

Code of Practice for Electra Trust

1. PURPOSE OF THE CODE OF PRACTICE

THIS CODE OF PRACTICE DOES NOT OVERRIDE THE TRUST DEED, HOWEVER AT LAW THE ELECTRICITY ACT 1992 CAN OVERRIDE THE TRUST DEED.

The purpose of the Code of Practice is to **promote best practice** in energy Trust administration so as to ensure:

- (a) Beneficiaries are provided with adequate information about the activities of the Trust; and
- (b) to enable Trustees and Beneficiaries to monitor Trust performance against clear objectives.

2. CODE OF PRACTICE OBJECTIVES

- 2.1 To provide Beneficiaries with audited Financial Statements, together with an Annual Report.
- 2.2 To hold an Annual Meeting with Beneficiaries.
- 2.3 To have Beneficiaries appoint an auditor at the Annual Meeting of Beneficiaries.
- 2.4 To make available to Beneficiaries the Company's Statement of Corporate Intent.
- 2.5 To have a Disputes Procedure to enable Beneficiaries to have acts and decisions of Trustees reviewed.
- 2.6 To encourage Trustees to make every effort to inform Beneficiaries of the operation and activities of the Trust.
- 2.7 To periodically review the Code of Practice and in consultation with the Beneficiaries, update it as required.

3. CODE OF PRACTICE PRINCIPLES

- 3.1 Trustees will at all times fully comply with their obligations under the Trust Deed, the Electricity Act 1992, the Trustee Act 1956 and trustee law generally.
- 3.2 Trustees will act promptly, fairly and with respect for the Beneficiaries in handling all queries or complaints.
- 3.3 Trustees will operate in a transparent manner.

4. GUIDELINES

4.1 Annual Meeting

- 4.1.1 The trustees shall hold an Annual Meeting of the Beneficiaries, within four (4) months after the end of each Financial Year, to:
 - (a) report on the operations of the Trusts during the preceding Financial Year (Trust Deed 12.7); and
 - (b) report on the Financial Statements of the Trust for that Financial Year; and
 - (c) report on the company's compliance with the Statement of Corporate Intent; and
 - (d) record the election of three Trustees (bi annually); and
 - (e) appoint an Auditor by a simple majority of votes; and

- (f) to fix the remuneration or determine the way remuneration shall be fixed, of the Auditor.
- (g) fix the remuneration of the Trustees for the coming year (based on an independent review); and
- (h) review the Code of Practice; and
- (i) allow Beneficiaries reasonable opportunity to question, discuss, or comment on the management of the trust.

4.1.2 Beneficiaries will be provided with at least 14 days' notice of every meeting.

4.1.3 A quorum at the Annual Meeting will be 20 Beneficiaries.

4.2 Trustees to prepare audited Financial Statements

4.2.1 The Trustees shall, within four (4) months after the end of each Financial Year of the trust, prepare Financial Statements with respect to the affairs of the Trust.

4.3 Publishing Financial Statements and Audit Report

4.3.1 The Trustees shall make the Financial Statements and the Auditor's Report available to the Beneficiaries

- (a) for inspection at the Trust office (during office hours) free of charge; and
- (b) for purchase at a reasonable price.
- (c) the Trustees shall publicly notify the Beneficiaries that copies are available to them.

4.4 Annual Report

4.4.1 The trustees shall prepare an Annual Report for the Beneficiaries. The Annual Report shall:

- (a) describe the key features of the previous year's operation; and
- (b) assess the performance of the Trust; and
- (c) be forwarded to all Beneficiaries.

4.4.2 Minutes of the previous annual meeting will be distributed with the Annual Report.

4.5 Disputes Procedure

4.5.1 Where a beneficiary wishes to complain about the decisions or operation of the Trust they may do so by voicing their concern direct to the Trust Secretary, either verbally or in writing.

4.5.2 All complaints shall be dealt with fairly and efficiently.

4.5.3 The Secretary or Chairperson (or a substitute if necessary) will attempt to resolve the complaint expeditiously.

4.5.4 If the matter is not able to be resolved verbally the Secretary or Chairperson will invite the beneficiary to lodge his or her complaint in writing to the full Trust and following the receipt of a complaint in writing the Trustees shall respond in writing to the complaint

4.5.5 For complaints not satisfactorily resolved the Beneficiaries may refer their dispute to The Public Trust of New Zealand who have been appointed in an advisory capacity and are available to Beneficiaries for a review of their dispute.

4.6 Communication with Beneficiaries

4.6.1 In addition to the annual reporting requirements, Trustees will make every effort to communicate with their Beneficiaries at least once a year (also by access to the Trust's website on the Internet) to inform Beneficiaries of the operation and activities of the Trust.

The Code of Practice will be available on the Trust's website.

5. ADMINISTRATION

5.1 Monitoring Guidelines

5.1.1 The Advisory Trustee shall report on the application of and compliance with this Code of Practice.