaries, and disclose that information during the course of an "ownership review", then that would be a serious omission and the Trustees would be in breach of trust.

12. The PwC comments about the costs of listing on the NZX are entirely irrelevant, and have been mis-interpreted in recent Trustee statements. Initial listing fees for a company the size of Unison would be about \$350,000. The PwC comments relate to companies seeking an initial public offering, an IPO, which is absolutely not the case when distributing shares to Beneficiaries.

13. Is Unison actually performing well under the Trust "ownership"? With a compounding average growth rate of NEGATIVE 2.2%, the answer surely is NO!

14. The PwC report highlights the need for about \$100 million additional capital expenditure, each year, for the next 10 years. That money can only come from additional borrowing, or from selling assets, and under Trust ownership . . . "Unison may not be able to maintain its dividend flow to the Trust".

15. The Trust is NOT a "Community" Trust. The concept of "intergenerational" does NOT exist in the Trust Deed. It is a construct created by the Trustees in order to argue for the "status quo". The fact that the Trust Deed provides for the Trust to terminate and be wound up at any of the 5 yearly "ownership reviews", and if not before, then certainly on 1 January 2072, confirms this.

16. Considering the report prepared by Unison Directors, and the lack of a proper analysis of the factors listed in 4 above, I believe that the shares in Unison should be distributed to the beneficiaries, as provided for in Rule 4.4 (c) of the Trust Deed.

Stephen Dine

From:
Sent: 9 October 2023 10:46 am
To: Stephen Dine
Subject: Response to Ownership Review

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The Trustees

HBPCT

Ownership Review, Unison Networks Limited

In my view the HBPCT adds little value to Unison, and when I read the most recent annual report I cannot see that it adds little value or benefit to the Beneficiaries either.

I believe that the Trust was not established with a purpose of holding the assets of Unison Networks in perpetuity. If it had been, the trust deed would have mandated that. In fact, the reverse is clear, with the mandated reviews every 5 years.

There is no better time than right now to act for the benefit of the Beneficiaries. All Hawke's Bay consumers/Beneficiaries have been impacted by the cyclone and many are in desperate need of financial support.

Owning the shares directly gives us all a new, and better option: the option of continuing to own our shares and receive future dividends, or to sell the shares for a significant cash settlement. Of course Unison must apply to list on the NZX but this is a simple and inexpensive procedure.

The shares in Unison should be distributed to the beneficiaries now, as provided for in Rule 4.4 (c) of the Trust Deed.

Yours sincerely,

Stephen Dine

From:
Sent: 8 October 2023 12:02 pm
To: Stephen Dine
Subject: Response to Ownership Review

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The Trustees

HBPCT

Ownership Review, Unison Networks Limited

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The shares in Unison should be distributed to the beneficiaries now, as provided for in Rule 4.4 (c) of the Trust Deed.

Stephen Dine

From:
Sent: 6 October 2023 2:57 pm
To: Stephen Dine
Subject: Ownership Review

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To: the Trustees

We support: Retention of Hawke's Bay Power Consumers' Trust ownership of Unison. We agree with the Unison Directors that Trust ownership remains the most appropriate form of ownership at this time.

Regards,

Stephen Dine

From:
Sent: 27 September 2023 11:46 am
To: Stephen Dine
Subject: Response to Ownership Review

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The Trustees

HBPCT

Ownership Review, Unison Networks Limited

In my view the HBPCT adds no value to Unison, and when I read the most recent annual report I cannot see that it adds any value or benefit to the Beneficiaries either.

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The shares in Unison should be distributed to the beneficiaries now, as provided for in Rule 4.4 (c) of the Trust Deed.

Yours sincerely,

Stephen Dine

From:
Sent: 14 October 2023 11:51 am
To: Stephen Dine
Subject: Response to Ownership Review

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The Trustees

HBPCT

Ownership Review, Unison Networks Limited

I offer the following in response to the Ownership Review for Unison Networks Limited.

1. The Trust Deed itself clearly envisages and authorises the option of distributing the shares in Unison Networks to the Beneficiaries. The Trust was NOT established with a purpose of holding the assets of Unison Networks in perpetuity. If it had been, the trust deed would have mandated that. In fact, the reverse is clear, identifying alternative ownership options in Rule 4, and mandating a regular review procedure.

2. A recent legal opinion relating to a very similar Trust makes a number of fundamentally important statements, including . . .

- "When exercising trustee powers, trustees must act in accordance with their fiduciary duties. The carrying out of that action must be for a proper purpose and for the benefit of beneficiaries. This is key amongst the mandatory and default duties imposed upon trustees. Failing that, the act will be outside their powers, and amount to a breach of Trust".

Surely the current Trustees ought to understand this.

3. An author of the original Trust Deed, a prominent lawyer in Hawkes Bay, made a very interesting submission to the 2018 "Ownership Review". He stated . . .

- "There is a lamentable lack of understanding of the distinction between consumers and community. It is important that the Trustees emphasise and clarify that the sole beneficiaries of the Trust are consumers connected to the HB network of UNL, and that the terms of the Trust Deed clearly require the distribution of shares directly to the "consumers of the day" and for no other purpose. The Trustees of HBPCT have a fiduciary duty to uphold and comply with the specific provisions of the Trust Deed".

4. The Trustees, considering alternative ownership options for Unison Networks and its business, MUST consider a variety of factors such as:

- The market value of the whole of the Unison Networks business;
- The value of the parcel of shares to be distributed to the Beneficiaries;
- The future value of the whole of the Unison Networks business and the likely dividends should ownership remain with the Trust.

5. Where is the discussion and the detail around these issues of "value" which the Trustees must consider, and ought to disclose to the Beneficiaries?

6. There are express engagement obligations imposed on the Trustees with respect to the Trust Beneficiaries. A core duty incumbent on trustees of any trust is to act for the benefit of the beneficiaries of that trust, in accordance with the terms of the trust itself. A trustee cannot fulfil these duties properly if he or she does not have a proper understanding of the wishes of the Beneficiaries in respect of the proposed alternatives.

7. The so-called "independent" reports are totally focussed on what is best for Unison. That is NOT the Trustees concern. How do the Trustees show that continuing the current ownership model is of greater benefit to the Beneficiaries?
8. There is no better time than right now to act for the benefit of the Beneficiaries. All Hawke's Bay consumers/Beneficiaries have been impacted by the cyclone and many are in desperate need of financial support. Owning the shares directly gives us all a new, and better option: the option of continuing to own our shares and receive future dividends, or to sell the shares after Unison Networks lists on the NZX, for a sum that would substantially exceed the accumulated value of dividend payments for many years into the future.
9. The Trust was established in 1993. Since that time it has carried out 5 "Ownership Reviews", all resulting in a decision to maintain the status quo. But, the Trust must terminate, as mandated by the Trust Deed, and the Trust wound up on or before 1 January 2072. That means another 9 "Ownership Reviews" might be possible before the mandated Termination date. What event or environment would cause the Trustees to make the decision to distribute the shares that would be likely to be more beneficial to the Beneficiaries today, than the current need and benefit to Hawkes Bay, following the cyclone in February of this year?
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16. Considering the report prepared by Unison Directors, and the lack of a proper analysis of the factors listed in 4 above, I believe that the shares in Unison should be distributed to the beneficiaries, as provided for in Rule 4.4 (c) of the Trust Deed.

Yours sincerely,

Stephen Dine

From:
Sent: 26 September 2023 12:17 pm
To: Stephen Dine
Subject: Unison Submission

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The Trustees

HBPCT

Ownership Review, Unison Networks Limited

In my view the HBPCT adds no value to Unison, and when I read the most recent annual report I cannot see that it adds any value or benefit to the Beneficiaries either.

The Trust was NOT established with a purpose of holding the assets of Unison Networks in perpetuity. If it had been, the trust deed would have mandated that. In fact, the reverse is clear, with the mandated reviews every 5 years and the opportunity to distribute the shares to the Beneficiaries.

There is no better time than right now to act for the benefit of the Beneficiaries. All Hawke's Bay consumers/Beneficiaries have been impacted by the cyclone and many are in desperate need of financial support. Owning the shares directly gives us all a new, and better option: the option of continuing to own our shares and receive future dividends, or to sell the shares for a significant cash settlement. Of course Unison must apply to list on the NZX but this is a simple and inexpensive procedure.

The shares in Unison should be distributed to the beneficiaries now, as provided for in Rule 4.4 (c) of the Trust Deed.

Yours sincerely,

Stephen Dine

From:
Sent: 19 September 2023 3:32 pm
To: Stephen Dine
Subject: The Rates Rebate for 2023

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To the Secretary,

I am a Hawkes Bay power Consumer and have lived at my property for over 17 years. I have recently retired and being over 65, the idea to receive a final payment of \$12,000 would be fantastic. It would help in time's like now, with the cost of living going up all the time.

But there is also a problem with the final payment. I have Tennants who have lived in New Zealand for less than 6 months. It would feel like an injustice to me, as I have worked and paid my Taxes, I have an interest in what happens to our country. Only one of my Tennants works, and it seems so unfair that someone can walk into this country and not lift a finger to help or care, but can receive this \$12,000 and promptly go straight back to India. Easy money. Laughing all the way to the bank. My neighbor suggested that pensioners should get the final payout. Anyway I don't agree that it should go to just anyone.

Thank you.

Regards

Stephen Dine

From:
Sent: 24 September 2023 4:25 pm
To: Stephen Dine
Subject: Submission

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I would like to support the retention of HBPCT ownership.
Keeping the current ownership model

Stephen Dine

From:
Sent: 9 October 2023 8:27 pm
To: Stephen Dine
Subject: 2023 Ownership Review

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Hello,

I am writing to submit on the 2023 ownership review. My details are at the end.

I submit that Unison Networks Limited ownership should remain 100% with the Trust (Hawke's Bay Power Consumers' Trust).

I agree with many parts of the Unison Directors report, especially:

- "Trust ownership allows the Company to focus on operating excellence initiatives rather than primarily shareholder returns"
- "The Trust is able to focus on the investment in long-term assets for the benefit of current and future generations (including investments for network growth and investments for improved resilience and reliability)."

Moving ownership of shares to individual households might be appealing to consumers in the short term. But the long term outlook, in my opinion, trends towards large stakes being eventually held by investors who aren't interested in "long-term assets for the benefits of current and future generations", but instead in the extraction of maximum shareholder value.

In my view, this would be a terrible outcome.

To be honest, if the Trust/Unison paid \$0 in dividends, I would be quite happy. What matters to me is the stability, security, and resilience of our power network.

Again I am lifting directly from the Directors report, but this paragraph sums up for me why I am so against any change in ownership:

"Networks are becoming more complex to operate and will need to respond to changes in government regulatory and policy settings as well as climate change. As an essential infrastructure business, particularly as communities become more heavily reliant on stable electricity supply, management of the Company's assets necessarily requires a long-life, intergenerational perspective. Infrastructure is expensive to build and to maintain. To ensure reasonable affordability and equity between generations costs need to be spread over time and the regulatory settings require this."

It is so important, now more than ever, that we keep a long term view, and not succumb to short term benefits at the expense of our future network.

Regards,

14 SECRETARY
14 B PCT

I WISH TO SEE THE SHARES REMAINING WITH
THE TRUST IT IS MY OPINION THAT THIS IS BEST
WAY TO SAFEGUARD OUR ASSETS FOR FUTURE AND
WISH THE TRUSTEES TO CONTINUE TO REPRESENTING
AND ADMINISTER MY ENTITLEMENTS AND EXPRESS
MY THANKS FOR THE EXCELLENT JOB THAT THEY
HAVE DONE

Stephen Dine

From:
Sent: 25 September 2023 12:04 am
To: Stephen Dine
Subject: Ownership Review

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To whom it may concern,

I support the ownership of HBPCT remaining unchanged.

Regards,

Stephen Dine

From:
Sent: 6 October 2023 3:57 pm
To: Stephen Dine
Subject: Response to Ownership Review

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<https://aka.ms/LearnAboutSenderIdentification>]

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The Trustees

HBPCT

Ownership Review, Unison Networks Limited

In my view the HBPCT adds no value to Unison, and when I read the most recent annual report I cannot see that it adds any value or benefit to the Beneficiaries either.

The Trust was NOT established with a purpose of holding the assets of Unison Networks in perpetuity. If it had been, the trust deed would have mandated that. In fact, the reverse is clear, with the mandated reviews every 5 years.

There is no better time than right now to act for the benefit of the Beneficiaries. All Hawke's Bay consumers/Beneficiaries have been impacted by the cyclone and many are in desperate need of financial support.

Owning the shares directly gives us all a new, and better option: the option of continuing to own our shares and receive future dividends, or to sell the shares for a significant cash settlement. Of course Unison must apply to list on the NZX but this is a simple and inexpensive procedure.

The shares in Unison should be distributed to the beneficiaries now, as provided for in Rule 4.4 (c) of the Trust Deed.

Yours sincerely,

Sent from my iPad

Stephen Dine

From:
Sent: 6 October 2023 4:01 pm
To: Stephen Dine
Subject: Response to Ownership Review

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<https://aka.ms/LearnAboutSenderIdentification>]

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The Trustees

HBPCT

Ownership Review, Unison Networks Limited

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16. Considering the report prepared by Unison Directors, and the lack of a proper analysis of the factors listed in 1 above, I believe that the shares in Unison should be distributed to the beneficiaries, as provided for in Rule 4.4 (c) of the Trust Deed.

Yours sincerely,

Stephen Dine

From:
Sent: 19 September 2023 3:08 am
To: Stephen Dine
Subject: Ownership of Unison

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Greetings

We are in favour of keeping the ownership in the community's hands.

We are very satisfied with the way things are run.

Kind regard

Stephen Dine

From:
Sent: 8 October 2023 1:35 pm
To: Stephen Dine

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We are in favour of keeping the current ownership model

Regards

Stephen Dine

From:
Sent: 2 October 2023 11:22 am
To: Stephen Dine
Subject: Ownership Review

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We are
shares thank you

Our submission is to sell our

Sent from my iPad

Stephen Dine

From:
Sent: 25 September 2023 2:45 pm
To: Stephen Dine
Subject: Compliment

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Thanks for allowing feedback from the community.

During the recent weather events, the one business that handled their work efficiently, advised public what stages they were at, and consistently was praised in the community was Unison. No other public/ govt owned/operated entity provided as much information, accurate information and completed the jobs, as Unison did. Unison workers achieved so much, so quickly. If we allow this asset to be sold off, it would be shortsighted and losing an asset that has served this area extremely well.

Stephen Dine

From:
Sent: 14 October 2023 12:30 pm
To: Stephen Dine
Subject: OWNERSHIP REVIEW

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I consider that the Hawke's Bay Power Consumers' Trust manages Unison Networks well and that ownership should be retained as it is currently.

Power reticulation is a very necessary part of the essential requirements for life as we live it. Having the ownership in an essential asset held by a "for profit" Corporation is not in the best interests of consumers.

If the ownership was sold to a Company or Corporation, that entity would, after covering costs, be required to pay a Dividend to its Shareholders. Quite possibly these Shareholders would not be New Zealand residents.

Yes, the current Consumers/Shareholders would receive a lump sum payment now but this may well be at the cost of increased Power prices in the future. This will affect Consumers/Shareholders and future generations and would be irreversible.

There is also the danger of job losses and lack of maintenance or renewal of infrastructure. This has happened with other large asset sell-offs.

The Consumers/Shareholders receive a Dividend each year, which is always very welcome. Unison is an integral part of our communities, employs New Zealanders, and supports local Charities. The recovery after Cyclone Gabrielle shows just how the Hawke's Bay Power Consumers' Trust and Unison Networks care for our communities.

The Trust has been and is being managed well and with value added.

We should retain ownership as it is currently.

I do not wish to speak at any Meetings.

Stephen Dine

From:
Sent: 26 September 2023 7:20 pm
To: Stephen Dine
Subject: Response to Ownership Review

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HBPCT

Ownership Review, Unison Networks Limited

In my view the HBPCT adds no value to Unison, and when I read the most recent annual report I cannot see that it adds any value or benefit to the Beneficiaries either.

The Trust was NOT established with a purpose of holding the assets of Unison Networks in perpetuity. If it had been, the trust deed would have mandated that. In fact, the reverse is clear, with the mandated reviews every 5 years.

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The shares in Unison should be distributed to the beneficiaries now, as provided for in Rule 4.4 (c) of the Trust Deed.

Stephen Dine

From:
Sent: 1 October 2023 12:31 pm
To: Stephen Dine
Subject: Unison Ownership Review

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After reading the reports I agree that retaining HBPCT ownership is currently the most appropriate course of action.

Regards,

Sent from my iPad