

For almost 90 years, MainPower has provided a safe and reliable electricity supply to the North Canterbury and Kaikoura region. We are your local lines company, responsible for the poles and wires and associated infrastructure that deliver electricity to over 39,000 homes and businesses.

New Zealand's electricity sector is facing significant change with emerging technologies like solar photovoltaics (PV) and battery storage giving people greater choice on how they produce, store and consume energy.

As we head into the future, our core role will continue to be delivering a secure electricity supply to our local community. Our challenge is how we use new energy supply technology to do this more effectively and efficiently and to enable our customers to make the most of the new energy market.

We need to innovate and develop a network for the future – driven by better outcomes for our customers.

MainPower Chief Executive Bruce Emson reflects on the past year and answers questions about the priorities for the future.

Q: How would you describe the past year for the business?

A: It has been a challenging time for MainPower – we have been focussed on building on our past performance in health and safety as well as improving efficiency and productivity to deliver even more value to our customers and community. We also launched our strategic plan 'Roadmap for the Future' to position the business to take advantage of opportunities related to the transformation of the electricity sector.

Q: What's driving the change in the electricity sector?

A: The electricity distribution network has provided a reliable and secure supply of electricity for many years. We have achieved this by investing in a traditional network of poles and wires

and associated infrastructure. Advances in new and emerging energy technologies like electric vehicles, solar PV, storage batteries and energy management systems, are making these technologies much more affordable and accessible. The real value for New Zealand energy consumers will be the power of choice. MainPower has a part to play in making this happen.

Q: How will MainPower embrace this opportunity?

A: MainPower introduced its 'Roadmap for the Future' in 2016. There is no certainty over what the future looks like and that's why our strategy has to be flexible to be able to adapt and change. This starts with becoming an organisation that puts the customer at the centre of the business. We are also on a course of embracing innovation, building operational excellence to deliver a business that is fit for purpose, all the while without compromising on

health and safety. Our vision is simple – we will partner in our customers' energy future.

Q: How will this impact MainPower's core business?

A: MainPower is an essential service provider – we have a dedicated team of people who do their very best for the local community. As a business, we are looking at new energy technology and transforming our network to embrace innovation but our responsibility to "keep the lights on" will not change. Whatever we do, we will not compromise on customer satisfaction, network reliability or safety. To achieve this, we need to better understand our customers – because their views now play a greater role in the way we manage our business.



The Annual Meeting of shareholders of MainPower New Zealand Limited will be held at MainPower head office, 172 Fernside Road, Rangiora on Monday 28 August 2017 commencing at 5:30 p.m. An invitation is extended to all North Canterbury and Kaikoura residents to attend.

Agenda

1. Apologies.
2. To receive the Directors' Report and Financial Statements for the year ended 31 March 2017 and the Report of the Auditor thereon.
3. Pursuant to the Constitution, the Directors have resolved that no dividend will be payable.
4. Election of Directors.
 - Pursuant to the Constitution to elect one Director on the retirement by rotation of Mr S.P. Lewis. Mr Lewis, being eligible, offers himself for re-election.
 - Pursuant to the Constitution, Mr P.A. Cox retires by rotation. Mr Cox does not seek re-election.
5. To consider the Directors' recommendation that the total Non-Executive Directors' remuneration for MainPower New Zealand Limited and its subsidiary companies for the 2017-2018 financial year remains at a maximum of \$375,000 excluding Goods and Services Tax.
6. To appoint Deloitte as Auditor in accordance with section 196(1) of the Companies Act 1993 and to authorise the Directors to fix the remuneration of the Auditor.
7. To consider any general business which may be properly brought before the meeting.

To find out more

MainPower's 2017 Annual Report and Statement of Financial Accounts is available on our website www.mainpower.co.nz. If you would like a copy posted to you, please call us on 03 311 8300 or email info@mainpower.co.nz.

HAVE YOUR SAY

Visit our website to see what community consultation projects we are currently running. www.mainpower.co.nz

HELP US SPEND \$20K

We have \$20,000 to give away and we're asking for your help by telling us which local community or neighbourhood groups you think need the money the most. To get involved, visit our website and let us know which groups you think we should support. www.mainpower.co.nz

FINANCIAL HIGHLIGHTS

Net profit before tax and rebates	2017	\$15.1	2016	2015
		Million	\$18.1M	\$15.5M

Network capital investment	2017	\$16.7	2016	2015
		Million	\$23.2M	\$25.3M



School Education

MainPower is contributing to learning in our community through participation in rural education programme Down the Back Paddock – an initiative of Injury Prevention Waimakariri. The programme is designed to better educate children on safety around farms and lifestyle blocks.

Power poles and wires are all around us. Most of the time, electricity is safe but it's important for kids to know about electrical hazards and what to do in an emergency involving electricity – like tell an adult and call 111 for help. Through our involvement in the schools programme, our people have the opportunity to visit local schools and deliver messages related to electrical safety.

MainPower Scholarship

Attracting talent and supporting students pursuing courses in electrical power engineering is critical to the future of our industry. Since 2003 we have partnered with the University of Canterbury to provide a scholarship for undergraduate students studying Electrical and Electronic Engineering. Third year student Tiantian Xiao was the 2016 recipient of the MainPower Scholarship. We are also proud supporters of the University of Canterbury's Electric Power Engineering Centre – the EPECentre shares our vision for a sustainable future with a specific focus on education and innovation.

MainPower has an important part to play in making our region a great place to live and work. In addition to keeping the lights on and powering our community, we give back through our community support sponsorship programme. We have a proud history of supporting great things with a focus on youth, environmental sustainability, energy efficiency and economic development.

MainPower has an important part to play in making our region a great place to live and work

As a consumer owned electricity distributor – MainPower's ownership structure is designed to benefit the consumers of North Canterbury and Kaikoura. Our customers are also our shareholders which means that the people we deliver electricity to are even more important to us. Having a better understanding of who our customers are means engaging with them regularly – we need to create strong, lasting relationships with our customers and community. This is a major shift in thinking for a business that has traditionally focussed on building electricity infrastructure. You might start hearing from us more often – whether that's at the local A&P Show or perhaps you're invited to participate in a survey about your experience as a customer.

It's important for you to know that we are listening

We want you to have your say and it's important for you to know that we are listening and taking your feedback on board to deliver an even better business for the local community. In the past year we have been talking with customers about our vegetation management programme, more specifically we want to improve the way we communicate with our customers around maintaining clearance zones for trees around power lines. We've also been asking for feedback on how you think we should set prices to deliver electricity - our pricing consultation project is ongoing. We've also been looking at other aspects of customer satisfaction including how we can improve the way we manage feedback.

The safety of our people, customers and community continues to be our highest priority. We're committed to building a health and safety culture that delivers safe, productive and environmentally responsible services and products.

We're committed to building a health and safety culture

This means investing in our people and introducing leadership training into our broader training programme, listening to our people through regular culture surveys, understanding our critical risks, and mandatory toolbox talks to identify and discuss risk controls.



MainPower is super-proud to come on board as a founding business partner of the Māia Health Foundation. The Foundation has taken on two game-changing projects to enhance the health experience in Canterbury at Christchurch's new hospital building. Māia is committed to raising \$5.2 million by late 2018 to support two enhancement projects – a large rooftop helipad for quicker access for emergency treatment, and children's facility enhancements to make a welcome difference for children and their families.

We're a major contributor to the wellbeing of our region



In 2016, MainPower partnered with St Joseph's Catholic Primary School in Rangiora to install the South Island's first solar hybrid system, incorporating a state of the art 6.4kWh Tesla Powerwall battery. The project introduces environmentally friendly power to the school, while also reducing energy costs and providing students with a powerful hands on learning tool. It's a learning opportunity for our people as well, who were upskilled on the installation of new technologies – plus we're also gaining valuable insights on solar hybrid systems.

Environmentally friendly power to the school, while also reducing energy costs



It is all about reconnecting with our community and it's not just the company that's making a difference – a number of our workforce volunteer for community organisations and activities they care about. Whether it's through local sporting clubs or involvement in initiatives coordinated by MainPower, we believe it is important to encourage employees to contribute to their local community. Our people and our community matter to us.



Encouraging women to take up trade roles in the infrastructure industry

MainPower has a commitment to growing diversity in the workplace and this was demonstrated through our involvement in annual industry event Girls with Hi-Vis®. Run by Connexis – the Infrastructure Industry Training Organisation – the event is aimed at encouraging women to take up trade roles in the infrastructure industry. MainPower needs the best people operating at the highest level to deliver on the huge task of keeping the lights on for our customers. Women make up 50 percent of New Zealand's population, but less than 4 percent of trade trainees. There's an untapped pool of talent and we need to be proactive in encouraging females to take up these roles. MainPower hosted its first Girls with Hi-Vis® event in 2016 which led to 18-year-old Ellie Pugh joining the MainPower team as an apprentice. It's all about unleashing potential through learning.



Employee Wellness

Equally important to us is the health and wellbeing of our people. Our employee wellness programme looks at the organisation as a whole and is designed to include initiatives that encourage and assist employees to maintain overall personal wellbeing.



Public Safety

We also promote public safety around electricity in the MainPower region – our objective is to educate through awareness. Our campaigns and messages are based around identified risks and include general electrical safety, fallen line safety, safety around overhead lines and underground cables, trees and power lines, emergency response, and farm safety.

During the year, MainPower also installed Rangiora's first public electric vehicle (EV) charging station at the company's head office in Southbrook, followed by a fast or 'rapid charger' in Kaikoura. The standard charge (or 'slow charger') is primarily to service MainPower's Nissan LEAF but we opened it up for the community to use during business hours, free of charge. We've had EV drivers stop by to top up which is great to see – we're happy to be a part of growing recharging infrastructure in the region. As more people make the move to electric, it will only become more pressing to have solid recharging infrastructure in place. That's why we're working with local councils, businesses and other stakeholders to see a coordinated roll out of EV chargers in our region.



The plan for the children's facility is to help create a unique, healing, supportive and friendly environment to make each stay as comfortable as possible for children and their families. Through MainPower's sponsorship programme we're a major contributor to the wellbeing of our region. We became involved with the team at Māia because it presented a unique opportunity to make a real difference to the greater Canterbury region.

Want to know more?
www.facebook.com/maiahealth
www.maiahealth.org.nz
www.instagram.com/maiahealth

