



Northpower



# Statement of Corporate Intent

FY2027-FY2029





## Northpower

- Electricity Network
- Fibre Network
- Office Locations

**Current Status** Approved

**Version Date** 6 May 2026

**Prepared by:**

Gordon Davidson  
Chief Financial Officer

Date: 11 March 2026

Signature:

**Recommended by:**

Andrew McLeod  
Chief Executive

Date: 11 March 2026

Signature:

**Approved by:**

Mark Trigg  
Northpower, Chair

Date: 11 March 2026

Signature:

**Approved by:**

Hon Phil Heatley  
Northpower Electric Power Trust, Chair

Date: 6 May 2026

Signature:

**Northpower Limited, 28 Mount Pleasant Road, Whangārei, New Zealand**

The information contained in this document produced by Northpower Limited is solely for the use of Northpower Limited and its subsidiaries. Northpower does not accept any responsibility to any third party who may rely upon this document.

All rights reserved. No section or element of this document may be removed from this document, reproduced, electronically stored or transmitted in any form without the written permission of Northpower Limited.

# Statement of Corporate Intent

FY2027 – FY2029

## Contents

Foreword	5
Introduction	6
Our context	6
Our key performance indicators	7
Policy and procedure statements	9
Matters required by the Companies Act 1993 and the Energy Companies Act 1992	10
Additional information to be provided	11



# Foreword

## The role of the Statement of Corporate Intent

This Statement of Corporate Intent (SCI) is Northpower's performance commitment to the Northpower Electric Power Trust (NEPT) and its consumer owners.

Northpower's delivery is governed by its Board of Directors, who use this SCI to guide Northpower's focus and delivery. It is also the reference point for discussions on target performance levels between NEPT Trustees and Northpower Directors.

This SCI is an element of the oversight applied by NEPT on behalf of consumer owners. This includes a five-yearly review of the ownership structure, which was last completed in July 2022.

## Our governance commitment – a positive impact on Northland and New Zealand

Northpower's stated purpose is to **connect communities** (through quality infrastructure), **build futures** (by building skills and careers), **for Northland** (via economic advantage to the region).

We are proud of the way our purpose has progressed in recent years. The modernisation of our electricity network substations, the successful completion of the Te Puna Mauri ō Omaru solar farm in Ruawai, and the advocacy work completed by the Northern Corporate Group (of which we are a member) are recent examples of our structured long-term contribution in the region.

Importantly though, our impact is now New Zealand wide. The contribution we make in supporting the biggest EDBs in New Zealand has doubled over the last decade and continues to scale.

## Our governance focus – delivering growth to enable improved distributions over time

Northpower has consistently delivered commercial returns in line with agreed SCI targets. We have lifted returns to consumer owners over time, and we are working to ensure that trend continues.

But behind that trend lies a critical driver - Northland and New Zealand are entering a critical period of electrification, and our teams are central to this effort. Our longer-term plans include ongoing investment into our local networks, scaling and broadening our energy services businesses, and investing in new assets (such as generation) to enable New Zealand's economy to electrify.

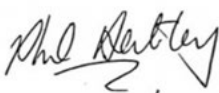
This trend supports our business and financial growth, enabling us to lift our electricity discount and dividends from our current distribution level of \$17.4M to \$20.4M by 2029.

## The focus of this document – ensuring strategic and operational discipline

This SCI provides the 'guidrails' for ongoing discipline. Discipline by our Board, our Management Team, and our delivery teams.

Discipline is appropriate because we are custodians of assets and business positions which will be critical to Northland delivering its economic potential over time. We endorse the regions focus on being a \$60 billion region by 2050 and are positioning Northpower to be a key enabler of this effort.

As the Chairs of NEPT and the Northpower Board, we are committing our governance teams to ensure these outcomes are achieved, to the benefit of Northland and our consumer owners.



**Hon Phil Heatley**  
NEPT Chair



**Mark Trigg**  
Northpower Chair

## Introduction

This Statement of Corporate Intent (“SCI”) sets out the background, overall intentions and objectives for Northpower Limited and its subsidiaries (“the Northpower Group” or “the Group”) for the period ending 31 March 2027.

## Our context

### Northpower Purpose

The focus of the Northpower Group as stated in the Trust Deed is to provide a safe, secure and reliable supply of electricity, while operating as a successful and sustainable business for the benefit of its shareholders, the electricity consumers of Kaipara and Whangārei.

To maximise Northpower’s impact and value, while maintaining a clear line of sight to this core focus for the group as set out in the Deed, Northpower is guided by an organisational purpose which contains the following key elements:

**Connecting communities** reflects Northpower’s focus on deployment of enabling infrastructure supporting the Kaipara and Whangārei regions. This includes its core electricity network and its fibre communications network.

**Building futures** reflects Northpower’s focus on the development of skills, capabilities and careers for its staff, and in our region. As an engineering and construction organisation of scale, we have an obligation to support sustainable skills development for the regions and sectors in which we operate.

**For Northland** reflects Northpower’s focus on delivering economic value to the region beyond the value created through networks and through skills development. This includes delivering a strong financial return to consumer owners, supporting key local causes and advocating for the region on political and sector issues.

### Scope of activities

The scope of activities undertaken by the Group includes:

- ownership and operation of electrical and fibre distribution networks;
- ownership and operation of renewable electricity generation assets;
- the supply of network and operations services for the distribution and transmission of electricity and communications;
- provision of design, construction, maintenance and professional services for electricity generators, and electricity and fibre networks; and
- provision of multi-disciplined civil construction including civil construction, pipelines and energy.

### New Zealand Subsidiaries

Northpower Fibre Limited (NFL) is a 100% owned subsidiary of Northpower with the Minister of Finance holding one special share. NFL provides ultra-fast broadband (“UFB”) services.

Te Puna Mauri ō Omaru Limited (TPMOL) is a 100% owned subsidiary of Northpower (through subsidiary Northpower Generation Limited). TPMOL owns and operates a solar farm based in Ruawai, Northland.

Connell Contractors Limited (CCL) is a 100% owned subsidiary of Northpower which was acquired in November 2025. CCL is a multi-disciplinary civil construction business operating throughout New Zealand from bases in Hamilton, Auckland, Taupō and New Plymouth.

## Our key performance indicators

Northpower's growth strategies include investments to build its services business, targeted investment to prepare its electricity networks for growth and electrification in the region and investment in renewable generation.

As demand for capital increases, our focus is on generating steady returns to fund these investments while managing debt levels and ensuring capital is available to continue to sustainably grow the value of the group for the benefit of consumer owners.

The following key performance indicators (KPIs) set out our anticipated performance for the year ending 31 March 2027, as well as a representative view of the projected financial performance of the Northpower Group over the three-year planning period to 2029.

Our KPIs seek to ensure we strike an appropriate balance between a reliable service offering, increased distributions to consumer owners over time, and building the value of Northpower's business holding to enable value creation and release over the long term.

### Financial KPIs

Our financial KPIs reflect our focus on an appropriate balance and focus on business performance, lifting distributions, building value and management of longer-term debt levels. Our targets are set at a group level and reflect the strength of our complementary asset holding.

Northpower Group	2026-2027	2027-2028	2028-2029
Net Profit After Tax/Shareholders' Funds (pre- distribution) <sup>1</sup>	≥ 7.5%	≥ 7.5%	≥ 7.5%
FFO/Debt (Funds from Operations/Net Debt)	≥ 13%	≥ 13%	≥ 13%
Debt Coverage Ratio (Net Debt)/(EBITDA)	≤ 4x	≤ 4x	≤ 4x
Distribution (posted discount plus dividend)	\$18.4m	\$19.4m	20.4m

### Non-financial KPIs

Our non-financial KPIs reflect our core operational focus on safety, network reliability and customer satisfaction. As a company with a long operational history, we understand that structured and sustained focus is required to ensure consistent outcomes in these areas.

Safety	2026-2027	2027-2028	2028-2029
Permanent disability and/or fatality to our people	0	0	0
High Potential Event Frequency Rate <sup>2</sup>	≤ 3.5	≤ 3.0	≤ 3.0
Serious harm to the public <sup>3</sup>	0	0	0

1 NPAT/Shareholder' Funds excludes the impact of fair value adjustments.

2 HPEFR: Number of events classified as having potential for serious harm/hours worked x 1,000,000 hours.

3 Serious harm means permanent disability and/or fatality to public caused by Northpower network or generation asset/equipment failure.

Northpower Electricity Network		2026-2027	2027-2028 <sup>4</sup>	2028-2029 <sup>4</sup>
Network interruptions (SAIDI minutes) <sup>5</sup>	- planned	≤178.25	≤178.25	≤178.25
	- unplanned	≤97.98	≤97.98	≤97.98
Network interruptions (SAIFI minutes) <sup>6</sup>	- planned	≤0.79	≤0.79	≤0.79
	- unplanned	≤2.40	≤2.40	≤2.40
Average number of faults per 100 km <sup>7</sup>		≤10	≤10	≤10
Customer satisfaction <sup>8</sup>	- residential	≥85%	≥85%	≥85%
	- commercial	≥85%	≥85%	≥85%

Fibre Network		2026-2027	2027-2028	2028-2029
Provisioning (percentage met by agreed date) <sup>9</sup>	- simple	≥95%	≥95%	≥95%
	- complex	≥95%	≥95%	≥95%
Faults per 100 connections <sup>10</sup>		≤3	≤3	≤3
Network availability (average unplanned downtime)	- Layer 1	≤36 min	≤36 min	≤36 min
	- Layer 2	≤6 min	≤6 min	≤6 min
Installation quality satisfaction <sup>11</sup> (score out of 10)		≥9	≥9	≥9

4 Electricity performance targets for SAIDI and SAIFI are based on the DPP4 settings for non-exempt EDBs, as if Northpower was price/quality regulated under Part 4 of the Commerce Act.

5 SAIDI: System average interruption duration index – the average duration of interruptions to supply consumers on average in the year for planned and unplanned outages. Unplanned SAIDI normalised to remove extreme events according to methodology used for regulated EDBs. SAIDI = Sum of (number of interrupted consumers x interruption duration) / Average number of connected consumers.

6 SAIFI: System average interruption frequency index is the average number of interruptions to supply experienced by consumers for planned and unplanned outages. Unplanned SAIFI normalised to remove extreme events according to methodology used for regulated EDBs.

7 Faults per 100km: A fault is classified by the Commerce Commission as “a physical condition that causes a device, component or network element to fail to perform in the required manner”. The measure calculates the faults per 100km averaged for all voltages.

8 Customer satisfaction is measured via an annual survey and measures overall satisfaction with the services we provide.

9 Provisioning met by agreed date as a rolling 12-month average.

10 Faults per 100 connections as a total sum of 12 months.

11 Service level performance (residential) measures the percentage of customers connected within target timeframes.

## Policy and procedure statements

### Accounting policies

The Group's accounting policies will comply with the legal requirements of the Companies Act 1993, the Financial Reporting Act 2013 and will be consistent with generally accepted accounting principles. Financial Statements will comply with New Zealand equivalents to International Financial Reporting Standards and other applicable financial reporting standards as appropriate for profit-oriented entities.

### Dividend policy

The Group distributes funds surplus to the investment and operating requirements of the Group to its shareholder. The estimated dividend to the shareholder in FY27 is \$0.6M, subject to the solvency requirements of the Companies Act 1993, the maintenance of the minimum gearing ratio specified and meeting the investment needs of the Group. In addition, consumers will receive a posted discount estimated at \$17.8M for FY27, providing a total distribution of \$18.4M by way of dividend to the shareholder and posted discount to consumers.

### FFO/Debt ratio policy

The ratio of funds from operations to debt will be maintained at more than or equal to 13%. The FFO/Debt ratio for the next three years is as set out in the Key Performance Indicators ("KPIs") and considers projected capital needs and minimum distribution payments as set out in the Dividend Policy.

Debt will comprise of the Group's total debt.

### Major transaction policy

As a general policy, any major transaction by the Group will be required to meet the same financial criteria as any significant capital expenditure.

All material transactions will be considered by the Group's Board of Directors.

## Matters required by the Companies Act 1993 and the Energy Companies Act 1992

The Group will provide information to its shareholder, the Northpower Electric Power Trust (“NEPT” or “shareholder”), in accordance with the requirements of the Companies Act, Energy Companies Act and other relevant legislation.

### Half yearly report

A half yearly report will be delivered to the Group’s shareholder within three months after the end of each half of the financial year covering the operations for the half year period including performance against the metrics defined in the SCI.

### Annual report

An annual report will be delivered to the Group’s shareholder within three months of the end of each financial year and will comprise:

- i. a report from the Directors covering the operations for the year;
- ii. audited consolidated financial statements for the financial year in respect of the Group; and
- iii. auditors’ report on the financial statements and the performance targets (together with other measures by which performance of the Group has been judged in relation to the Group’s objectives).

### Related party transactions

Sales and purchases from related parties are made on commercial arm’s length terms. In November 2025, Northpower purchased Connell Contractors Limited which operates as a standalone subsidiary. Northpower does not propose any transactions with any related party, except as set out below. The following support services will be provided to Northpower Fibre Limited and Te Puna Mauri ō Omaru Limited, including the following as required:

- i. treasury and accounting services;
- ii. human resource management services;
- iii. health and safety management services;
- iv. specialised technical and/or construction services;
- v. operation and maintenance services; and
- vi. information systems services.

## **Additional information to be provided**

### **Annual planning**

supports the development of the annual SCI and strategic plan.

The draft SCI will be delivered to NEPT within one month of the end of each financial year.

A summary of the Northpower Group annual strategic plan will be provided to NEPT within one month of the start of the new financial year.

### **Quarterly reports**

The Group will provide quarterly reports to NEPT within two months of the end of the quarter, which will comprise divisional level reporting of the financial performance for the period.

### **Information on growth initiatives**

The Group will keep NEPT informed of new business ventures on a no surprises basis as part of its quarterly reporting process.

The Group will consult NEPT before entering any new markets or business activities which significantly alter/affect the Group's risk position. Further, the Group will promptly report to shareholders on any transaction(s) that could materially impact the Group's risk exposure.

### **Further information**

The shareholder can request further information or reports from the Directors where the information relates to matters affecting shareholders and the value of their investment in the Company.

The Chair and Chief Executive will provide regular briefings to NEPT on all material matters and will ensure that they are provided with the appropriate information, including providing information relevant to material adjustments of electricity network pricing tariffs.

These briefings will include summary information on any substantially significant health and safety issues, changes in technology or regulatory issues.

