WAITOMO ENERGY SERVICES CUSTOMER TRUST

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28 July 2026

To all beneficiaries of the Waitomo Energy Services Customer Trust (WESCT),

2026 Ownership Review Poll

Background:

1. The WESCT journey of owning 100% of The Lines Company (TLC) was started in 1993 by forward-looking leaders of our community. They wanted to ensure "security of electricity supply and service quality within our district **that could be for the benefit of the people in our community,** in a business environment that strives for maximising shareholder value".

2. WESCT completes an **Ownership Review Poll of the WESCT beneficiaries every six years** regarding their opinion on whether the existing trust ownership structure should remain in place. This process is required under the Trust Deed.

3. Previous polls conducted in 1996, 2002, 2008, 2014, and 2020 voted overwhelmingly in favour of retaining the current ownership structure.

4. Like previous polls, the TLC Board has provided a full report, and WESCT commissioned an independent report. Full copies of these reports follow this letter and are available on the WESCT website – www.wesct.org.nz

Report Conclusions:

1. **Utility Consultants Ltd completed the independent report**. The summary statement in this report is:

   "The overarching conclusion of this report is that "**the current 100% ownership of The Lines Company by the Waitomo Energy Services Customer Trust returns about $5.4m of value per year to the community. This would be unlikely to occur under other ownership arrangements.**"

2. Along with their evidence-based conclusions, the **recommendation of the TLC Board** is:

   "**The Board strongly recommends that TLC remains 100% Trust-owned.**"

WESCT Trustee Recommendation:

1. The Trustees agree with the conclusions of the reports and respectively **recommend that the Trust Beneficiaries retain the current ownership structure.**

2. The Trustees believe **the current ownership structure provides the best option to continue to obtain benefits** from:

i. Local control of vitally important infrastructure for both homes and local business development **(e.g. local people as Trustees that help set the direction of the business through the annual Statement of Corporate Intent process).**

ii. TLC **has charged its customers on average $0.9m less per year than allowed by law** over the period 1st April 2020 to 31st March 2025, improving the competitiveness of local businesses and the well-being of households.

iii. The distribution of profit, derived from TLC, back into the local community, **which has seen over $27 million in TLC discounts passed back to beneficiaries over the last six years**.

iv. TLC is a major local employer, with around 80% of its people living in the communities it serves. **It provides local jobs, apprenticeships, training and long-term career opportunities, helping to build skills and support the future of our region.**

v. **As a locally owned business, TLC understands the needs of our communities and invests back into them** through grants, scholarships, renewable energy initiatives and programmes like the Maru Energy Trust.

With all that in mind, we encourage you to **have your say and vote in the Ownership Review Poll.**

Yours faithfully

The 2026 WESCT Trustees:

Janette Osborne, Yvette Ronaldson, Guy Whitaker (Deputy Chair), William Oliver (Chair), Brian Hanna, and Olivia Buckley