



Ownership Review 1 April 2026

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1. Executive Summary

The following report has been prepared for the 2026 Ownership Review of Waipā Networks Trust.

The Trustees of Waipā Networks Trust and the Directors of Waipā Networks Limited have considered various ownership options for Waipā Networks, as required by the terms of the Waipā Networks Trust Deed.

In preparing this report, the Trustees and Directors engaged Deloitte to provide independent advice and provide a summary of supporting information for the 2026 Ownership Review of Waipā Networks Trust. The summary report is attached as Appendix A and includes:

- Review of Waipā Networks' performance over the last five years.
- Review of Waipā Networks' performance against comparable companies.
- Analysis of ownership options available to the Trust and its beneficiaries, including the current trust ownership structure.

After reviewing all relevant information, the Trustees and Directors have concluded that there are considerable benefits for Connected Consumers offered by its current ownership. The Trustees and Directors are therefore unanimous in proposing Waipā Networks Limited continue to be 100% Trust owned.

2. Background

Waipā Networks is a Company formed under the Energy Companies Act 1992. The corporatisation of the Te Awamutu and Cambridge Electric Power Boards into Waipā Networks was the result of Central Government policy that was designed to put commercial and competitive pressure onto the electricity industry.

The corporatisation process involved the preparation of an Establishment Plan that, amongst other things, was required to address the question of Waipā Networks' ownership. The Establishment Plan required the consent of the Minister of Energy.

Waipā Networks, like many other Power Boards, chose to create a consumer trust as its owner. Early in the corporatisation process the Minister of Energy signaled he did not consider consumer trusts to be ideal owners but would allow them initially on the proviso that an ownership review was conducted within a reasonable time after the Company was established and periodically thereafter.

As a result the Trust Deed contains the requirement for an Ownership Review by Waipā Networks and its shareholder (the Trust) at regular intervals.

3. Trust Deed

Section 4 of the Trust Deed provides for an ownership review initially within three years of Waipā Networks being formed and thereafter at intervals of no more than five years, or at any time when requested to do so by 10 percent or more of the Connected Consumers of Waipā Networks.

The last ownership review was in 2021, and now five years later the 2026 review is being undertaken.

The Trustees must prepare a report considering proposals and available options for the future ownership of the shares and other assets comprising the Trust Fund. Section 4 of the Trust Deed details the contents of the report and is attached as Appendix B.

Other than the requirements of the Trust Deed, there are no legal or statutory obligations on Waipā Networks or the Trust to proceed with an ownership review.

The mandatory content of the report is summarised below:

- An analysis of Waipā Networks performance
- Details of the advantages and disadvantages of Trust ownership
- An analysis of various ownership options considered
- A comparison of Waipā Networks performance with other energy companies
- The conclusions made as to the most appropriate form of ownership
- The conclusions of any trustee who differed from the Trust's consensus view
- A statement of the view of the Directors of Waipā Networks regarding future ownership of the shares and other assets
- The conclusions of any director who differed from the Board's consensus view
- A summary of professional advice (if any) obtained
- Finally a statement as to whether or not any views of the public were taken into account

4. Conclusions of the Trustees and Directors

This Review was undertaken as a joint exercise by the Trustees and the Directors of Waipā Networks, who are named in Appendixes C and D.

Having considered all the options, the Trustees and Directors believe that the current ownership structure of 100% Trust Ownership provides the best value for the community. The Trustees and Directors are therefore unanimous in proposing Waipā Networks Limited continue to be 100% Trust owned. There were no Trustees or Directors who differed from the consensus view.

5. Public Consultation

This document is issued for public information and all comments or feedback will be welcomed and considered by the Trust.

All submissions will be collated by the Trust and considered prior to finalising the 2026 Ownership Review.

Mail submissions should be addressed to:

Ownership Review Submissions
Waipā Networks Trust
PO Box 34
Te Awamutu 3840

Email submissions should be addressed to info@waipanetworkstrust.co.nz

Closing date for submissions is 5:00pm Tuesday 30 June 2026

Appendix A

WAIPA NETWORKS TRUST OWNERSHIP REVIEW SUMMARY REPORT

- Prepared by Deloitte



Waipā Networks Trust Ownership Review – Waipā Networks Ltd

Public Report | 1 April 2026



Executive Summary | Summary

WNL distributes approximately 440 GWh of electricity annually to around 30,000 ICPs. It is 100% owned by the Waipā Network Trust for the benefit of consumers. The Trust Deed requires an ownership review every five years.

Background

- Waipā Networks Limited (**WNL**) is an electricity distribution business (**EDB**) that delivers power from the national grid to consumers across the Waipā district. The network covers the Te Awamutu and Cambridge areas and surrounding communities, such as the Kawhia region. WNL distributes approximately 440 GWh of electricity annually to around 30,000 consumer connections across a network of roughly 2,000 km of power lines.
- WNL was formed in 1992 through the merger of the Te Awamutu and Cambridge Electric Power Boards, following government reforms to increase competition in the electricity sector. Ownership was vested in a consumer trust - the Waipā Networks Trust (**WNT**) - on the condition that regular ownership reviews are conducted. The Trust Deed required an ownership review within three years of WNL's formation, then at least every five years, or when requested by 10% or more of connected consumers. The last ownership review was completed four years ago and is now due for updating.
- As WNL is 100% consumer trust owned, the company is exempt from regulatory price control by the Commerce Commission and instead is subject to Information Disclosure regulation under Part 4 of the Commerce Act.
- The electricity sector is undergoing significant change, including increased politicisation due to end user pricing increases, discussions on consolidation, and rapid technology adoption (solar, batteries, microgrids). WNL has responded to these challenges by strengthening collaborations with other electricity distribution businesses and investing in resilience initiatives.

Context, Purpose & Approach

- The required content of the ownership review is set out in Section 4 of the WNT Trust Deed, the analytical aspects of which are:
 - Section 4.1.1: An analysis of the performance of the Company to the date of the report together with a discussion of the advantages and disadvantages of trust ownership;
 - Section 4.1.2: An analysis of the various ownership options considered including without limitation, a share distribution to Connected Consumers, a sale of shares to the public, a sale of shares to institutional investors and retention by the Trust;
 - Section 4.1.3: A comparison of the performance of the Company with the performance of other energy companies.
- The Trustees of WNL are then required to draw a conclusion and carry out a final report, made available to public.
- In accordance with the requirements of the Trust Deed we conducted analysis of the following:
 - Company performance
 - Comparator performance
 - Ownership options
- We note that under the Trust Deed the WNT Trustees are responsible for preparing a report considering proposals and available options for the future ownership of the shares and other assets comprising the Trust Fund.
- In this context, whilst our report is addressed to WNT, we also considered it appropriate to have some interaction with the WNL Directors and Management which involved a discussion with the Chair, CEO and CFO of WNL to ensure that any operational views or perspectives held by WNL are factored into our ownership options analysis within this report.



Executive Summary | Summary

We have assessed a range of potential ownership options and considered how these compare with the existing trust model.

Ownership Options

- We have considered the following 5 ownership options as well as presenting the status quo.
- **Status Quo - 100% Trust**
 - This is the current ownership structure for WNL. The consumers connected to the WNL network are the ultimate owners of WNL.
- **Option 1 - Joint venture**
 - The Trust would continue to own WNL, with the assets operated as a joint venture with another entity.
- **Option 2 - Merger**
 - The Trust and another entity would combine to become one single operating entity.
- **Option 3 - Distribution (to consumers) or sale (to third party) of minority stake**
 - A distribution of a minority stake to current consumer owners would provide them with a direct ownership interest in WNL. If a minority stake is distributed, the Trust would remain in control of WNL.
- **Option 4 - 100% distribution (to consumers) or sale (to third party)**
 - This would involve the distribution or sale of all of the shares in WNL by the Trust. A distribution would be made to the consumer owners.
- **Option 5 - Asset sale and conversion of Trust to Community Trust**
 - The Trust would sell the assets it owns, and with the proceeds establishing a Community Trust. This agency would be used to fund projects of benefit to the local community.

Ownership Option Summary

- We assessed the 6 ownership options against a set of assessment criteria and presented the analysis in our detailed report.
- Overall, trust ownership scores well when compared to the alternative ownership structures available for WNL.
- Alternatives (Joint venture, merger, partial / full sale) may improve capital access or liquidity but introduce material trade-offs for a consumer-owned networks being reduced community control, greater governance complexity, higher compliance costs, and potential exposure to price-quality regulation under the Commerce Act.
- Trust ownership performs strongly on consumer priorities, balancing financial and community outcomes, enabling long-term and intergenerational investment, preserving local accountability through trustee elections, and remaining subject only to information disclosure regulation currently.
- While the Trust model scores lower on short-term returns and liquidity, WNL's strong balance sheet, favourable peer performance, and improving efficiency reduce the case for change. In addition WNL is able to access the significant investment fund if required increasing its access to funding.
- Many scale benefits could be achieved via contracting and partnerships which would not impact ownership.



Executive Summary | Summary

On balance, we believe that the potential theoretical benefits of a change in ownership could be outweighed by the costs and disadvantages of doing so.

Conclusion

- Trust ownership scores well when compared to the alternative ownership structures available for WNL.
- It is the most effective ownership structure for balancing community outcomes and the commercial performance of the business which is more difficult to achieve under the alternative ownership structures.
- There are four factors which strongly favour continued Trust ownership:
 - Regulation – Wholly consumer owned lines companies are regulated by information disclosure. Most of the alternative ownership structures considered have the potential to compromise this position and lead to price regulation being imposed on the company / network which adds significant additional complexity.
 - Contracting out of operations or other expertise – The benefits of being part of a larger or more commercially structured organisation could be achieved through contracting out arrangements. Such an arrangement could provide WNL with scale in management and operating expertise of a much larger organisation (if it was desired).
 - Trust elections – The election process provides a very direct means whereby the local consumer owners have the opportunity to express their views on the performance of the Trust and any changes they consider desirable.
 - Inter-generational considerations – The network assets are long life in nature and can suffer from under-investment that only manifests itself as an issue many years into the future when the costs to remedy can be beyond the reach of the company (and therefore the consumers of the network at the time). Trust ownership is inherently capable of making long term inter-generational network investment decisions which can reduce the risk of longer-term under-investment (for the benefit of the current owners).
- There are however a number of areas where Trust ownership scores relatively lower against the available alternatives. In particular:
 - Ability to grow the business
 - Maximising financial returns/value
 - Liquidity for consumers
- In this context we note that:
 - The company has built up approximately \$19m of cash and short-term investments over the past five years, along with c.\$52m in long-term investments and has ~\$18m debt. This provides a strong balance to fund potential growth options without changing the ownership structure.
 - WNL performs favourably to its peers in relation to operational expenditure levels, capital expenditure levels and reliability measures – indicating that the company appears to be operating efficiently under its current ownership structure – which is a key driver of maximizing financial returns.
 - Management and Trustees emphasised that WNL’ strong balance sheet (in comparison to some other similar EDB’s) and governance capability position it well to meet future challenges under the current model.
- On balance we believe that the potential theoretical benefits of a change in ownership structure could be outweighed by the costs and disadvantages of doing so, particularly given the current positive financial and operational performance of WNL along with their strategic partnerships in place.



Appendices | A1: Restrictions, Reliance and Disclaimer

Restrictions

- This Summary Report has been prepared for public consideration in support of the ownership review. It to be reproduced or used for any purpose other than that outlined on page 2 without our prior written permission in each specific instance. We do not assume any responsibility or liability for losses occasioned to WNL, its directors or shareholders or to any other parties as a result of the circulation, publication, reproduction or use of this summary report or any extracts there from contrary to the provisions of this paragraph. In any event, our total liability to all and any parties for any reasons whatsoever is limited to five times the fee charged for this assignment.
- We reserve the right to review all calculations included or referred to in this Summary Report and, if we consider it necessary, to revise our work in the light of any information existing at the current date which becomes known to us after the date of this Summary Report.

Reliance on Information

- In preparing this Summary Report, we have relied upon and assumed, without independent verification, the accuracy and completeness of all information that is available from public sources and all information that was furnished to us by WNL.
- We have evaluated that information through analysis, enquiry and examination for the purposes of completing this Summary Report. However, we have not verified the accuracy or completeness of any such information. We have not carried out any form of due diligence or audit on the accounting or other records of WNL. We do not warrant that our enquiries have identified or revealed any matter which an audit, due diligence review or extensive examination might disclose.

Disclaimer

- This Summary Report has been prepared with care and diligence and the statements and conclusions in this report are given in good faith and in the belief, on reasonable grounds, that such statements and conclusions are not false or misleading.
- We assume no responsibility arising in any way whatsoever for errors or omissions (including responsibility to any person for negligence) for the preparation of this Summary Report to the extent that such errors or omissions result from the reasonable reliance on information provided by others or assumptions disclosed in this report or assumptions reasonably taken as implicit.
- In no way will we guarantee or otherwise warrant that any forecasts of future profits, cash flows or financial position of WNL will be achieved. Forecasts are inherently uncertain. They are predictions of future events which cannot be assured. They are based upon assumptions, many of which are beyond the control of WNL and its management team. Actual results will vary from the forecasts and these variations may be significantly more or less favourable.

Indemnity

- Deloitte's Master Terms of Business forms part of the signed engagement letter with Waipā Networks Trust, dated 17 October 2025. The Master Terms of Business contains Deloitte's standard clauses relating to indemnity from third party claims and limitations of liability to Waipā Networks Trust.

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Appendix B

PROVISIONS OF THE TRUST DEED

Source: Waipā Networks Trust Deed (Extract)

4. REVIEW PROCEDURE

4.1 Report:

Within 3 years of the date of this Deed and thereafter at intervals of no more than five years or at any time upon request by not less than 10% of Connected Consumers, the Trustees shall prepare a report considering proposals and available options for the future ownership of the shares and the other assets comprising the Trust Fund. Such report shall contain the following detail:

- 4.1.1 an analysis of the performance of the Company to the date of the report together with a discussion of the advantages and disadvantages of trust ownership;
- 4.1.2 an analysis of the various ownership options considered including without limitation, a share distribution to Connected Consumers, a sale of shares to the public, a sale of shares to institutional investors and retention by the Trust;
- 4.1.3 a comparison of the performance by the Company with the performance of other similar energy companies;
- 4.1.4 the conclusions of the Trustees as to the most appropriate form of ownership together with an indication whether the conclusions are unanimous and if the decision is not unanimous, a summary of the conclusions of the dissenting Trustees shall be included;
- 4.1.5 the matters referred to in clauses 4.6(a) to 4.6(c) if a distribution is recommended;
- 4.1.6 a statement of the view of the Directors of the Company regarding future ownership of the shares and other assets together with an indication whether the views are unanimous, and if not, a summary of the views of the dissenting Directors;
- 4.1.7 a summary of the professional advice (if any) obtained in respect of the preparation of the report; and
- 4.1.8 a statement as to whether or not the Trustees have had regard to any views expressed by the public with respect to ownership.

4.2 Public Availability: The Trustees shall make the report available to the public in accordance with Clause 13.

4.3 Special Consultative Procedure: The Trustees shall in respect of the report and no later than 1 month after the date of the report, implement the Public Consultative Procedure.

4.4 Decision: Following completion of the Public Consultative Procedure and in any event not later than 6 months after the report required by Clause 4.1 is completed, the Trustees shall

meet and, after taking due account of the views expressed by the public and the Directors, the Trustees shall decide whether to:

- (a) retain the shares and/or the other assets of the Trust; or
- (b) dispose of a portion of the shares and/or the other assets of the Trust and retain the remainder in the Trust; or
- (c) dispose of all of the shares and/or the other assets of the Trust.

4.5 Notification of Decision: The Trustees shall notify the public in accordance with Clause 13 of the decision made under clause 4.4.

4.6 Distribution Plan: If the shares or any portion of them are to be distributed the Trustees shall prepare a Distribution Plan. The Distribution Plan shall contain the following details:

- (a) to whom the shares are to be distributed;
- (b) the time and manner in which the shares are to be distributed; and
- (c) whether the shares are to be distributed without consideration, at a concessionary consideration or for proper consideration.

4.7 Notification of Distribution Plan: The Distribution Plan shall be notified to the public in accordance with Clause 13 and following notification the Trustees shall be obliged to comply with the requirements of and ensure that the Distribution Plan is implemented unless the Trustees are unable to do so as a result of matters beyond the reasonable control of the Trustees.

4.8 Payment for Review: The Company shall be entitled to be paid out of the Trust Fund all reasonable costs incurred in connection with the ownership review carried out pursuant to this Clause 4.

4.9 Sale of Shares: Notwithstanding anything to the contrary in this Deed (but subject to Clause 4.10 and to Clause 1.1 (y) Termination Date) the Trustees will not:

- (a) Sell any shares in the Company, or
- (b) Vote affirmatively on any resolution to allot or issue any shares in the Company to any person other than the Trustees.

Unless a vote of Connected Consumers is held and sixty percent or more in number of those Connected Consumers who vote on the question approve the sale or allotment or issue of those shares.

4.10 Result of Sale of Shares: Clause 4.9 will not apply unless as a result of the sale of shares or the allotment or issue of shares:

- (a) The Trustees will no longer hold 60% or more in number of the shares in the Company, and
- (b) Those shares which the Trustees own cease to give or confer on the Trustees 60% or more of the voting power or rights of all shareholders in the Company.

4.11 Vote: The Trustees may in their discretion determine the method and procedures for carrying out the vote referred to in Clause 4.9, provided that:

- (a) Subject to Clause 4.11 (d), the Trustees shall give written notice to all the Connected Consumers of the vote, and of the method or procedures adopted by the Trustees for carrying out the vote.
- (b) A period of not less than 21 days shall be allowed between the date the Connected Consumers are notified of the vote and the date by which the votes of Connected Consumers will be disallowed if not received by the Trustees.
- (c) Each Connected Consumer shall be entitled to one vote for each metered Network Connection Point.
- (d) The Trustees shall give notice of the vote to the Connected Consumers through the post directed to the address of each Connected Consumer in the records of the Trust, or if there are no such records, in the records of the Company.
- (e) The notice referred to in Clause 4.11(d) shall be deemed to have been duly received two days after the date of posting of the notice by the Trustees.

Appendix C



Waipā Networks Trust

Trustees

| | |
|------------------------|---------------------------|
| Sarah Matthews | CHAIRPERSON |
| David McLean | DEPUTY CHAIRPERSON |
| Raymond Milner | TRUSTEE |
| Marcus Gower | TRUSTEE |
| Jarrold Godfrey | TRUSTEE |
| Philip Coles | TRUSTEE |



Waipā Networks Ltd

Directors

Jonathan Kay

CHAIRPERSON

Jonathan Cameron

DIRECTOR

Jennifer Kerr

DIRECTOR

Shane Ellison

DIRECTOR

Jen Crawford

DIRECTOR

Alex Ball

DIRECTOR