

25 June 2021

Ms Gwenny Davis
Chair
Network Tasman Trust
C/- Craig Anderson Ltd
PO Box 3115
RICHMOND

Dear Gwenny

RE: NETWORK TASMAN LIMITED OWNERSHIP REVIEW

We write with regard to the recent ownership review which the board has commissioned as required under Clause 4 of the Network Tasman Trust Deed. This clause provides for the Trustees to require the directors of Network Tasman Limited to prepare a report considering proposals and available options for the future ownership of the shares in Network Tasman.

Accordingly, this review has been carried out by an independent consultant, Key Business Partners (KBP) of Christchurch. We attach for the trustees' information the report prepared by the consultant.

The report again concludes that the company is in "robust shape". It examines trends over time as well as benchmarking with other lines companies with regard to network reliability, costs, pricing, financial performance, shareholder value stewardship and future optionality via retaining a strong balance sheet. KBP finds that Network Tasman operates at a good level on all of these measures. The report finds that the company is successfully leveraging its core skill base to grow and diversify outside of the regulatory arena into complementary lines of business. It concludes consumer trust ownership has proved effective, truly trustworthy and continues to deliver "stability without surprises" to underpin essential long term asset planning. It has thus insulated consumers from much volatility, while facilitating steady improvements in performance. It further concludes Network Tasman is well positioned and accordingly is strongly of the view that Trust ownership is preferred.

Given this the Board of the company recommends to the Trustees that the ownership of the company remain in its present consumer trust ownership model.

We believe the attached report confirms that the company is performing well in terms of consumer service, pricing and reliability and that there is no alternative form of ownership which would provide consumers with greater benefits than trust ownership.

Kind regards

NETWORK TASMAN LIMITED

A handwritten signature in black ink, appearing to read 'John McCliskie', written in a cursive style.

John McCliskie
Chairman