

EA Networks

Non Executive Directors

Candidate Briefing Information

July 2020



The Role

Position

Ashburton Based

2 Appointments

EA Networks, the trading name of Electricity Ashburton Limited, is a locally owned co-operative network company based in Mid-Canterbury. The company owns and operates the region's electricity distribution and fibre optic communications networks and also operates a successful Field Services business that supports their networks and provides additional services to residents and businesses across the region and beyond. Being a co-operative business owned by its customers, EA Networks has strong ties to the community and are passionate about their business and region. It is focused on delivering safe and reliable network infrastructure that supports the community and the local economy.

As a result of planned director rotation, EA Networks are seeking to appoint two directors to the Board.

The first appointee will bring proven governance and commercial experience to the role and a strong understanding of governance policies and processes and be a mid-Canterbury resident.

For the second appointment we are seeking strong electricity sector infrastructure / network experience. Location is open for this appointee.

Candidates must possess a high level of intellect, well-developed commercial acumen and proven strategic thinking ability and be able to demonstrate how they have contributed to the strategic growth and long-term future planning of an existing business.

The Board meets monthly (11 times a year) and this is a remunerated appointment.

The Company

Background

EA Networks, the trading name of Electricity Ashburton Limited, is a locally owned co-operative network company based in Mid-Canterbury, New Zealand.

The company owns and operates the region's electricity distribution and fibre optic communications networks.

EA Networks also operates a successful Field Services business that supports its power and fibre networks whilst also providing services to residents and businesses across the region and beyond.

Being a co-operative business owned by its customers, EA Networks has strong ties to the community. Whilst focusing on power and fibre infrastructure investments that provide economic benefit to the region, the company also supports community projects.

EA Networks is proud to support all local urban and rural schools by providing its fibre optic network to each. This ensures that every child in the district can access ultra-fast broadband and the latest in education tools provided by Network 4 Learning (N4L). The company also invested in the naming rights to Ashburton's swimming and recreation facility, which opened in May 2015.

EA Networks are passionate about their business and region and are focused on delivering safe and reliable network infrastructure that supports the community and the local economy.

History

After starting life as a privately owned generator based in Ashburton, the Ashburton Electric Power Board (AEPB) was established in 1923. After that time the AEPB grew through a variety of operating voltages which included 230 volts dc, 3.3kV, 6.6kV, 11kV, and latterly, 33kV ac.

During the 1970's irrigation demand caused growth to accelerate dramatically, expanding the 33kV sub-transmission network to all corners of the Ashburton District. A small hydro generator, Montalto, was also built during the early 1980's. Electricity Ashburton Limited (as the AEPB became) then introduced 22kV and 66kV as voltages on the network. A large capital works programme during the late 1990's and the early part of this century now has the majority of sub-transmission lines operating at 66kV and a significant portion of the distribution network operating at 22kV.

In 2008 Electricity Ashburton began developing a fibre optic network to establish robust communication links between the electricity network zone sub-stations. The EA Networks Board took the decision to expand the capacity of this network to allow residents and businesses on the fibre network route to connect to the network, allowing access to ultra-fast broadband and other services.

In 2012, Electricity Ashburton decided to re-brand and take on the trading name EA Networks, which better reflects the variety of network services the business provided. As a business committed to keeping the lights on and the web connected for consumers throughout Mid Canterbury, EA Networks has continued to deliver world-class, reliable and resilient networks infrastructure to consumers in their homes, businesses and farms.

EA Networks now supplies electricity line services to more than 17,450 consumers using almost 3,000km of underground cables and overhead lines.

Ownership and Structure

EA Networks is the trading name of Electricity Ashburton Limited, a co-operative network business based in Mid Canterbury. The business incorporates an asset management function (the Network Division) and a contracting function (the Field Services Division).

There are 30,069,100 shares issued in Electricity Ashburton Limited. The Ashburton District Council holds 28,750,000 of these shares in a non-rebate/non-voting form. The consumers/shareholders connected to the local electricity distribution system hold 1,278,200 rebate shares at 100 shares per consumer. All consumers/shareholders obtain a discount based on the line charges paid to the company.

All new electricity consumers are initially a shareholder in the co-operative company. Almost every new consumer chooses to retain their shareholding and only a handful of existing consumers are not shareholders. Each shareholder (consumer) has one vote to elect a shareholder committee member, irrespective of the size/scale of their electrical connection(s). The shareholders have the responsibility to consider their choice of committee member carefully to ensure they faithfully represent their views both in appointing directors and influencing the performance of the company as a whole.

Shareholders Committee

The Shareholders Committee represent the interests of the shareholders/consumers (to be a shareholder one must be a consumer). The Committee is responsible for the appointment of directors, scrutiny of Statement of Corporate Intent (including performance targets) and monitoring and reporting of the performance of the company and directors to the shareholders.

The Shareholders Committee also provides the principal means to resolve conflicts between asset management practices and large stakeholder interests.

Four of the seven members of the Shareholders Committee are elected by a one-vote-per-shareholder ballot, the remaining three positions are appointed by the Ashburton District Council.

Shareholders Committee Members:

Ian Cullimore (Chairman)	Alister Lilley
Anne Marett	Jeanette Maxwell
Robert Newlands	Chris Robertson
David Ward	

Key Metrics

Source: Year ended 31 March 2019 Annual Report

EA Networks had a successful year financially, delivering good stable results. They were pleased to announce a deferred discount pool of more than \$2.9million that has been paid out to customer shareholders.

Maximum Network demand	158MW
Total Energy Demand	560GWh
Distribution Substations	6,543
Consumer Connections	19,549
Network Length	3,084km
Total Assets	\$284M
Total discounts returned to consumers	\$2.9M
Total Capital Spend	\$22M
Total Operating Revenue	\$49M

Governance

The Board of Directors of EA Networks currently has six members. The board is appointed by the Shareholders Committee to oversee the management of the company and is responsible for all Corporate Governance matters. Two directors retire by rotation every year.

The board endeavours to ensure that the activities undertaken are carried out in the best interest of all shareholders, while respecting the rights of other stakeholders.

The board meet monthly during the financial year, usually on the last Wednesday of the month with a minimum of 10 meetings. The AGM is held in August.

Committees:

Audit & Finance

Governance & Remuneration

Risk

Health & Safety

Directors fees are \$42,000 plus additional fees for Chairmanship of committees.

Current Board Members:

Phil McKendry (Chairman)

Richard Fitzgerald

Bruce McPherson

Paul Munro

Andrew Barlass

Position Description

EA Networks is in a robust position as a result of a planned and ongoing investment over past years. The network is strong and the company also enjoys a healthy Balance Sheet.

The Chief Executive and senior team are well experienced in the sector.

Looking forward the Board is focussed on diverting substantial value to its customers and shareholders and charges come in technology and electricity usage.

The company is well positioned to take advantage of opportunities in the sector as they emerge.

Due to rotation EA Networks are seeking to appoint two directors to the Board.

The first appointee will bring proven governance and commercial experience to the role and a strong understanding of governance policies and processes and be a mid-Canterbury resident.

For the second appointment we are seeking strong electricity sector infrastructure / network experience. Location is open for this appointee.

Candidates must possess a high level of intellect, well-developed commercial acumen and proven strategic thinking ability and be able to demonstrate how they have contributed to the strategic growth and long-term future planning of an existing business.

Sheffield Contacts



Mike Stenhouse

Executive Director



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Mike has been a Director of Sheffield since 1986 and leads the South Island operation. He has more than 30 years' experience in human resources consulting with particular involvement in executive search and selection, board appointments and organisational development projects.



Julie Black

Research Consultant



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Julie joined the Sheffield team in 2012 providing research support for the executive search team. She brings to her work a sound understanding of strategic practice, a professional approach and the experience, initiative and commercial acumen to contribute with impact.



Gina Moore

Personal Assistant



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Gina joined the Sheffield team in 2018 and comes from a highly specialised administrative background with extensive experience in the recruitment industry.

Our Process



Search and Advertising

During this period a Sheffield consultant may contact you to discuss your application, explore your motivation for applying and assess your suitability and fit with the key competencies of the role. All applications received will be acknowledged via email.



Candidate Review

Sheffield will provide a formal report of all applications received with summarised candidates' information from CVs and cover letters, to the client for their consideration. All candidates will be advised of the status of their application within a week of the advertised closing date.



Consultant/Longlist Interviews

The lead consultant will interview those candidates selected for progression either face to face or via Skype/VC depending on location. The format will be a behavioural-based interview where you will be asked to provide examples from your career in relation to key competencies of the role. This will also be a chance to discuss motivations for applying and general career background, as well as to answer any queries you may have about the role.



Recommendations for Shortlist

From the initial longlist interviews, Sheffield make recommendations for shortlist to the client. We also provide a formal report to our client including summary points from your longlist interview. Those candidates not selected for further progression will also be advised at this stage.



Client/Shortlist Interviews

If you are progressing to the shortlist/client interview stage, you will be contacted and arrangements will be made for a suitable time for interview. We ask for your flexibility to make this work as easily for the client as possible.



Due Diligence and Decision

If you are the successful candidate this will involve reference checking and probity of education, employment and police records as well as online searches. Sheffield will support you with any due diligence required on your part. Unsuccessful candidates will also be informed at this stage and feedback will be provided.

How to Apply

Candidates can apply, in strict confidence, online at www.sheffield.co.nz.

To apply by email, please attach your cover letter and CV and send to cvchc@sheffield.co.nz quoting 7082aa.

Applications close on 9th August 2020. Emails will be electronically acknowledged, and further correspondence may be by email. For more information please phone Mike Stenhouse on +64 274 428 348.

Sheffield has prepared a Candidate Handbook which provides you with valuable information and suggestions for your job search. To read through the handbook please visit: [Candidate Handbook](#)

Working with Sheffield

You can expect that Sheffield will:

- ▶ Act with utmost integrity, honesty & with complete confidentiality
- ▶ Treat you with respect & comply with all relevant laws & policies
- ▶ Maintain a high level of communication throughout a recruitment process
- ▶ Demonstrate the highest levels of individual skills & knowledge
- ▶ Work with you to increase your potential for success & develop your career

In return, we would like to expect that you will:

- ▶ Be up front and completely honest with us
- ▶ Prepare thoroughly for all interviews
- ▶ Treat your consultant as the potential employer with the same courtesy and respect they show you
- ▶ Work closely with your consultant

This information is a reflection of the essential elements of the position and company history as represented to Sheffield by Networks and is not intended as a formal position description. It will be subject to further elaboration or clarification at a later stage in the selection process and Sheffield accepts no liability for any representations made in good faith.

