

Minutes of the Twenty second Annual Meeting of Beneficiaries

Held at	The Ellerslie Event Centre, 80-100 Ascot Avenue, Remuera, Auckland
Date & Time	Tuesday 16 April 2024 at 7.00 pm
Present	William Cairns (Chairman), Alastair Bell, Paul Hutchison and Denise Lee 29 Beneficiaries registered their attendance.
Staff in attendance	Helen Keir (Chief Operating Officer) and Jane Davies (Executive Assistant)

Entrust Chairman, Mr Cairns, opened the meeting at 7.02 pm and introduced Trustees.

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

APOLOGIES

Apologies were received and noted. These included Michael Buczkowski (Entrust Deputy Chairman) due to illness and Bruce Hassall and Bruce Turner (Vector Directors).

YEAR IN REVIEW – ADDRESS FROM THE CHAIRMAN

The Chair explained the delay in holding the annual meeting, which would normally have been held in October 2023, was to allow Entrust time to conduct a process to identify a new audit firm as Grant Thornton's lead audit partner had overseen the process for the last seven years, the maximum under the Code of Ethics for Assurance Practitioners. Trustees would be recommending the appointment of Moore Markham later in the meeting.

MINUTES

The minutes of the Twenty first Annual Meeting of Beneficiaries held on 27 October 2022 and confirmed by the Trustees on Thursday 8 December 2022, were tabled and received.

YEAR IN REVIEW – ADDRESS FROM THE CHAIRMAN

Financial performance

The financial statements for the year ended 30 June 2023 had been approved by Trustees and the auditors, Grant Thornton, issued an Unqualified Audit Certificate on 25 August 2023.

In the year to 30 June 2023, Entrust received \$127.9 million in income, compared to income of \$126.4 million in the previous year. Income was made up of \$125.8 million from Vector in dividends and \$2.1 million from interest on funds.

Entrust continues to hold 751 million shares in Vector on behalf of beneficiaries which were valued at \$3.0 billion at 30 June 2023.

For the year ended 30 June 2023, the total expenditure incurred by the Trust was \$4.2 million compared to \$4.6 million in the previous year.

The Entrust Dividend

Due to the delay in holding the annual meeting and as Entrust was reporting on the year ended 30 June 2023, the September 2022 dividend was discussed, which was \$273, plus a \$30 loss rental rebate payment from Vector, a total of \$303. The dividend was paid to 351,000 beneficiaries injecting over \$95.8 million into the Auckland economy at a time when many families were struggling due to cost of living increases.

Mr Cairns also explained that the loss rental rebate which is a credit that Vector received from Transpower and which Vector and Entrust have paid directly to beneficiaries, could not be paid in the future as the Electricity Authority had mandated a change to this arrangement with a requirement that the funds be paid to electricity retailers instead.

The Chair discussed the June payment preference advertising campaign designed to encourage beneficiaries to provide us with their details so we can pay them on dividend day as up to 40% of our beneficiaries will make changes to their details annually.

Energy Solutions Programme

The Chair explained that Entrust, as majority owner of Vector, has an agreement that commits the company to spend \$10.5 million every year on projects in the Entrust district via the Energy Solutions Programme and includes undergrounding as well as new technology initiatives. The decision about which streets to underground is decided by Vector and is independent of Entrust.

Undergrounding

In the last financial year undergrounding projects included:

- A large-scale project in St Heliers bordered by Maskell Street, Sylvia and Glover Roads.
- Residential initiated projects in Upton Street and Galatea Terrace, Craig Road, Coney Lane, Carlton Crescent and Herne Bay Road.

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 key topics including the sale of a 50% interest in Vector Metering, ongoing capital investment, the regulatory reset, vegetation and the sale of Vector's EV charging infrastructure to ChargeNet.

Acknowledgments

The Chair acknowledged Entrust beneficiaries and thanked them for their continued support. He extended the thanks of Trustees to the Vector and Entrust teams and our advisors for their contribution to the Trust throughout the year.

APPOINTMENT OF AUDITORS

The Chair reiterated that given that Grant Thornton had been the auditors for Entrust for a number of years, Trustees had commenced a search for a new Auditor. The Moore Markhams group had been identified as they were a long established national association of independently owned chartering accounting firms. Within Auckland, the firm comprised of eight partners and more than 60 staff. Moore Markhams is the 9th largest NZ accounting firm by fees and staff.

It was resolved in accordance with Section 101(1) of the Electricity Act 2010, Moore Markhams Auckland Audit be appointed as auditors of Entrust for the ensuing year.

Moved: Mark Thomas

Seconded: Bryan Mockridge

Carried

FIXING OF THE REMUNERATION OF THE AUDITOR

The Chairman advised that at last year’s Annual Meeting Grant Thornton was appointed and their audit fees for the 2022/2023 year were \$52,000.00.

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

Moved: Mark Thomas

Seconded: Bryan Mockridge

Carried

FORUM

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

Question 1:

A resident from the North Shore, Bill Rayner, asked Trustees to consider the interests of non-beneficiaries who reside in greater Auckland outside the Entrust district but are customers on the Vector network.

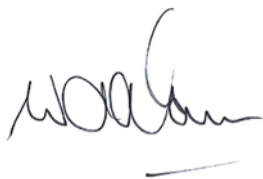
The Chair replied that under the terms of the Trust Deed it was not possible to pay the dividend to anyone other than beneficiaries residing within the Entrust district of Central, East and South Auckland.

Question 2:

A beneficiary, Bryan Mockridge, asked about the diversity of revenue received by Vector from sources other than electricity distribution.

Vector’s Chief Executive explained that Vector had limited options apart from some leasing arrangements with the likes of Chorus and Transpower and that these had been approved by the regulator.

There being no further questions the meeting closed at 7.36 pm.



Confirmed:

16 May 2024

Date: