FY2026/27

STATEMENT OF CORPORATE INTENT

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CONTENTS

SECTION 1

OUR STRATEGY

Our Vision

Leading a sustainable energy future.

Objectives of the Group

How Unison will achieve its vision and deliver long-term value for consumers, communities, and our shareholder, in a rapidly evolving energy environment.

Unison’s strategic focus is on safe, reliable and affordable electricity distribution and delivering long-term value for our shareholder, while building the resilience, capability and flexibility required for the future energy system:

Unison Group Outcomes:

Providing a Safe and Reliable Supply

Unison will provide a consistently safe and reliable electricity supply for its communities, while continuing to evolve its low-voltage network into an intelligent, and flexible platform that supports customer-owned energy technologies such as solar, batteries, and electric vehicles.

Operating a Resilient Network

Unison will maintain and progressively strengthen its electricity distribution network to respond to future challenges, including climate change and geological events.

Enabling Great Customer Experiences

Unison will enable great customer experiences by making it easy to connect and interact with its network and services, supporting customer owned energy technologies to increase choice and value.

Delivering Sustainable Returns for Shareholders

Unison will deliver long-term value for its shareholder through sustainable dividend growth, supported by disciplined financial management and prudent investment.

Contributing to Affordable Electricity

With distribution charges representing around 27%[1] of the average household electricity bill, Unison will contribute to affordable electricity by operating efficiently and making prudent network investment decisions to support fair and sustainable distribution charges.

[1] Distribution charges are estimated by applying Unison’s published line charges to average household consumption and bill data from the Electricity Authority and MBIE, excluding transmission costs and reflecting typical residential time of use profiles.

SECTION 2

UNISON GROUP OVERVIEW

Unison Group Overview

The Unison Group consists of specialist companies delivering critical network and energy solutions, including the electricity networks of Hawke's Bay, Taupo and Rotorua, New Zealand's leading distribution transformer manufacturer, an electrical switchgear business, and a Services Division delivering expert electrical contracting and specialist services.

Ownership and Governance

The Unison Group is wholly owned by the Hawke's Bay Power Consumers' Trust (HBPCT) on behalf of Unison's Hawke's Bay electricity consumers. The Unison Group's Board of Directors is appointed by the HBPCT.

Group Structure

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- unison – The Powerlines People
- unison insurance
- unison contracting
- pba – THE HIGH VOLTAGE EXPERTS
- ETEL
- RPS

Unison Networks Limited

Unison Networks Limited (UNL) is an electricity distribution business (EDB) – an integral part of New Zealand's electrical infrastructure, forming the physical link between the transmission network and electricity consumers.

UNL provides a safe, reliable, and resilient power supply to consumers across the Hawke's Bay, Rotorua and Taupo regions. UNL achieves this through the provision, operation and long-term management of its electricity distribution infrastructure, including overhead lines, underground cables, transformers and substations.

UNL, alongside other EDBs, also plays an essential role in enabling and supporting New Zealand to achieve its climate change objectives while ensuring adequate network resiliency to effectively manage the increasing frequency and intensity of extreme weather events. UNL has a comprehensive plan to ensure the electricity networks it designs, builds and maintains enable and support the prosperity, growth and future needs of the customers, regions, communities, and businesses its network serves.

Unison Subsidiary Businesses

In addition to the core electricity network business, the Unison Group owns and manages several complementary businesses.

Unison Contracting Services Limited (UCSL)

UCSL delivers end-to-end electrical infrastructure services to Unison Networks and other electricity distribution companies and customers, including power, civil, and vegetation services. From depots in Hastings, Napier, Rotorua, Taupō, Tauranga, and Dunedin, UCSL expertly manages, maintains, services, installs, audits, and provides solutions for a variety of electricity projects; and has developed a reputation for safe, reliable, and future-ready solutions.

Pringle Beleski and Associates Limited (PBA)

PBA offers high voltage specialist services including transformer and circuit breaker, high-voltage direct current, secondary systems, and management services for transformer oil and sulphur hexafluoride (SF6).

Specialist electrical services including testing, analysis, servicing, and overhaul of both low and high voltage rotating electrical equipment are delivered by ESL (ETEL Services).

PBA also delivers underground construction and asset management services in Australia including maintenance, installation, testing, commissioning, project management engineering, and design; and specialist servicing of low and high voltage rotating plant equipment such as motors, pumps, and generators. Distribution asset management, high and low voltage construction, overhead and underground project and contracted works services are delivered by Magnetic Power Services based out of Melbourne

ETEL Limited (ETEL)

ETEL is a leading manufacturing company specialising in the design and manufacture of electrical distribution transformers. ETEL produces various types of transformers at their primary manufacturing plant in Auckland, and at their secondary plant in Jakarta, Indonesia; as well as having a presence in and supplying distribution transformers to Australia, Singapore and the Pacific. ETEL's core product range is manufactured medium voltage transformers including pole and ground mounted distribution transformers, cubicle transformers, arc fault kiosks, cast resin transformers, and industrial and mining application transformers.

RPS Switchgear Limited (RPS)

RPS is a medium-voltage switchgear manufacturer and global supplier. RPS also provides specialist upgrade and retrofit services for in-service switchgear including design, project management, spares management, installation, maintenance, and servicing. RPS supplies extensively in New Zealand and exports to Australia, Africa, Asia, and the United Kingdom.

Unison Insurance Limited

Unison Insurance Ltd is Unison's captive insurer, providing limited self-insurance cover for Unison's primary uninsured risk – its non-substation electrical assets - as well as facilitating placement of property insurance through access to the reinsurance market. UIL helps safeguard the future of the network, so if a major disaster such as an earthquake causes substantial damage to underground cables, overhead power lines and other power equipment, Unison can access funds to contribute to repair or rebuild the network.

Management Services

Since October 2002, Unison has provided management services to Centralines Limited – the EDB that supplies electricity consumers in Central Hawke's Bay. The management service includes asset management, network planning, design, and operation of the control room.

Through this long-standing arrangement, Unison and Centralines work collaboratively to share expertise, systems, and operational capability, supporting efficient network management and resilient service delivery. This model enables scale efficiencies, consistent asset management practices, and knowledge sharing across both networks.

Scope Of Activities

The scope of the Unison Group's activities may extend to the provision of other energy and infrastructure services, such as:

- Managed services
- generation including distributed and embedded generation, back up supply and energy storage solutions
- e-mobility services and infrastructure
- energy advisory services
- supply of energy related infrastructure products and services.

APPENDIX 1:

COMMITMENT TO OUR SHAREHOLDER

Ratio of Consolidated Shareholder's Funds to Total Assets

To provide the Unison Group with the capacity to grow and enhance value to the shareholder, whilst maintaining an efficient capital structure that minimises risk, the Unison Group will target the ratio of consolidated shareholder's funds to total assets for each year at not less than forty per cent (40%).

Performance Targets

The Unison Group measures its performance against a range of safety, operational, and financial performance targets. The performance targets that have been set for the period are detailed in Appendix 2.

Dividends

The Unison Group's policy is to distribute to the shareholder, by way of a dividend each financial year, funds surplus to the investment and operating requirements of the Unison Group as determined by Directors, subject always to:

- the solvency provisions of the Companies Act 1993
- any banking or other funding covenants by which the Unison Group is bound from time to time
- the forecast economic conditions in which the Unison Group is expected to be operating, and
- the Group's efficient capital structure and future funding requirement.

The target dividend pay-out for the period is set out in Appendix 2.

In measuring the Unison Group's performance against the target dividend payout, the parties acknowledge that Directors shall seek to maintain a healthy and growing dividend from year to year. Any significant variations in profitability, which may be due to one off gains or losses in individual years, will be taken into consideration to minimise the volatility in dividend pay-out between years.

Information to be Provided to Shareholder

Financials

Monthly financial statements for the Unison Group will be delivered to the Hawke's Bay Power Consumers' Trust within five working days after the Board has considered them during the ensuing month.

Interim Reports

Half yearly reports for the Unison Group will be delivered to the Hawke's Bay Power Consumers' Trust within three months of the end of September each year. These reports will comprise:

1. A report from the Chair and Group Chief Executive of the Parent company covering the operations for the period 1 April to 30 September each year, and
2. Unaudited financial statements in respect of the Unison Group for that period.

Annual Reports

Annual reports for the Unison Group will be delivered to the Hawke's Bay Power Consumers' Trust within three months of the end of March each year. These reports will comprise:

1. A report from the Chair and Group Chief Executive of the Parent company covering the operations for the period 1 April to 31 March of each financial year, including the maximum dividend (if any) recommended to be payable by the Unison Group in respect of its equity securities for the financial year to which the report relates.
2. Audited financial statements in respect of the Unison Group for the period.
3. The Auditor's Report on the financial statements, the performance targets and any other information by which the performance of the Unison Group can be judged in relation to its objectives and goals.

The Unison Group's audited financial statements will comprise not less than the information required by Section 44 of the Energy Companies Act 1992.

Further Information

The Unison Group will provide such additional information or reports to the Hawke's Bay Power Consumers' Trust as it may require in order to properly undertake its duties and to act as a diligent trustee shareholder as prescribed in the Trust Deed acting collectively in the best interests of the Trust Fund and of the Consumers as beneficiaries.

Accounting Policies

The Unison Group's accounting policies are consistent with generally accepted accounting practice ('GAAP'). They comply with New Zealand equivalents to International Financial Reporting Standards ('NZ IFRS') and other applicable Financial Reporting Standards, as applicable for profit entities.

Unison Networks Limited is a for-profit company for the purposes of complying with GAAP.

The Unison Group's financial statements are prepared in accordance with the requirements of the Companies Act 1993 and Energy Companies Act 1992.

Procedures for Acquisition of Shares in Other Companies or Organisations

No acquisition by the Unison Group of shares in another company or organisation, the value of which exceeds $10 million (other than in the course of a re-organisation, reconstruction, merger etc., as defined in Clause 9.9 of the Trust Deed), shall be undertaken without prior Shareholder approval. Any such acquisition will necessitate modifying this Statement of Corporate Intent.

Transactions between related companies

The following arrangements are intended to continue over the period covered by this Statement of Corporate Intent:

1. Unison Networks Limited provides various shared services to subsidiaries Unison Contracting, Unison Insurance, ETEL, RPS Switchgear and PBA.
2. Unison Contracting and PBA provide asset construction & maintenance services to Unison Networks.
3. Unison Insurance provides insurance services to Unison Networks and its subsidiaries.
4. ETEL and RPS Switchgear provide electrical products to Unison Networks and Unison Contracting.

Other matters agreed by the shareholders & directors

The Unison Group will assist the Hawke's Bay Power Consumers' Trust to carry out the separate roles of Shareholder in the Unison Group and Trustees under the Trust Deed by making any customer information from existing databases available to the Trust, within the limitations of the Privacy Act 2020. The Unison Group will keep the Trustees informed in a timely manner about new initiatives the Unison Group is undertaking.

Risk Management

The Board oversees a formal risk management policy and framework that are consistent with ISO 31000:2018 Risk Management – Guidelines.

The Board is responsible for reviewing and ratifying the Company's risk management practices and its internal controls systems. The Board monitors the Company's risk position and activities, principally through the Audit & Risk Committee, and the Board considers the recommendations and advice of external and internal auditors and other external advisors on the risks that face the Company.

The Board ensures that recommendations made by the external and internal auditors and other external advisers are investigated and appropriate action is taken to ensure that the Company has an appropriate internal control environment in place to manage the key risks identified.

APPENDIX 2:

PROJECTIONS, DEFINITIONS, PERFORMANCE TARGETS

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Projections

This Statement of Corporate Intent applies to the financial year ending 31 March 2027 and the two subsequent financial years ending 31 March 2028 and 31 March 2029. The financial information and assumptions, on which the Statement of Corporate Intent is based, are contained in the Unison Group's Business Plan. The financial and other performance targets set out in this Appendix have been prepared for the purposes of this document and may not be appropriate for other purposes. The actual results achieved for any period are likely to vary from the information presented and the variations may be material.

Definitions

Definitions Of Safety Performance Targets	
Injuries related to critical risks	The number of class 2 or above injuries[2] due to critical risks by employees related to the operation, construction or failure of Unison Networks Limited assets.
Number of Public Accidents – Serious Harm	The number of (serious harm) accidents sustained by the public directly related to the operation or failure of Unison Networks Limited assets.
Number of Public Accidents – Damage	The number of serious property[3] damage incidents sustained by the public directly related to the operation or failure of Unison Network assets.

Definitions Of Operational Performance Targets	
Total Lines Business Cost	This represents the total operating cost of the Electrical Lines Business (which includes Unison Networks Limited and Unison Contracting Services Limited, excluding Unison Contracting Services Limited's margin), but does not include the Transmission charges from Transpower New Zealand Limited.
Unplanned SAIDI	*Unplanned System Average Interruption Duration Index:* this Represents the average number of minutes per annum that a consumer was without power as a result of unplanned outages. Targets are based on normalised values, where SAIDI is adjusted to account for major events.
Unplanned SAIFI	*Unplanned System Average Interruption Frequency Index*: Represents the average number of interruptions per annum that a consumer experiences as a result of unplanned outages. Targets are based on normalised values, where SAIFI is adjusted to account for major events.

Definitions Of Financial Performance Targets	
Shareholder's Funds	Means the total issued capital, the balance of undistributed profits and all revenue and capital reserves of the Group, provided that if any Debt denominated in a currency other than New Zealand Dollars shall be the subject of a Foreign Currency Hedge, Shareholder's Funds shall be calculated from time to time by disregarding the asset and liability balances related to such Foreign Currency Hedge at such time.
Total Assets	Means all the recorded tangible and intangible assets of the Group at current book values, provided that, if any Debt denominated in a currency other than New Zealand Dollars shall be the subject of a Foreign Currency Hedge, Total Assets shall be calculated from time-to-time net of any asset balance related to such Foreign Currency Hedge at such time.
Dividend Target	The dividend target is the dividend expected to be paid out during the financial year and hence relates to results from the previous financial year.

2 As defined under Unison's incident classification system. Class 2 (Serious Harm, Notifiable Injury)

3 Property is as defined in NZS 7901:2014 (Public Safety Standard).

Performance Targets

The below tables show the actual results for the years ended 31 March 2025 and 31 March 2026 and the budgeted and projected performance targets for the following three years ending 31 March 2029. The financial projections have been prepared based on certain assumptions and are subject to changes in the economic and regulatory environment in which the Company operates and would be subject to further discussion with the Shareholder.

Performance Targets	Actual 2024/25	Actual 2025/26	Budgeted 2026/27	Projected 2027/28	Projected 2028/29
Safety Performance Targets					
Injuries related to Critical Risks	1	Nil	Nil	Nil	Nil
Number of Public Accidents – Serious Harm	Nil	Nil	Nil	Nil	Nil
Number of Public Accidents – Damage	Nil	1	Nil	Nil	Nil
Operational Performance Measures					
Total Line Business Cost per Consumer (nominal $'s)	$406[4]	$434[5]	$499	$515	$530
Network Performance					
Unplanned SAIDI - Unplanned System Average Interruption Duration Index	54.45	55.98	<65.27	<65.06	<64.85
Unplanned SAIFI – Unplanned System Average Interruption Frequency Index	1.271	1.123	<1.416	<1.404	<1.392
Group Financial Performance Measures					
EBITDAF as a percentage of average assets employed	9.5%[6]	8.8%[7]	9.6%	10.0%	10.0%
EBIT as a percentage of average assets employed	5.6%[6]	4.8%[7]	5.6%	5.8%	5.9%
Profit as a percentage of average shareholders' funds	5.9%[6]	4.1%[7]	5.9%	6.0%	6.1%
Ratio of average shareholders' funds to average total assets	46%	45%	44%	45%	46%
Dividend target ($M)	17.3	17.8	18.3	18.8	19.4

[4] $1.2 million of insurance proceeds relating to the Cyclone Gabrielle insurance claim were offset against operating expenditure in the 2024/25 year. The 'Total Line Cost per Consumer' excluding these proceeds was $416.

[5] The increase in 'Total Line Business Cost per Consumer' broadly aligns with the Commerce Commission's regulatory allowances from 1 April 2025. The allowances for the five-year regulatory period ending 31 March 2030 include additional funding in areas where 'step changes' have occurred, such as low voltage monitoring, software as a service, cyber security, insurance and customer engagement, as well as increased use of non-traditional network solutions, which support longer asset lives and defer capital expenditure. Targets are below the non-exempt EDB average per 2025 Asset Management Plans.

[6] Excluding insurance proceeds of $10.9m, the Normalised EBITDAF, Normalised EBIT and Normalised Profit metrics for financial year 2024/25 were 8.5%, 4.6% and 4.4% respectively.

[7] Excluding $15.4m of ETEL significant non-recurring items and insurance proceeds of $2.2m, the Normalised EBITDAF, Normalised EBIT and Normalised Profit metrics for financial year 2025/26 were 9.9%, 5.9% and 5.8% respectively.

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