BULLER ELECTRICITY LIMITED

Buller Electricity Linemen working in the Karamea Bluff replacing a 33kV double pole structure via helicopter

STATEMENT OF CORPORATE INTENT
For the Year Ending 31 March 2027

STATEMENT OF CORPORATE INTENT OF BULLER ELECTRICITY LIMITED
For the Year Ending 31 March 2027

This statement is submitted by the Board of Directors of Buller Electricity Limited to the Trustee Shareholders as required by Section 39 of the Energy Companies Act 1992. It sets out the Board's overall intentions and objectives for the company to 31 March 2027 and the two succeeding financial years as required by the Act. It provides details on –

- Principal Objectives of BEL
- Nature and scope of commercial activities
- Capital structure
- Accounting policies
- Performance Targets and measures
- Distribution Policy
- Information to be reported to shareholders
- Acquisition procedures

1 Principal Objectives of Buller Electricity Limited

The continuing principal objective for the company is to operate a successful business in an environment of continuing change both in terms of changes to the energy industry being brought about by Government policy changes and by the greater use of new technologies. This requires focus on five key areas:

- Our customers and consumers
- Our people
- Asset Management
- Commercial and Financial performance
- Supply Management

In addition, these areas span three sectors of business activity for the Buller Electricity Group over the planning period:

- Distribution Network – the core business.
- Providing contract services to Buller Network consumers and external customers within our areas of expertise.
- Investment and Innovation – taking advantage of changes in legislation and technology.

To be successful Buller Electricity will need to meet the following broad objectives:

- Establishing efficiency in all areas
- Generating profitable growth
- Continuous improvement in the contracting business
- Enhancing the value, scope and delivery of services to network customers
- Successfully manage change and growth

These objectives are considered as part of the annual strategic review and business planning process conducted by the Board and Management. They are key factors considered in shaping the long-term company direction. It is the role of Management to take actions and give direction in the daily operations of the company to ensure the business plan and strategic plan objectives are met.

Finally, Buller Electricity is accountable to stakeholders to take care of the environment, meet community needs and deliver acceptable financial results.

The environmental bottom line will look at the management impacts from operations, weigh environmental values with economic ones, and plan for a future which requires increasing focus on environmental activities.

The social bottom line includes the safety and well-being of people - employees, consumers, customers and the general public - and the sustainability of the local Buller communities.

The Company also aims to contribute to community activities and individual development needs through an active sponsorship and donation program.

The economic bottom line means ensuring it is possible to stay in business in perpetuity, by being an efficient, productive and profitable company, and by providing value to consumers.

The vision, mission and values of the company reflect these principal objectives;

Our Vision: Build Buller's community through energy, service and technology

Our Mission: To empower the community by:

- ensuring a safe, reliable and efficient Network
- leveraging innovative technology and building partnerships to maximize sustainable value
- being the Contractor of choice for our Customers
- developing our people
- supporting our Community

Our Values:

- ***Foster*** a workplace culture where the health, safety and wellbeing of every individual are prioritized, ensuring a sustainable and thriving environment where all can reach their full potential, both personally and professionally
- ***Delivery*** on our Promise by being accountable (responsible for words, actions and results)
- ***Respect*** – value everyone and treat people with dignity and professionalism
- ***Integrity*** – Building trust through responsible actions and honest relationships
- ***Pride*** in what we do – being proactive and always performing to the highest standards
- ***Teamwork*** – achieving by collaborating and working together

2 Nature and Scope of Commercial Activities

Buller Electricity should assume that volatility continues in the electricity sector, but it must look to treat this volatility as an opportunity both within the Buller region and further afield.

For the benefit of consumers on the Network and the owners of BEL, it must remain focused on core business activities.

Buller Electricity's core sectors of commercial activity are:

- Network Solutions – providing the electricity reticulation infrastructure and service necessary to meet consumer expectations regarding security of supply and reliability.

- Contract Services – providing the services needed by lines, retail, and generation entities to allow them to provide the services required by customers. We also provide general electrical and lines contracting and arborist services both within and beyond the Buller area.

- Investment and Innovation – facilitate solutions required by consumers and customers and seek opportunities to expand the business, improve our Network efficiency and self-sufficiency, and improve our overall business profitability.

3 Safety

The Board and Executive Team are highly committed to providing a safe and healthy working and learning environment, which enhances the wellbeing for staff, contractors , consultants and visitors, and the public at large. The company has the following safety objectives summarized as:

- Maintain a healthy and safe workplace and ensure the wellbeing of staff
- Recognise and manage risk
- Have a fit for purpose Wellbeing, Health and Safety Management System
- Comply with all relative legislation, regulatory requirements and good industry practice
- Promote a culture which embraces inclusion and diversity

The Board of Directors review OHSW at each monthly board meeting.

4 Capital Structure

Issued Capital

7,550,000 Ordinary Shares fully paid totaling $7.55M.

The net book value of the total assets, including intangibles, investments, goodwill and assets under construction as at 31 March 2026, with all additions and disposals during the year at cost, was $36.222 million.

Buller Electricity (BEL) is responsible for Network management, operations, maintenance and capital works.

Electro Services Limited (ESL) is a wholly owned subsidiary providing general electrical contracting services to Buller and the wider West Coast area.

Pioneer Energy Renewables GP Limited (PERGP) is owned 24.2% by Buller Electricity Limited. Pioneer Energy Renewables GP Limited is the general partner that wholly owns Pioneer Energy Renewables Limited Partnership, which includes Pulse Energy Alliance, previously part-owned by BEL Investments NZ Ltd.

ESL is consolidated with BEL for financial reporting purposes.

PERGP is equity accounted for financial reporting purposes.

5 Accounting Policies

Buller Electricity Limited will prepare financial statements in accordance with the Companies Act 1993, the Financial Reporting Act 2013, International Financial Reporting Standards, the Energy Companies Act 1992 and the Electricity Distribution Information Disclosure Determination 2012.

6 Performance Targets and Measures

Buller Electricity Limited's intended performance targets for the 2026/2027, 2027/2028 and 2028/2029 financial years are attached as an Appendix.

7 Distribution Policy

The company will discuss annually with the shareholder appropriate consumer and shareholder distributions.

8 Information to be reported to Shareholders

The information to be reported to shareholders shall be in accordance with legislative requirements and key performance indicators reviewed and agreed on an annual basis.

9 Acquisition Procedures

Before undertaking any major transactions, the directors will follow the procedure detailed in the Companies Act 1993 and Constitution.

On behalf of the Board

S K Hollis
Chairperson

APPENDIX 1 **BULLER ELECTRICITY GROUP**
SCI PERFORMANCE TARGETS

1 Overall Financial Performance

The following table sets out some key rates of return and capital structure ratios for Buller Electricity Group, which comprises Buller Electricity Limited, Electro Services Limited and our equity-accounted investment partner Pioneer Energy Renewables GP Limited.

FORECAST (%)

Year Ending	Return on Shareholder Funds	Return on Total Assets	Equity Ratio
31/3/27	7.7%	8.7%	73.9%
31/3/28	7.5%	9.0%	78.0%
31/3/29	7.4%	9.3%	82.2%

Buller Electricity Group is forecasting the achievement of these financial performance targets excluding any unforeseen changes that would make these targets inappropriate or unattainable.

The definitions we use for these financial performance targets are as follows:

Return on Shareholders' Funds
This ratio is a measure of overall profitability of the business and is calculated by dividing the current year's after-tax earnings by the total equity.

Return on Total Assets
The ratio is an indicator of how effectively a company is using its assets to generate earnings before contractual obligations must be paid and is calculated by dividing the current year's earnings before interest and tax by the total assets.

Equity Ratio
The equity ratio is an investment leverage or solvency ratio that measures the amount of assets that are financed by owners' investments by comparing the total equity in the company to the total assets and is calculated by dividing the total equity by the total assets

2 Operational Performance

Buller Electricity Limited intends to achieve the following network performance targets notwithstanding any external events (including Transpower outages) beyond the control of Buller Electricity Limited (such as abnormal storms).

Measure	2026/27	2027/28	2028/29
SAIDI Planned Interruptions	190	180	180
SAIDI Unplanned Interruptions	588.0	588.0	588.0
SAIFI Planned Interruptions	0.70	0.70	0.70
SAIFI Unplanned Interruptions	3.85	3.85	3.85

SAIDI: System Average Interruption Duration Index – This is a measure of how many minutes of supply interrupted occur per year.

SAIFI: System Average Interruption Frequency Index – This is a measure of how many supply interruptions occur per year.

Note – BEL is not subject to Commerce Commission maximum thresholds for SAIDI and SAIFI.

3 Safety Performance

The Occupational Health, Safety and Wellness (OHSW) Staff Committee is actively collaborating with the Board to transition towards a focus on leading indicator performance to better anticipate and prevent risk, by tracking proactive safety actions and behaviours. The company H&S committee continues to monitor and report on lagging indicator performance to provide insight into historical performance and validate the effectiveness of health and safety controls and enhancements. In respect of lost time injury monitoring, the company committee provides lost time injury frequency rate (LTIFR) and total recordable injury frequency rate (TRIFR) metrics within monthly operational reports.
Buller Electricity aims to achieve zero Lost Time Injuries (LTI's).

The Buller Electricity definition of an LTI is as follows;

Lost Time Injury/Disease: *A work-related injury or disease causing an employee to be absent from work for either one whole working day or shift.*

1. A "lost time injury" according to AS 1885.1-1990 is "an occurrence that results in a fatality, a permanent disability or time lost from work of one [whole] day/shift or more due to a work-related injury or disease"

Business Safety 2026-2027 Targets	
Number of fatalities or injuries resulting in permanent disability	0
Safe Work Observations	48
Critical Control Assessments	48
Safety Conversations	96
Internal Audit Completion	2

Public Safety 2026-2027 Targets	
Number of serious injury events involving members of the public (excluding third party contact e.g.- car vs pole incidents)	0
Public Safety Engagements	24
Public Safety Initiatives	2
Public Safety Field Audit Completion	2
Asset Inspection Completion	20% of network