



**MINUTES OF THE ANNUAL MEETING OF WESCT CUSTOMERS OF
WAITOMO ENERGY SERVICES CUSTOMER TRUST HELD ON WEDNESDAY THE 24TH OF NOVEMBER
BY ZOOM, COMMENCING AT 6.00 pm**

WESCT customers present:

<i>For privacy considerations, the Trust has withheld the names of WESCT customers from the minutes published on the website. However, at Annual Meetings, the minutes that include the names of all WESCT customers will be available.</i>	
NO.	NAME
1	Janette Osborne (WESCT Trustee)
2	William Oliver (WESCT Trustee), Waerenga Holdings Ltd
3	Erin Gray (WESCT Trustee, Deputy Chairperson)
4	Cathryn Prendergast (WESCT Trustee)
5	Carolyn Christian
6	Peter Keeling, Osneloc Trust (WESCT Trustee, Chairperson)
7	Celina Yapp (Minutes)
8	Bob Strawbridge, McKenzie Strawbridge
9	WESCT Customer #1
10	WESCT Customer #2
11	WESCT Customer #3
12	WESCT Customer #4
13	WESCT Customer #5
14	WESCT Customer #6
15	WESCT Customer #7
16	WESCT Customer #8
17	WESCT Customer #9
18	WESCT Customer #10
19	WESCT Customer #11
20	WESCT Customer #12
21	WESCT Customer #13
22	WESCT Customer #14
23	WESCT Customer #15
24	WESCT Customer #16
25	WESCT Customer #17
26	WESCT Customer #18

In attendance: Bella Takiari-Brame (TLC Chair), Craig Richardson (TLC Board), Doug Troon (TLC Board), Mike Underhill (TLC Board), Sean Horgan (TLC Chief Executive), Audrey Scheurich (TLC GM Finance), Mike Ullrich

(FCLM Chief Executive), Mike Fox (TLC GM Network), Jo Ireland (TLC GM Service and Communications), and Craig Hackett.

WELCOME:

Peter Keeling, Chair, welcomed all attendees and thanked them for embracing the use of Zoom for the meeting.

Erin Gray opened the meeting with a karakia.

Peter Keeling showed an image of the trustees in attendance and introduced Cathy, Carolyn, Erin, himself, Janette and William.

ZOOM PROTOCOLS

Peter Keeling ran through the zoom protocols for the meeting and confirmed the Trust was recording the meeting to help with the minutes.

THE CHAIR CONFIRMED THE MEETING WAS QUORATE

INTRODUCTIONS

Peter Keeling welcomed Bella Takiari-Brame as the new Chair of the TLC Board, Doug Troon, Mike Underhill and Craig Richardson (TLC Directors), and Sean Horgan, Audrey Scheurich, Mike Fox, and Jo Ireland and Mike Ullrich (TLC Senior Management team).

APOLOGIES:

Resolved: The meeting accepted apologies from three WESCT customers and Andrew Johnson. Janette Osborne/William Oliver - AIF

MINUTES OF THE 2020 MEETING:

Peter Keeling confirmed that the Trust uploaded the minutes of the last meeting to the website, and for privacy reasons, redacted the names of the WESCT customers. However, the minutes circulated to the attendees when they registered for this meeting included the names of the WESCT customers.

Resolved: To adopt the minutes of the 24th of September 2020 meeting as a true and correct record. Peter Keeling/ WESCT Customer #2 – AIF

MATTERS ARISING FROM PREVIOUS MEETING:

- 1.0. Debenture concept update. Peter Keeling said that the Trust is building up a value of imputation credits with the IRD, and that is because the Trust itself gets income in the form of dividends from TLC, which comes to the Trust tax paid, to help meet the operating costs of the Trust. If the Trust were to get income in the form of interest rather than dividends, the imputation credits

would not build up. The Trust is working with KPMG for a solution to use the imputation credits, and the Trust becomes a little more tax efficient.

- 2.0. Location of 'Appointed' Trustee. Last year the meeting was held on the same day as the results of the A Trustee election. The A Trustees then needed to appoint an "Appointed Trustee". At the last meeting, there was some discussion around a possible preferred geographical home location within the WESCT area that the trustee hails from. The A Trustees selected Carolyn Christian from several candidates, and she happens to live in Ōtorohanga.

Resolved: That the matters arising are received by the meeting. *Carolyn Christian/Erin Gray – AIF*

CHAIR REPORT:

Peter Keeling spoke to the Chair report presented in the Waitomo Energy Services Customer Trust 2021 Annual Report.

Resolved: To receive the Chair Report. *Peter Keeling/Carolyn Christian – AIF*

OVERVIEW OF FINANCIAL ACCOUNTS

Bob Strawbridge provided an overview of the financial statements to the meeting, which included the following points:

- 3.0. McKenzie Strawbridge prepared the 2021 financial accounts for the Trust, including the financial results for The Lines Company Ltd and its subsidiaries, which they consolidate into the Trust accounts. Baker Tilly Staples Rodway then audited the accounts.
- 4.0. Pages 45-47 of the consolidated accounts cover the financial information of the Trust itself, without consolidation.
- 5.0. Page 45, Income and Expenditure Statement. In this year, the Trust expenses exceeded income, and the Trust made a loss of \$59,080. However, after-tax adjustments, the Trust made a net profit of \$25,027.
- 6.0. Page 2, the Consolidated Income statement shows the combined position for the entire group. The statement includes both the Trust itself and the trading results of The Lines Company Ltd and its subsidiaries (Influx Energy Data Ltd & Speedy's Road Hydro Ltd). There is an overall profit for the year of \$7.4m.
- 7.0. Page 3, Consolidated Statement of Financial Position
 - 7.1. The total assets of the consolidated group increased by \$8.7M to \$306.2M.
 - 7.2. Overall, the bank borrowings decreased by \$1.5m to \$89m.
 - 7.3. Based on the fixed assets revalued under the valuation methodology, the equity of the consolidated group is \$148M, which is up by \$7M from the previous year.

Resolved: The meeting approves the YE2021 consolidated financial accounts: *Erin Gray/Janette Osborne - AIF*

APPOINTMENT OF AUDITOR

The trustees recommend Baker Tilly Staples Rodway audits the YE2022 accounts. The estimated fee is \$6,100 + GST and disbursements.

Resolved: That Baker Tilly Staples Rodway is appointed as auditor to hold office until the next annual meeting of WESCT customers. *Celina Yapp/Carolyn Christian - AIF*

GENERAL BUSINESS AND QUESTIONS

8.0. Guidelines for access to information by beneficiaries:

- 8.1. WESCT has an 8-page document that covers access to information guidelines, based on one prepared from the Energy Trusts of New Zealand;
- 8.2. The document is on the website;
- 8.3. The document is cumbersome and due for review;
- 8.4. Content requires consultation with WESCT beneficiaries before the Trust can make changes;
- 8.5. Consultation can take place at the annual meeting;
- 8.6. Legal advice from Harmos Horton Lusk:
 - The legal standing of the guidelines is not clear;
 - The Trust has no obligation to have information guidelines; and
 - The Trust Act 2019 covers disclosure of information – protects beneficiaries.
- 8.7. **The trustees recommend that the existing guidelines are no longer required but would like to consider any comments from the annual meeting.**
- 8.8. There were no questions or comments from the meeting attendees.

9.0. Trust Deed

- 9.1. The Trustees believed the Trust Deed would benefit from modernising:
 - To enable using available technology to complete Trust business.
 - To improve some issues of clarity.
 - Trustees have been working with Lamb Bain Laubscher to update the Deed.
- 9.2. In the New Year, the Trust will likely carry out a public notification process regarding the proposed changes:
 - Publication of the proposed changes – including reasons and the likely effect of the changes;
 - Available for at least one month; and
 - Provide reasonable time for comment.

10.0. Questions from “the floor”:

- 10.1. *WESCT Customer #2* asked for more information about Influx, including the number of people employed, what they do and their location. Mike Ullrich, CEO of Influx Energy Data, responded to *WESCT Customer #2*. Two years ago, they looked at two areas of the business. Firstly, the acquisition of the TrustPower metering group and, secondly, whether there was anything recoverable from the Embrium Investment and the intellectual property. They bought in the intellectual property and continue to manufacture those devices to sell. None of the Wellington-based team is left. The intellectual property is maintained, on a part-time basis, by one of their resources based in the Hamilton office. They still sell and do an asset lease option for some devices. They have found that it has enabled them to get into one of their key customers, a retirement village operator, at a lower cost base than their competitors, so useful to enable those sorts of sales, both now and in the future, for similar customers. Peter Keeling said to *WESCT Customer #2* that Influx was an important and growing part of the TLC business. It brings in a lot of revenue from outside the local district.
- 10.2. *WESCT Customer #2* said he would like to see TLC working a bit harder on what equity the Company has lost, especially over the last three years and getting the loan under control. Peter Keeling said that it may be debatable whether the equity has gone down and that the team is always concentrating on keeping the business profitable etc. Peter Keeling noted there are different views in the community as to whether the debt should come down or go up. He thanked *WESCT Customer #2* for his questions.

The Chair thanked all those present for attending the annual meeting of beneficiaries.

The formal annual meeting of beneficiaries concluded at 6:47 pm with a karakia from Erin Gray.

A presentation followed the meeting by TLC CEO Sean Horgan.