

UPDATE

September 2020

Waitomo Energy Services Customer Trust (WESCT)

Your Trust. Your Asset. Your News

Welcome to the half-yearly WESCT news update of trust business. The update is a quick way for WESCT beneficiaries to find out what the Trust has worked on to safeguard and grow your community-owned asset for current and future generations.

Who is WESCT

WESCT holds 100% of the shares in The Lines Company Limited (TLC) on behalf of eligible TLC customers. As trustees, it is our job to protect the value of those shares and distribute benefits to the Trust's beneficiaries by way of discounts through TLC account.

Trustees are responsible for appointing new TLC directors, reviewing director performance, and working with TLC to determine an annual Statement of Corporate Intent.



Upcoming Key Events

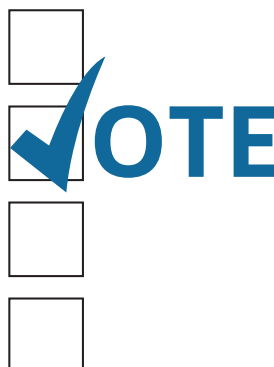
During September a six-yearly postal vote will be held on the Trust ownership model and a three-yearly vote to elect three of the six trustees. The trustees encourage you to vote as the decisions have the potential to affect the beneficial customers of The Lines Company significantly.

WESCT is holding an election for three "A" Trustees

An information evening was run by WESCT on the 6th July, to assist potential candidates in deciding whether to go ahead and lodge their nominations.

On behalf of WESCT beneficiaries, we wish the five candidates well for their campaign:

- Mark Ammon
- Nigel Chetty
- Erin Gray
- William Oliver
- Janette Osborne



Customer Trust Ownership Review

The ownership review is completed every six years as a requirement of the Trust Deed. WESCT beneficiaries vote whether they still support the Customer Trust ownership model for TLC.

Since the formation of WESCT in 1993, beneficiaries have always voted to retain the community ownership model, which is also the option preferred by the current trustees. We see it as a fair way of keeping the ownership benefits within the community and passing the financial benefits back to beneficial customers.

Click [here](#) for the full ownership review report, which includes reports from the Trust, an independent consultant and the TLC Board. All three reports support retaining the present ownership review structure.

All eligible voters will receive an [information sheet](#), that summarises the options available and their possible implications, in their voting packs.



Recent Key Activities

Working with TLC on the 2020/21 Statement of Corporate Intent

WESCT prepared a Letter of Expectation outlining the areas WESCT expect TLC to prioritise in the year ahead. Our priority areas continue to be:

- **Kaitiakitanga** - Custodianship
- **Whakatipu** - Growth
- **Ngā whakawhitinga** - Communication
- **Hapori** - Community
- **Hauora me te haumaruru** - Health and safety

The Statement of Corporate Intent (SCI) is TLC's annual planning document that is prepared with specific reference to WESCT's Letter of Expectation.

Two Key SCI Outcomes



\$3.8m

The discount payable to WESCT beneficiaries in December 2020 and May 2021 will total \$3.8 million. The average line charges (assuming same use) are set to decrease.



\$6.2m

The discount and the reduced lines charges* together will be equivalent to a \$6.2 million benefit to the WESCT beneficiaries in 2020/21.

[Click here](#), for the complete SCI, including WESCT's Letter of Expectation.

*TLC has forecast that the average line charges, assuming same use will decrease by approximately 8%. You will find more details on page 20 of the SCI.

Director Appointments

During the last ten months WESCT announced the appointment of two new directors. Most recently Simon Fleisher replaced outgoing Director Roger Sutton, and Bella Takiari-Brame joined the Board in December 2019.

Affiliated with Ngāti Maniapoto and Waikato-Tainui, Ms Takiari-Brame has strong associations with the area, having spent her formative years in Mahoenui and attending Piopio school. Bella is a chartered accountant, with significant energy sector and governance experience. She is currently a generally elected trustee and the interim CEO for the Maniapoto Māori Trust Board.

Mr Fleisher brings to the Board team a strong background in engineering with a Masters in Engineering and is a Chartered Professional Engineer and a Fellow of Engineering New Zealand.

You can find out more about the current TLC Directors [here](#)



Simon Fleisher



Bella Takiari-Brame