

**Minutes of the Annual Public Reporting Meeting of the
Marlborough Electric Power Trust
Held at 10.00 am on the 20th January 2017
In the St John's Rooms, Seymour St**

Present: Trustees: Malcolm Aitken, Clive Ballett, John Cuddon, Ross Inder, Ian Martella and Nicki Stretch

In attendance: Brenda Munro (Trust Secretary), Alice Stone (Minute Secretary)
Marlborough Lines Ltd representatives: David Dew, Ivan Sutherland, Tim Smit and Brian Tapp.
Beneficiaries: Roy Kett, Richard & Joyce Sutcliffe, Doug Irving, Bryan Lawless, Barbara Hutchison, Ian Smith, Peter Thorne-George, Andrew Munro, Carol Toms, Graham Gibson, Mark Yurjevich, John Craighead, Peter Edwards, David Taylor, Janette Walker, Marie Joyce, Neville Lawson, Risman MacDonald, Graham Stuart, Dominic Romano, Cathie Bell, John Bailey, Diane Gibb, Beverley Kingston, David Winstanley, Alistair Sowman and Paul Ham.
Members of the Public: Andy Rowe, Phillip Neal and Mike Blair.

R Inder opened the meeting, expressed his pleasure at the numbers present then detailed the purpose of the meeting, introduced the trustees and company representatives present.

Apologies: Gareth Jones, Jean Wilson QSM and Ken Forrest.

Moved:

That the apologies be accepted. **R Inder/Ian Martella**

Minutes of the Annual Public Meeting dated 26th November 2015

The minutes contain a typo re the heading date.

Moved:

That the minutes be approved as a true and accurate record, subject to the correction noted.

B Munro/Clive Ballett

Appointment of Auditor

R Inder recommended that Paul Bryden of Deloitte be appointed, having undertaken this years audit for both the company and trust.

Moved: *That Paul Bryden be appointed as auditor for the Trust and hold office for the ensuing year and that trustees negotiate the fee with him.*

J Cuddon/ Ian Martella

Chairman's Report

R Inder's report has been circulated within the financial reports and he asked that it be taken as read and he then made further comment on issues covered in the report, with special mention that the accounts covering a period of fifteen months this year and a thank you to Paul Ham for his 16 years of service as a trustee.

Ross called for questions and number were asked by David Taylor who went thoroughly through the report and detailed numerous items with which he had questions or took exception, starting with the requirement to hold the meeting within four months of the end of the financial year.

Brenda Munro spoke to the issue of timeliness of the annual meeting. When s12.8 of the Trust Deed was written consolidated accounts were not required and there was no issue with meeting the timeframe. With the complexity of consolidation with Marlborough Lines for both preparation and audit she suggested that it was not physically possible to meet a four months deadline for reporting to the public and therefore thought should be given to an amendment to the Deed.

Further questions included the comment regarding the saving of the 150 jobs, the conservative nature of the purchase value of Yealands, Ross's concern regarding statements made during the 'hustings', a general statement regarding confusion between the roles of the company and trust, trustees reporting in the company newsletter, lack of refinement to the trust's website and criteria for targeted distributions. David Dew answered the questions relating to Yealands and backed up the conservative nature of the purchase of Yealands with both the accounting requirement to revalue it up and the current asset value of the company.

Congratulations were offered to Marlborough Lines for its improved service but a Marlborough Sounds resident questioned why they failed to receive a discount in addition to a distribution and David Dew responded by identifying the lack of profitability for the company in servicing the Sounds region.

A number of financial questions were put to the meeting and referred to David Dew to respond to as well as questions as to the impact of the earthquakes and future planning against similar events.

Jeanette Walker commented on the size of the payments to the directors as against the \$28,000 in educational grants and asked that the company/trust look further at their social responsibility to the community. She also asked whether Marlborough Lines had the capacity to meet the term debt repayment schedule as detailed in note 13 and David Dew responded that much of this debt may well be rolled and further that the debt remained with Yealands and Marlborough Lines itself had no exposure by way of security to this debt.

Annual Accounts

B Munro asked that the reports be taken as read and called for any questions.

*Moved:
That the annual financial reports be accepted.*

B Munro/M Aitken

Marlborough Lines Presentation

David Dew undertook the presentation on behalf of the company and discussed the increase in asset value of the group and the ability to increase dividends. A summary of the effect of the Seddon earthquakes included the lack of damage to the buildings and the timeliness of tank replacements enabling the company to process all production. The company is looking to undertake further investments with its remaining funds, this included looking at opportunities in aged care, but is taking a cautious and conservative approach to opportunities.

General Business

Gender balance in the board room was discussed and the trustees indicated their intent and best efforts to address this and diversity as a whole, but acknowledged that they remain committed to employing the best person for the job.

The company is looking to initiate a mentoring program targeting young (local) people to get them engaged in boards as both locally and nationally boards continue to be dominated by older members.

The issue of taxability of discounts was broached and the company continues to work with the industry and IRD on this issue.

Dominic Romano asked the trustees if they have a target for dividend returns going forward and the trustees discussed the companies 5year plan which was evaluated in conjunction with the annual review of the Statement of Corporate Intent, such document details whether the required reserves are in place to enable intended dividend distributions.

There were no further matters of general business, those present were thanked for their attendance and the meeting closed at 11.25am.

Confirmed as a true and accurate record

Ian Martella, Chairman

Date