

## Minutes of the Twentieth Annual Meeting of Beneficiaries

<b>Held at</b>	The Ellerslie Event Centre, 80-100 Ascot Avenue, Remuera, Auckland
<b>Date &amp; Time</b>	Thursday, 26 May 2022 at 7.00 pm
<b>Present</b>	William Cairns (Chairman), Michael Buczkowski (Deputy Chairman), Alastair Bell, Paul Hutchison and Denise Lee  22 Beneficiaries registered their attendance
<b>Staff in attendance</b>	Helen Keir (Chief Operating Officer) and Jane Davies (Executive Assistant)

Entrust Chairman, Mr Cairns, opened the meeting at 7.03 pm and introduced Trustees.

### **APOLOGIES**

Apologies were received and noted.

Mr Cairns extended a warm welcome to all Entrust beneficiaries, Vector Directors, Simon Mackenzie CEO of Vector, members of the Vector Executive Team, Entrust's auditors and legal advisors.

The Chair advised beneficiaries that the annual meeting was originally scheduled for late October last year but due to Covid restrictions had to be postponed. The Trust had obtained legal advice, verified by the Electricity Authority that under the Electricity Industry Act Trustees were unable to hold the annual meeting virtually. Trustees have written to the Ministry of Business, Innovation and Enterprise to ask them to consider a change in legislation so Entrust, and other consumer trusts have the ability to hold Annual Meetings virtually if required.

### **MINUTES**

The minutes of the Nineteenth Annual Meeting of Beneficiaries held on 29 October 2020 and confirmed by the Trustees on 12 December 2020, were tabled and received.

### **YEAR IN REVIEW – ADDRESS FROM THE CHAIRMAN**

Looking at the year in review to 30 June 2021, the Chairman noted one of the big changes during the 2020 and 2021 distributions was a decision by banks to stop issuing and accepting cheques. This has resulted in additional work and cost as beneficiaries needed to provide their payment preference details before payments could be completed.

### **Financial performance**

An Unqualified Audit Certificate was issued on 24 August 2021.

In the year to 30 June 2021, the Trust received \$124.5 million income which was a decrease when compared to the previous year due to a reduction in interest on funds. The income comprised \$123.9 million from Vector in dividends and \$616,000 in interest from funds on deposit.

Entrust continues to hold 751 million shares in Vector, on behalf of beneficiaries.

For the year ended 30 June 2021, the total expenditure incurred by the Trust was \$3.4 million compared to \$3.3 million last year. The additional spending was primarily due to increased calls to the call centre and higher dividend distribution costs.

### **The Entrust Dividend**

The number of people receiving the Entrust dividend continued to grow. The September 2020 dividend was \$280 and was paid to 340,500 beneficiaries.

Although not in the year being reported on, the September 2021 dividend was \$283, plus a \$20 loss rental rebate payment from Vector. This was paid to 346,000 beneficiaries, the biggest number of beneficiaries ever.

The reduction in the Entrust dividend in 2020 and 2021 was primarily due to the decision made by Vector in 2020 to reduce imputation credits on dividends from 28% to 10.5%. This change means Entrust has to pay significantly more tax and this will continue to have an impact on the dividend amount beneficiaries receive in the future.

The Chair said that research consistently showed more than 85% of beneficiaries believe it is important to keep receiving the Entrust dividend.

The Chair reported on the extra work and increase in costs due to the removal of cheques as an option for the 2020 and 2021 dividend distributions.

### **Energy Solutions Programme**

Entrust, as majority owner of Vector, has an agreement that commits Vector to spend \$10.5 million every year on projects in the Entrust district. The fund, called the Energy Solutions Programme, includes undergrounding as well as new technology initiatives.

### **Undergrounding**

In the last financial year undergrounding projects were completed in:

- Large scale project in Mt Albert
- Powell Street & Himikera Avenue, Avondale
- Ngahue Drive, Stonefields
- Bella Vista Road, Herne Bay
- Laings Road & Buckland Beach Road, Bucklands Beach
- Pacific Parade, Surfdale

The Mt Albert project is nearly completed and a new project began in St Heliers earlier this year. The St Heliers project is due for completion by the end of 2023 with regular updates regarding the undergrounding projects being provided on the Entrust Facebook page to keep beneficiaries informed.

### **Vector's activity over the past year**

*Mr Cairns introduced Simon Mackenzie from Vector.*

Simon Mackenzie, Vector's Chief Executive Officer, provided an overview of Vector's Covid response, key topics of note and future energy initiatives.

Mr Mackenzie reported that in terms of Vector's Covid-19 response, the group has been classified as an essential service across its electricity and gas distribution, fibre, OnGas and metering activities. He explained that a Pandemic Response Team was established from the outset of the pandemic to oversee Vector's response and that this continues to date.

In terms of the impact of Covid on energy consumption in Auckland during level 4 lockdowns; in 2020 consumption was reduced by 15% and in 2021 by 8%.

Mr Mackenzie discussed the future of energy initiatives and the transition from centralised power generation to decarbonised, decentralized and digitalised power generation. He explained that Vector's Symphony framework will enable energy transition that supports a clean, affordable and reliable energy system assisted by initiatives such as strategic partnerships with the likes of Amazon Web Services and X to develop digital capability.

In closing, Mr Mackenzie discussed Vector's strategy to undertake activities to achieve a 53.5% reduction in carbon emissions by 2030 using a science-based approach that is quantifiable and where the benefits are able to be tracked.

### **Acknowledgments**

The Chairman acknowledged and thanked the Entrust team and their advisors for their continued support throughout the year, given the challenges of lockdowns, cheques being withdrawn and other matters.

### **APPOINTMENT OF AUDITORS**

**As recommended by the Trustees, it was resolved that Grant Thornton is re-appointed auditors of Entrust for the ensuing year.**

**Moved:** Alastair Bell

**Seconded:** Bryan Mockridge

**Carried**

The Chairman advised that at last year's Annual Meeting Grant Thornton was appointed and their auditing fees for the 2020/2021 year were \$49,990.00.

### **FIXING OF THE REMUNERATION OF THE AUDITOR**

**It was resolved that, in accordance with Section 101(3) of the Electricity Industry Act 2010, the Trustees be authorised to fix the fees and expenses of the auditors for the ensuing year.**

**Moved:** Peter Ryan

**Seconded:** Jason Hollingworth

**Carried**

### **FORUM**

The Chairman opened the meeting to comments and questions from the floor.

#### **Question 1:**

A beneficiary, Bryan Mockridge asked Vector's Chief Executive Officer to comment regarding the extent to which cooperation with other utilities that reticulate determines priorities, provides economies, and improves wider relationships?


Vector's CEO, Simon Mackenzie replied that when undergrounding in areas where there is an existing network, Vector works closely with Auckland Transport and Chorus to coordinate the work. In the case of new developments there is coordination between these utilities, including Watercare, to lay new assets and that a good working model with Chorus has been developed.

#### **Question 2:**

A beneficiary, Rohan McMahon, shared his views on direct greenhouse gas targets and indirect emissions and referenced the target set by Vector to reduce its carbon and greenhouse gas emissions by 53.5% in 2030. Mr McMahon asked if Entrust, as major shareholder of Vector, and the Trustees believe it is appropriate and do they think that Vector is aligned with the goal of Auckland and New Zealand to reduce greenhouse gas emissions by 50% in 2030, and for Vector to continue to manage its gas business.

The Entrust Chair answered that Trustees were satisfied by what Vector was doing to reduce emissions and fully supported Vector in this regard.

There being no further questions, the meeting closed at 7.47 pm.

Confirmed:  .....

Date: 14 June 2022 .....