

# 2022 Statement of Intent

Enable Services Limited



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## DIRECTORY

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## INTRODUCTION

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This 2022 Statement of Intent (**SoI**) is submitted by the Board of Directors of Enable Services Limited (**ESL**) and is prepared in accordance with Section 64(1) of the Local Government Act 2002.

ESL owns 100% of Enable Networks Limited (**ENL**). Both ESL and ENL (collectively, **Enable**) are council-controlled trading organisations (**CCTO**) for the purposes of the Local Government Act 2002 and this SoI covers the activities of Enable.

The SoI specifies the objectives, the nature and scope of the activities to be undertaken, and the performance targets and other measures by which the performance of Enable may be judged in relation to its objectives, amongst other requirements.

The process of determination of an acceptable SoI is a public and legally required expression of the accountability relationship between Enable and its shareholder, Christchurch City Holdings Limited (**CCHL**). The SoI is reviewed annually with CCHL and covers a three-year period.

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## OBJECTIVES

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Enable's vision is:

*Our fibre network is the essential enabler of an economically and socially vibrant, connected, innovative and globally competitive greater Christchurch*

Our vision is significantly strengthened by our purpose:

*Connecting Our Community with Unlimited Opportunity*

Access to world-class broadband connectivity is now a necessity, an expectation, and considered a fundamental requirement for societal growth and advancement.

The COVID-19 pandemic has made the critical nature of world-class broadband even more evident, as every aspect of our daily lives became dependent on it in 2020 – working, connecting with family and friends, accessing services, learning, shopping and being entertained.

- Fast, reliable broadband services empower businesses within our community to innovate and grow in almost every way, locally and globally.
- Individuals and families depend on broadband services for entertainment, connection with each other, education, and other online services.
- Essential service providers – councils, government agencies (such as health and education) and community support organisations – are reinventing how they deliver services to our community using broadband connectivity.
- Cities themselves are being transformed through Smart City initiatives – in areas such as Data Management, Internet of Things and Artificial Intelligence, to name a few – to deliver greater community value, a better living experience for residents and a sustainable future.

Alarmingly, an estimated 7.5% of our community remain isolated from the digital world and all its benefits due to access, skills, motivation, and trust digital equity barriers<sup>1</sup> present within our community.

Our vision and purpose define our role as the kaitiaki of the essential enabling broadband infrastructure that empowers our greater Christchurch community. We must be successful in meeting or exceeding our committed objectives.

- Operate and manage all aspects of our fibre broadband network to a high level ensuring the delivery of broadband services with a positive customer experience and keeping ahead of customer demand.
- Drive sensible commercial customer growth (increased fibre broadband connections) through effective market-led strategies based around product development, outstanding internet service provider relationships and customer marketing activity.
- Maximise our fibre broadband network asset performance to secure commercial returns on investment that meet or exceed the cost of capital, considering the long-term nature of this infrastructure investment.
- Advocate the enormous potential of fibre broadband to businesses, consumers, and community groups within our community to truly embrace and realise unlimited opportunities.
- Support more of our community to participate fully in and benefit from our digital society through

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<sup>1</sup> As defined in the The Digital Inclusion Blueprint.

initiatives focused on digital equity.

- Protect and enhance our community's future through sustainable business practice.

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## NATURE AND SCOPE OF ACTIVITIES

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Our core business is to provide wholesale fibre broadband services delivered over our fibre broadband network infrastructure. Our wholesale fibre services form the basis of retail fibre broadband, voice, internet, TV, content, gaming, and IT services provided to customers (such as homes, businesses, and schools).

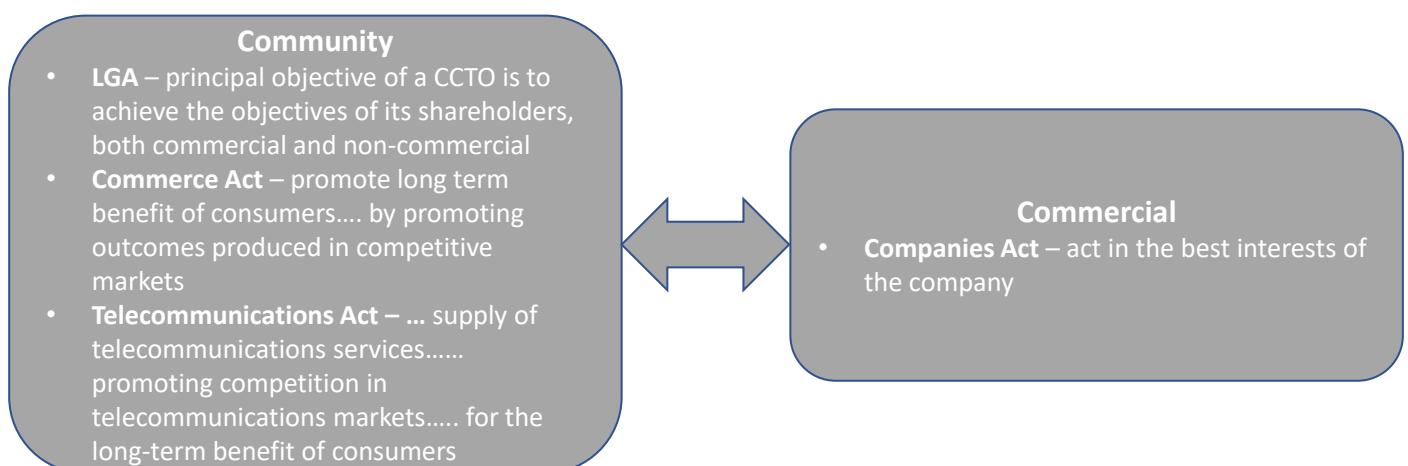
We were established in 2007 as the commercial need for businesses to access fibre broadband services in Christchurch became clear. Our parent company, CCHL, established Enable in alignment with its intent 'to own and manage key strategic infrastructure investments' that make Christchurch internationally competitive.

Today our fibre network reaches 200,000 homes, businesses and schools in Christchurch, Rangiora, Rolleston, Woodend, Kaiapoi, Lincoln, Templeton and Prebbleton, Tuahiwi, Ohoka and Tai Tapu.

We are focused on ensuring our connected customers (~132,000 in total) constantly enjoy world-class fibre connectivity that exceeds their needs and expectations in terms of speed, reliability, performance, and overall customer experience. Furthermore, we are connecting more customers to grow our business and deliver on our purpose for more people within our community. We want to earn the trust and loyalty of all Christchurch broadband customers.

We continually seek to provide the greater Christchurch community with more value and new opportunities to benefit from our fibre broadband capability.

Our operations are guided by the expectations of a CCTO and a business operating in a commercial telecommunication market as depicted in the following diagram.



We directly contribute to the Christchurch City Council’s Strategic Framework (the **Framework**) and particularly the Council’s vision of “Christchurch is a city of opportunity for all”.

We conduct our business by:

- providing affordable wholesale fibre broadband services;
- ensuring our services support the increasing demand for quality high speed connectivity from our community;
- providing efficient access to fibre broadband services for local businesses and schools;
- ensuring new Greenfield developments (subdivisions) nearby our network have access to fibre broadband network;
- ensuring our network infrastructure is deployed in a way that minimises the impact to the environment; and
- maximising the opportunity to ensure the large numbers of new commercial and residential buildings in greater Christchurch are designed and built with provision for our network included.

We work closely with key stakeholders in Christchurch to ensure our investment in and the availability of wholesale fibre broadband services supports wider community growth and wellbeing. We add additional value to our community through appropriate partnerships aimed at delivering greater digital equity.

All activities are carried out in line with the objective of securing and growing shareholder value and fulfilling our purpose.

### *Christchurch City Council –Strategic Framework*

Our ownership of a fibre broadband network aligns with and supports the rebuild, recovery and long-term growth plans of local and central government for greater Christchurch. Fibre broadband services are fundamental to the future growth of the economic and social wellbeing of the people of Christchurch.

Our investment in fibre broadband is a key input into many of the outcomes sought under the Community Outcomes – Resilient Communities, Liveable City, Healthy Environment and Prosperous Economy – and the five Strategic Priorities described in the Framework.

Our fibre broadband services being available across greater Christchurch are having a dramatic impact on the Council’s – as well as the community’s – ability to deliver on these outcomes.

### *Resilient Communities*

The digital world, accessed through our fibre broadband services, is a vital enabler of community connection; participation in civic life; access to support, education, and health services; organisations connecting with voices from across our community and the sharing of information to our community.

Enable is committed to partnering to address digital equity in our community to ensure more people can benefit from the digital world – therefore, strengthening our community. We are particularly focused on addressing digital inequity amongst our community living in social housing, where up to 61% of people are unable to participate in or benefit from the digital world.

### *Liveable City*

Access to fibre broadband services also underpins almost all aspects of the city's focus on being a very liveable city.

All schools and hospitals within our coverage area are now connected and nearly 70% of the total fixed broadband services within our coverage area now use our network. Fibre broadband is essential for a range of services that form a vital part of our central city and urban environments – including mobile and WiFi connectivity, crime cameras and traffic management systems.

The urban designs of tomorrow will rely even more heavily on access to fibre broadband services as residents and visitors demand and consume even more connected services as they live, work, and play in Christchurch.

### *Healthy Environment*

Fibre broadband provides the opportunity for businesses and organisations to employ technology solutions that reduce their environmental impact, such as video conferencing and remote working, and this has been accelerated by the impact of COVID-19.

It also provides the underpinning connectivity required to monitor, manage, and reduce the environmental impact of organisations and individuals. Programmes from the SmartView app to rubbish bin sensors are made possible through high quality connectivity.

In addition, we are committed to actively contributing – through our core business activity and strategic partnerships and new initiatives – to the medium-term Strategic Priorities set out in the proposed Strategic Framework. Some of our community contribution activity set out below highlights how we are already making a difference in “maximising opportunities to develop a vibrant, prosperous and sustainable 21<sup>st</sup> century city.”

### *Prosperous Economy*

Access to modern and resilient infrastructure – of which our fibre broadband network is one such infrastructure – is recognised as essential if Christchurch is to reach its economic growth goals.

Our fibre broadband network is providing world-class services to thousands of businesses right across the city – catering for their ever-increasing demand for data, and providing the opportunity to grow, increase efficiency and reach new customers. Ubiquitous access to fibre broadband services is also an essential ingredient in attracting new businesses to establish in the city.

It is also supporting businesses to transform how they operate and support the next generation of flexible workers in our community, whether they are in the office, working from home, or on the move.

### *Strategic Priorities*

Enable actively invests in and supports the Council's Strategic Priorities set out in the Framework to help drive the short and medium-term improvements targeted.

Access to world-class fibre broadband right across our city and to nearby towns, aligns Christchurch with some of the most technologically advanced global cities. Fibre broadband access supports the goal of ***accelerating the momentum the city needs.***

Our fibre broadband services in homes and essential businesses enabled levels of business continuity during the COVID-19 pandemic that would not have been possible even five years earlier. This empowered our entire community to limit any lost growth momentum in 2020 and supports the recovery in 2021.

At a specific initiative level, we are a major sponsor of the Canterbury Employers' Chamber of Commerce with a focus on supporting local businesses to maximise the potential of technology to grow and the next generation of business leaders to develop, and we sponsor the Christchurch chapter of Future Leaders in Technology.

We are **enabling active citizenship and connected communities** through our fibre broadband services by empowering people to connect through the digital world.

All local schools have access to a Gigabit fibre broadband service to connect students and educators with each other, the community, and the world. We are also working to address digital inclusion in our community.

We are acutely aware of the Council's commitment to **ensuring rates are affordable and sustainable** and we have been working to ensure Enable is a financially successful strategic asset that can support this strategic priority through its dividends. Enable recently announced its plans to return its first dividend in June 2021, a year ahead of schedule. We will continue to drive business growth and efficiency to maximise these returns.

We have developed and are implementing a sustainability strategy that is directly contributing to Council's environmentally focused priority of **meeting the challenge of climate change through every means available**.

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## GROWING A STRONG BUSINESS

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We are committed to growing our core business, with focus on customer retention and meeting the competitive threat of other broadband technologies (such as fixed wireless), to maximise shareholder value while ensuring the maximum number of people within our community are benefitting from our fibre broadband services. The maturing of our business will ensure we have the operational and financial foundations to deliver even greater value to our community in the future.

### *Customer Connection and Network Operation Performance*

We are now beyond the period of peak uptake of our fibre broadband services and nearly 70% of all fixed broadband connections within our coverage area are delivered over our network.

We are focused on delivering a consistently excellent experience for the more than ~132,000 customers already connected to our network. This includes delivering outstanding customer service and network service reliability and performance and continuing to innovate to ensure our fibre broadband services are always exceeding the needs and expectations of our customers.

We recognise the role we need to play in ensuring our customers are getting all the support they need to maximise their broadband experience and continuing to connect the remainder of our addressable market to fibre. We need to ensure our community has a deep understanding of who we are and what we mean to them and will be evolving our brand to help develop this understanding.



Enable – YE 30 June	2022	2023	2024
Number of connections (cumulative) <sup>(1)</sup>	144,100	153,384	160,252
Connection SLA achievement <sup>(2)</sup>	>95%	>95%	>95%
Total network availability <sup>(3)</sup>	>99.97%	>99.97%	>99.97%

1. The number of connections (cumulative) (excludes Digital Equity connections).
2. Connection SLA achievement pertains to the delivery of operational services within contracted SLAs.
3. Total network availability pertains to all components of our fibre broadband network and is set at the contracted performance of a maximum average customer down time of 120 minutes per year (excludes customer caused down time).

### *Financial Performance*

Our financial performance targets demonstrate that we have reached a point of financial maturity, after a period of significant capital investment building the network and connecting customers. We will continue to see customer connection growth in the coming years and the profitability and returns to Shareholders will increase accordingly.

We will hold a strong market position with consistent dependable cash flows being received over many years.

Financial Targets (\$m)	2022	2023	2024
Gross Telecommunications Revenue	90.2	98.9	105.9
NPAT	21.6	26.1	27.8
Total Assets	688.5	690.8	679.6
Debt	294.4	294.4	294.4
Equity	310.0	311.1	301.0
Shareholder's Funds to Total Assets Ratio	45.0%	45.0%	44.3%

### *Dividends to our Shareholder*

The dividends payable to the shareholder will be determined by the Board after consideration of; future funding requirements, the requirement to meet the solvency test under the provisions of the Companies Act 1993 and shareholder expectations. No debt will be repaid during the 2022-2024 Statement of Intent period at the request of our shareholder. During this period consideration will be given to dividend payments being maximised from free cash flow.

Shareholder Return Target (\$m)	2022	2023	2024
Dividends	20.0	25.0	38.0

Enable is committed to operating all aspects of its business with a focus on protecting and enhancing our community today and in the future through sustainable environmentally responsible business practices, social contribution, and good governance (ESG)<sup>2</sup>.



We have also assessed our areas of environmental and social focus against the specific targets and indicators set under each of United Nations' Sustainable Development Goals (SDGs). The programme of work below aligns to seven specific SDGs – (5) Gender Equality; (8) Decent Work and Economic Growth; (9) Industry, Innovation and Infrastructure; (10) Reduced Inequalities; (12) Responsible Consumption and Production; (13) Climate Action; and (17) Partnerships for the Goals.




<sup>2</sup> Environment, Social and Government, referred to as ESG, is a globally accepted criteria for assessing a company's progress towards sustainability.

ENVIRONMENT – operate our business in an environmentally responsible way towards achieving net zero emissions and zero waste.

To address environmental challenges, we will:

- continually strive towards achieving, maintaining and moving beyond net zero emissions in ways that make financial sense;
- apply ‘circular economy’ principles to reduce waste; and
- embed sustainability considerations (including ethical considerations) in a culture of excellence across the entire business.

Our initial focus is on improvements in our direct operations (scope 1) and purchased energy (scope 2) before expanding our sustainability goals to our partners and suppliers (indirect – scope 3). All emission reduction targets are set and will be measured against our audited FY20 financial year baseline.

FY2022 Plan and Targets – by 30 June 2022	
<p>Climate change</p> 	<ul style="list-style-type: none"> <li>• <b>Scope 1 (direct) emissions:</b> Electrify Enable fleet by 30 June 2025.</li> <li>• <b>Scope 2 (indirect from imported energy) emissions:</b> Implement recommendation from Central Office energy audit and develop ongoing emissions reduction strategy for all business operations. Next generation network equipment achieving greater energy efficiency per Giga-Byte of data transmitted.</li> <li>• <b>Scope 3 (indirect) emissions:</b> Finalise a plan (in partnership with our direct contractors) to measure and reduce wider scope 3 (indirect) emissions.</li> <li>• Finalise a plan to achieve net zero carbon emissions by 2030 in collaboration with CCHL Group.</li> </ul> <p><b>Target:</b></p> <ol style="list-style-type: none"> <li>1. Reduce scope 1, 2 and scope 3 (excluding staff commute) emissions by 17% (against audited FY2020 Base Year) to 581 tonnes</li> </ol>
<p>Green fibre</p> 	<ul style="list-style-type: none"> <li>• Create a model for measuring the environmental impact of Enable’s network (and operations) that can be utilised by consumers to make sustainable connectivity decisions.</li> </ul> <p><b>Targets:</b></p> <ol style="list-style-type: none"> <li>2. Model established.</li> </ol>
<p>Resource use</p> 	<p><b>Corporate consumption and waste</b></p> <ul style="list-style-type: none"> <li>• Continue to rationalise paper, stationery, catering, and food consumption.</li> <li>• Establish landfill, organic and recycling waste benchmarks to form the basis of a waste reduction strategy.</li> <li>• Establish an operational equipment management programme that will support specific target setting on circular lifecycle management of all equipment.</li> </ul> <p><b>Targets:</b></p> <ol style="list-style-type: none"> <li>1. Reduce overall consumption by an average of 25% from FY2020.</li> <li>2. Benchmark established by 31 December 2021, and reduction targets in place for the second half of the year.</li> <li>3. Establish circular economy principle(s) and criteria for Enable that will be used in the operations of Enable.</li> </ol>

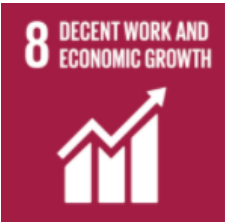
	<p><b>Network operations consumption and waste</b></p> <ul style="list-style-type: none"> <li>Establish a plan for measuring, managing, and reducing operational network waste in partnership with our contractors and vendors.</li> </ul> <p><b>Target:</b></p> <ol style="list-style-type: none"> <li>Plan and targets established.</li> </ol>
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SOCIAL – continue to grow our positive contribution to the Christchurch community as a business, employer, and contributor to the broader community.

OUR PEOPLE – consisting of Employee Outcomes; Diversity and Inclusions; and Health Safety and Wellness

We are implementing our people strategy to:

- retain and attract diverse, talented people across our organisation to address business challenges and meet the needs of our community;
- embrace diversity – including gender, gender identity, age, ethnicity, disability, beliefs, sexual orientation, family responsibilities, work style and experience, socio-economic background, thinking style and personality type – across our business and support our customers, partners, suppliers and other stakeholders to do the same;
- better understand and grow the diversity of thought within Enable as we believe in the potential of greater diversity to deliver better decision making and therefore better outcomes for our business and community;
- actively work to provide an environment where everyone feels they can fully participate at work and where each person is valued for their unique perspectives, skills, and experiences; and
- continue to deliver Health, Safety and Wellbeing (HSW) for our people that goes well beyond regulatory obligations and compliance with a whole-of-business commitment to looking after our people, partner organisations and their people, customers, and community.

FY2022 Plan and Targets – by 30 June 2022	
<p><b>Employee Outcomes</b></p> 	<p><b>Living wage</b></p> <ul style="list-style-type: none"> <li>Maintain provision of the living wage for all Enable (direct) employees.</li> <li>Work with all Enable contractors to establish a living wage benchmark and plan for all people contributing directly (and solely) to Enable’s business.</li> </ul> <p><b>Target:</b></p> <ol style="list-style-type: none"> <li>Living wage provided to 100% of Enable’s (direct) employees.</li> <li>Plan established for direct contractors to pay living wage.</li> </ol> <p><b>Employee engagement</b></p> <ul style="list-style-type: none"> <li>Continue to evolve our people strategy in terms of engagement; employee benefits; and performance management, recognition, and reward to lift employee engagement.</li> </ul> <p><b>Target:</b></p> <ol style="list-style-type: none"> <li>Improve Culture and Leadership employee net promoter score (eNPS) – measures to be developed.</li> </ol>
<p><b>Diversity &amp; Inclusion</b></p>	<p><b>Female/male leadership ratio:</b></p> <ul style="list-style-type: none"> <li>Balance Enable’s female/male leadership ratio.</li> </ul> <p><b>Target:</b></p> <ol style="list-style-type: none"> <li>Increase females in leadership from 25% to over 33%.</li> </ol> <p><b>Gender (and other diversity factors) pay ratio</b></p>

 	<ul style="list-style-type: none"> <li>Develop and implement a plan to ensure there is no inequality in Enable.</li> </ul> <p><b>Target:</b></p> <ol style="list-style-type: none"> <li>Ensure all Enable people (roles) are equally remunerated based on experience, expertise, and performance, noting role equality already achieved.</li> </ol> <p><b>Relationship with mana whenua</b></p> <ul style="list-style-type: none"> <li>Work with mana whenua to build knowledge and better understand Enable's relationship with the land and how we can support the Christchurch community.</li> </ul> <p><b>Target:</b></p> <ol style="list-style-type: none"> <li>Relationship established with mana whenua and first partnership initiatives completed by 31 December 2021.</li> </ol>
<p><b>Health, Safety and Wellbeing</b></p> 	<p>Continue to deliver a best practice Health, Safety and Wellbeing model that ensure that our people, partner organisations' people, customers and community are kept safe and well.</p> <p><b>Targets:</b></p> <ol style="list-style-type: none"> <li>Total recordable injuries (TRI) &lt;=3.</li> <li>Incur no serious harm injuries.</li> </ol>

## OUR COMMUNITY – consisting of Community Partnerships and Community Value generation

We are working to generate greater community value with the long-term ambition to create digital equity for everyone in our community. We are working towards this by:

- embracing new and responding to advancing technology innovations and exploring disruptive ways to solve societal challenges, through innovation and partnership; and
- continuing to leverage our existing partnerships and assets to support community growth and exploring new business and social good opportunities to grow the value of Enable to our community.

### Digital Equity




We are particularly focused on providing digital equity for residents of social housing and school students without access to the internet at home. We understand the need to partner to remove all digital inclusion barriers including access (connectivity and devices), skills and motivation and trust to ensure the real social benefits are realised.

These benefits include individual and family wellbeing benefits, individual and family economic benefits, community benefits, business benefits and governments benefits. We are committed to ensuring all benefits are realised and measured in real terms.

We are initially working with Ōtautahi Community Housing Trust (ŌCHT) to address digital equity for its tenants. Currently 61% of ŌCHT's tenants are not able to access the internet – making this potentially the most digitally excluded group in our community.

## City WIFI

We are also focused on helping position Christchurch as a smart city through the establishment of a high quality free WIFI in the city, in partnership with the Christchurch City Council in high foot traffic areas. This initiative is aimed at delivering significant tourism and major events benefits, local business benefits and community connectivity.

FY2022 Plan and Targets – by 30 June 2022	
<p><b>Community Partnerships</b></p> 	<p>Maintain key strategic partnerships and smaller sponsorships aimed at supporting an environment of growth and innovation in Christchurch.</p> <p><b>Targets:</b></p> <ol style="list-style-type: none"> <li>1. <i>Maintain our Major Sponsorship with the Canterbury Employers' Chamber of Commerce.</i></li> <li>2. <i>Maintain our Future Leaders in Technology sponsorship.</i></li> <li>3. <i>Deliver on 10 to 12 small sponsorship initiatives that directly positively impact our community.</i></li> </ol>
<p><b>Community Value</b></p>  	<p><b>Digital Equity initiatives</b></p> <ul style="list-style-type: none"> <li>• Work with our partners to complete the implementation of our ŌCHT Digital Equity initiative aimed at providing equitable digital opportunity for all tenants.</li> <li>• Business cases completed for solutions to address digital equity in other social housing and for school children without access to the internet.</li> </ul> <p><b>Target:</b></p> <ol style="list-style-type: none"> <li>1. <i>2,000 ŌCHT residents' units built to and &gt;1,000 residents benefitting from access to the internet.</i></li> </ol> <p><b>City WIFI initiative</b></p> <ul style="list-style-type: none"> <li>• Work with our partners to deliver a high quality free WIFI service in key central Christchurch locations that will ensure maximum economic growth, visitor, and community benefits.</li> </ul> <p><b>Target:</b></p> <ol style="list-style-type: none"> <li>1. <i>The first ~25 free WIFI hotspots deployed and operating in the city.</i></li> </ol>

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**GOVERNANCE – govern Enable through best practice to ensure the business delivers the best possible outcomes for the Christchurch community.**

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Directors and management are committed to best practice governance. Governance requires competent people with a commitment to good governance and an effective set of systems and processes. This provides the shareholder and other stakeholders with the assurance that Enable is appropriately governed.

Good governance involves continual changes to meet the shifting dynamics of the business. This is particularly the case with Enable as we grow and change throughout our growth lifecycle. We have experienced rapid growth, and new systems, processes and positions have been established over the last three years to meet the future needs of the business.

We ensure that the benefits of these changes are maximised and that we are operating as efficiently and effectively as possible.

Directors and management recognise the need to have high-calibre people, backed by excellent systems and processes, for Enable to be a world-class service-led organisation.

### *BEST PRACTICE GOVERNANCE*

#### **Role of the Board**

The Board is ultimately responsible for setting the strategic direction of Enable and overseeing the management of our business, with the aim being an increase in shareholder value and the development of communications infrastructure for the economic and social benefit of the people of greater Christchurch. The Board is accountable to its shareholder for the performance of Enable.

#### **Responsibilities of the Board**

In carrying out its principal function, the Board's specific responsibilities include:

- reviewing, and approving Enable's business strategies and objectives;
- reviewing and approving Enable's budgets and business/operating plans and monitoring the management of capital, including the progress of any major capital expenditure, acquisitions or divestments;
- providing leadership of Enable within a framework of prudent and effective controls, which enable risk to be assessed and managed;
- providing health, safety and wellness leadership by understanding, directing and monitoring Enable's health, safety and wellness framework, management system and performance ensuring prudent and effective controls are in place;
- identifying the principal risks faced by Enable and taking reasonable steps designed to ensure that appropriate internal controls and monitoring systems are in place to manage and, to the extent possible, reduce the impact of these risks;
- monitoring the operational and financial position and performance of Enable;
- requiring that financial and other reporting mechanisms are put in place by the executive which result in adequate, accurate and timely information being provided to the Board and the shareholder to ensure they are fully informed of all material developments relating to Enable;
- reviewing and approving Enable's remuneration policies;
- establishing procedures to ensure that financial results are appropriately and accurately reported on a timely basis in accordance with all legal and regulatory requirements;
- adopting appropriate procedures to ensure compliance with all laws, governmental regulations and

- accounting standards;
- approving and regularly reviewing Enable’s internal decision making and compliance policies and procedures, including any codes of conduct, the Board Charter and the charters of the Board’s committees;
- ensuring that Enable’s internal decision making, and compliance policies and procedures are adhered to, to ensure that the business of Enable is conducted in an open and ethical manner, and
- leading (with the support of Management) the relationship with Enable’s shareholder.

### **Delegation of Responsibilities to Management**

The Board has delegated management of the day-to-day affairs of Enable to the Chief Executive to deliver the strategic direction and goals determined by the Board. The Board has also reserved several powers and responsibilities to the Board.

### **Delegation of Responsibilities to Committees**

The Board may, from time to time, establish committees to assist it in carrying out its responsibilities. For each committee, the Board adopts a formal Terms of Reference that sets out the delegated functions and responsibilities for, and the composition and any administrative matters relating to, that committee.

Current operational committees include a Health, Safety, Wellness and People Sub-Committee, an Audit and Risk Committee, and a Future Technology and Products Sub-Committee.

The Board is responsible for the oversight of its committees. This oversight includes, in relation to each committee, determining and reviewing its composition and structure and regularly reviewing its performance.

### ***EXECUTIVE REMUNERATION***

We remunerate our people at a competitive market rate, noting that we are especially conscious of our public responsibilities in setting senior executives’ salaries and Board remuneration, and this is closely monitored by the Board and reported in the Annual Report. We ensure all our people are remunerated at or above the living wage.

### ***COLLABORATION WITH THE CCHL GROUP***

We recognise, as a wholly owned subsidiary of CCHL, there may be commercial and community benefit opportunities in greater collaboration with other group companies. We actively participate in all CCHL cross-business forums and initiatives to ensure these opportunities are realised.

We are particularly focused on growing Enable’s contribution to CCHL’s Emerging Technology & Innovation and Sustainability forums.



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## INFORMATION TO BE PROVIDED TO SHAREHOLDERS

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An Annual Report will be submitted to the shareholder. The Annual Report will include audited financial statements and such other details as are necessary to permit an informed assessment of the company's performance and financial position during the reporting period.

The Sol will be submitted to the shareholder for consultation annually, as required by the Local Government Act 2002. The directors will include any other information they consider appropriate. Where appropriate, revised forecasts will be submitted to the shareholder.

Enable will provide regular updates to our shareholder on the ongoing performance of the entity which may include financial, strategic, risk and operational updates for any given period.

The company will operate on a "no surprises" basis in respect of significant shareholder related matters, to the extent possible in the context of commercial sensitivity and confidentiality obligations.

The company will provide information requested by the shareholder in accordance with the requirements of the Local Government Act 2002 and continuous disclosure requirements of the NZX.

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## COMPENSATION SOUGHT FROM LOCAL AUTHORITIES

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At the request of the shareholder, the company may undertake activities that are not consistent with normal commercial objectives.

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## ACQUISITION / DIVESTMENT PROCEDURES

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The subscription or acquisition of securities in any company or organisation, or a divestment of part of the existing business, will only be considered where it is consistent with the long-term commercial objectives of Enable.

When the subscription, acquisition or divestment is considered by directors to be significant to the company's business operations, it will be subject to consultation with and, where required, approval of, the shareholder.

Major transactions as defined in the Companies Act 1993, s129(2), will be subject to shareholders' approval by special resolution.

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## ESTIMATE OF COMMERCIAL VALUE

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The estimated fair value of UFB network assets at 30 June 2020 was \$625m. Further information on this asset valuation is provided in the 2020 Annual Report.

The commercial value is considered by the directors to be at least the equity contributed by the shareholder as recorded in the financial statements.

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## ACCOUNTING POLICIES

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Enable has adopted accounting policies that are consistent with New Zealand International Financial Reporting Standards, generally accepted accounting practice and the policies adopted by the Christchurch City Council group. The detailed accounting policies are available in our most recent Annual Report as published on our company website, refer [www.enable.net.nz](http://www.enable.net.nz)

