



For the Three Years
Commencing 1 July 2025

FY2026–2028

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Statement of Intent

CORDE[©]



Trusted Infrastructure Connections

CORDE[®]
30
YEARS

Contents

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1. Introduction

CORDE Limited (CORDE, the “Company”) is a Council Controlled Trading Organisation (CCTO) established by the Selwyn District Council. This Statement of Intent sets out the overall intentions and objectives for the trading period of 1 July 2025 to 30 June 2028.

2. Our Scope of Activities

CORDE will be the provider of quality civil contracting, three waters and maintenance services. Consistent with its objectives, the Company will pursue activities designed to ensure the efficient and prudent utilisation of its capital assets and human resources.

3. Objectives & Philosophy

Principle objective: To be a profitable, sustainable contracting and maintenance business while continuing to provide added value to the Selwyn District Council. CORDE will continue to develop relationships outside of the Selwyn District that enhance the company’s sustainability and profitability.

CORDE will contribute to the district’s goal “To be a safe place to live, work and play” through its core purpose “Trusted connections that strengthen our communities”.

CORDE will be a safe and healthy place to work. It will value each individual and the work of great teams who plan and work safely, deliver consistently, strive to improve performance and who manage change well. CORDE will be a place where people take pride in their work and are proud to be a part of.

Our Purpose

Trusted
connections
that strengthen
our communities.



Our Ambition

**Trusted
Connected
United**

Be a Business
Built on Trust

Be Connected
to our People
and our Place

Be a United
Team



4. Strategic Direction

Summary

CORDE's strategic direction is to build a trusted company, connected with the communities that it works in, and is united in its approach. It continues to build its Civil Construction division with a diverse range of services and have a mix of public and private clients to spread its risk. There still exists continued uncertainty on reform and direction within the water services sector following the change in government. CORDE Water Services is well poised to respond and capitalise on the opportunities which will arise from clarity in government direction. CORDE Water is recognised as a proficient and respected supplier with strong local relationships and a national reputation.

At the heart of the CORDE strategy is its ambition to be:

- 1. Trusted**
Be a business built on Trust
- 2. Connected**
Be connected to our people and our place
- 3. United**
Be a united team

CORDE will continue to ensure it has a diversified revenue base providing resilience to future events. It has a long history developing and maintaining infrastructure networks and will continue to look at opportunities as they arise that compliment its core strengths. We continue to pursue opportunities to grow profitable revenue and seek diversification of customers, services, sectors and markets.

Community Engagement

The Company has a strong community focus and actively looks for opportunities to be connected to our people and place. Our core values of kaitiakitanga (guardianship) whakawhirinaki (trustworthy) and mahi tahi (teamwork) help guide us in everyday decisions and the footprints we leave on this earth. As we build our relationships with our people and place we are encouraged by the enthusiasm of our wider team to work together with our local communities, rununga and iwi. We will continue to support the districts we work in and have a strong focus on supporting our team as they help strengthen and connect with their local communities.

Key Performance Targets

Specific performance targets for the year commencing 1 July 2025:

- 1. Financial Performance:**
Return After Tax to Opening Equity
8.0% (minimum)
- 2. Quality Services:**
To be recertified for
ISO9001 Quality Standard
- 3. Health and Safety:**
To be recertified for
ISO45001 Health & Safety
- 4. People Performance:**
 - (a) Staff Retention 70% per year
 - (b) Training & Development
>2% of payroll costs each year
- 5. Environmental Performance:**
To be recertified for
ISO14001 Environment

Our Values

Trustworthy Whakawhirinaki

Trusted People You Can Rely On

Guardianship Kaitiakitanga

Connected People Who Protect Our Place

Teamwork Mahi Tahī

United People Who Work Together

5. Governance

Role and Responsibility of the Board

The company's shareholder appoints the directors to govern the activities of the company. The Board draws on relevant corporate governance best practice principles to assist and contribute to the performance of the Company. The functions of the Board include:

- Review and approval of corporate strategies, the annual budget and financial plans
- Overseeing and monitoring organisational performance and the achievement of CORDE's strategic goals and objectives, in particular as outlined in the Statement of Intent
- Monitoring financial performance including approval of the annual and half-year financial reports and liaison with CORDE's auditors
- Ensuring there are effective management processes in place
- Ensuring the safety and health of all employees is front and centre of the decision making process
- Embracing diversity, inclusion and equality throughout the company
- Sustainable goals are set, measured and attainable
- Working with management to create shareholder value
- Reviewing and approving major corporate initiatives — Enhancing and protecting the reputation of CORDE
- Ensuring the significant risks facing CORDE and any subsidiaries have been identified, and appropriate and adequate controls, monitoring and reporting mechanisms are in place and managed
- Reporting to the shareholder
- Appoint the Chief Executive and monitor and manage their performance as required

The Board's Responsibility to the Shareholder

The Directors are responsible to the shareholder for the performance of CORDE in both the short and the longer term and seek to balance these sometimes competing objectives in the best interests of the Company and its shareholder. Their focus is to enhance the interests of the shareholder and other key stakeholders, and to ensure CORDE is properly managed.

Board Composition

The composition of the Board of Directors is appointed by the shareholder. The board, including the appointment of a Chair, is governed by the Constitution.

The Board establishes committees as appropriate to assist in the execution of its duties and to allow detailed consideration of complex issues. There are currently two committees:

1. **The People & Safety Committee, which was established in 2015, consists of three members of the Board**
2. **The Assurance & Risk Committee, which was re-established in 2013, consists of three members of the Board**

The current board consists of five board members. With the opportunities currently existing in the market, a review of its composition will take place to ensure these opportunities are maximised.

Board Meetings

The Board has statutory responsibility for the affairs and activities of the company, which is achieved through delegation to the Chief Executive who reports monthly to the Board on matters including:

- Financial results against budgets
- Consultation and communications with major clients, Local and Central Government and industry groups
- Compliance with legislation and adhering to commercial best practice
- Fixed asset management
- Human resource management
- Sustainability management
- Health & Safety management
- Strategy and plan monitoring
- Issues affecting the industry
- Current and future workload
- Future opportunities and threats

The Board holds eight to eleven Board meetings a year and other special meetings are convened, as required.

Performance Review

The Board reviews the company's performance annually along with the performance of the CEO of the company. The review is designed to align the Board and the CEO with the future development and improvements of the company.

A review of the Board is conducted annually, alternating between an internal self assessment and an external independent evaluation. This biennial rotation ensures continued effectiveness and alignment with governance best practices.

Independent Professional Advice

Directors independently, and the Board and Board Committees have the right, in connection with their duties and responsibilities, to seek independent professional advice at CORDE's expense, subject to Board approval.

6. People & Capability

The Company's People and Capability function has now expanded to encompass human resources, health & safety, environment and quality.

Our over-arching People & Capability philosophy is to create a culture that leads our team to function to their full potential enabling people to be **Connected to CORDE**.

People Strategy

The people strategy is about improving job performance and our ability to navigate and manage change.

Our Human Resources Plan is focused on:

- **Growing capability**
Achieved by implementing targeted development programs and through investment in field staff training, competency assessment, leadership, and health & safety education and training
- **Simplifying our systems & processes**
Through the implementation of an integrated ISO Business Management Framework
- **Supporting our Business Management Framework**
With a well resource People & Safety team structure

Quality Strategy

The quality strategy aims to foster innovation, drive consistency of delivery and improve our ability to navigate and do change well.

Our Quality Plan, addressing our whole work team is focused on:

- **Creating Trust**
Systematically proving to clients that agreed quality outcomes have been delivered
- **Delivering Innovation**
Establishing an innovation culture through managing a process for sourcing ideas, upskilling teams to innovate and the optimisation of agreed improvements
- **Business Management Framework**
Establish our business management framework and the associated integrated ISO standards to drive professionalism and consistency of delivery

Health & Safety Strategy

Our Health & Safety strategy is focused on Planning For No Harm and improving the health and wellbeing of our team.

Our Health & Safety strategy is being revised as a result of a recent Board-commissioned system maturity assessment.

Core focus areas will continue to be as follows (and with respect to our key subcontractors also):

- **Planning**
Systematically supporting and encouraging teams to prioritise health & safety planning so the team can safely commence work
- **Culture of Care**
At the team level understand and drive targeted programs to promote trust and unity of purpose around safety outcomes
- **Grow Capability**
Achieved by investing in the upskilling of leaders and teams in core health & safety responsibilities, tools, and processes
- **Critical Risk Management**
A sustained programme of understanding, managing, reporting, and improving our critical risks across the business especially the effectiveness of controls
- **Focused Reporting**
Health & Safety team implement, analyse and report on key indicator data to measure system performance to support operational teams in their planning for no harm

Environmental & Sustainable Leadership

The Company's successful early investment in external environmental expertise has generated delivery of Environmental Management Plans for solid waste, greenhouse gas emissions, energy, and water along with gaining certification to the associated ISO standards.

The four plans have a common call to action known as "ABC":

- **Act**
Embedding sustainability into our work habits
- **Buy**
Procurement with a sustainable mindset
- **Connect**
Working with others with a sustainable mindset and on projects to progress our management plans

CORDE is committed to quantifying its initiatives but also to the pursuit of identifying the opportunity for deeper and more significant sustainability reductions associated with its operations. The utilisation of our Collective Impact and Carbon fund initiatives will form a key aspect of this continued sustainability drive. As we continue to explore planting opportunities with like minded partners to offset carbon emissions we are also looking to work with engineering partners and clients at making systemic reductions in carbon through jointly exploring sustainable design changes across our service offerings.

Significant decisions affecting land or water

Before the company makes a decision that may significantly affect land or a body of water, it will take into account the relationship of Māori and their culture and traditions with their ancestral land, water, sites, Wāhi Tapu, valued flora and fauna and other taonga.

7. Financial Projections

High level recurring revenue,
excluding extraordinary projects

Financial Performance
For the Years Ending

\$000s	2026	2027	2028
Revenue	\$112,800	\$119,500	\$126,600
Expenditure	\$103,200	\$109,400	\$115,900
Net Profit Before Tax	\$9,600	10,100	\$10,700
Income Tax Expense	\$2,688	\$2,772	\$2,934
Net Profit After Tax	\$6,912	\$7,327	\$7,766

Financial Performance Targets

\$000s	2026	2027	2028
Projected Revenue	\$112,800	\$119,500	\$126,600
Projected NPAT	\$6,912	\$7,327	\$7,766
Return on Equity	15%	15%	15%
Equity to Total Assets	56%	58%	60%
Total Equity	\$38,456	\$42,119	\$46,003
Liquidity	1.5:1	1.6:1	1.7:1

Key Assumptions:

Dividend to SDC per annum is the higher of \$2,500,000 or 50% of the Surplus After Tax.

Given current economic uncertainty, competitive market and tight finances, a conservative outlook has been forecast.

8. Information to Shareholders

CORDE will provide information which meets the requirements of the Companies Act 1993, the Local Government Act 2002, and the reporting requirements prescribed from time to time by Chartered Accountants Australia New Zealand, in order to enable the shareholder to make an informed assessment of the Company's performance.

The company will operate on a “no surprises” basis in respect of shareholder related matters, taking into account matters that are commercially sensitive or given on a confidential basis.

Annual Statement of Intent

In accordance with Schedule 8 of the Local Government Act 2002, a draft annual Statement of Intent will be prepared and submitted to the shareholder for review by 1 March every year. After due consideration and discussion with the shareholder and completion of the annual business planning and budgeting, the final SOI is approved by the Board of Directors and delivered to the shareholder by 30 June every year.

Annual Report

An annual report shall be prepared in accordance with sections 67, 68 and 69 of the Local Government Act 2002, the requirements of the Companies Act 1993, the Financial Reporting Act 1993 and the reporting requirements prescribed from time to time by Chartered Accountants Australia New Zealand. The annual report will be presented to shareholders within 3 months of the end of each financial year prior to being made available to the public.

Half Year and Quarterly Reports

Half yearly reports shall be prepared in accordance with section 66 of the Local Government Act 2002, the requirements of the Companies Act 1993 and the reporting requirements prescribed from time to time by Chartered Accountants Australia New Zealand. This will include analysis of revenue sources showing diversification trends, and activities to contribute towards Net Zero Carbon by 2050. Quarterly reports will be presented to shareholders within two months of the end of each quarter of each financial year and will incorporate the results from any subsidiary companies.

Information contained in the quarterly reports will include:

- Year to date turnover vs budget
- Year to date profit vs budget
- Cashflow for the reporting period
- Variances against budget
- Key contracts secured during the quarter
- Identified business risks

Quarterly reports will be presented to an In-Committee meeting of Selwyn District Council. It is expected that presentations will be made by a Company Director and the CORDE Ltd Chief Executive.

Other Information

Produce other information as may be agreed between Selwyn District Council and the company or such other information as may significantly affect the specific objectives.

Statement of Accounting Policies

CORDE has adopted accounting policies that are consistent with New Zealand International Financial Reporting Standards, generally accepted accounting practice and the policies adopted by the Selwyn District Council Group.

NZ IFRS standards and interpretations are subject to change and therefore the accounting policies are also subject to change during the period of this SOI. Subject to those possible changes, the company's accounting policies will be consistent with those published in the most recent annual report, with the exception that the accounting policies are now those of the group which includes CORDE and any subsidiary companies.

Responses to special Shareholders requests

CORDE will respond to any special requests made by the shareholder in a timely and accurate manner.

9. Estimate of the Commercial Value

On an ongoing basis, the commercial value of the shareholder's investment is estimated to be the Equity as shown in the latest audited accounts of the company.

Each 3 years, the Directors or shareholder, at their cost, may request a confirmation of the shareholder's investment by an independent assessment. The manner and timing of the assessment will be determined by the purpose for which it is undertaken, or by the terms of the request of the shareholder.

10. Acquisitions & Divestments

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 our objectives. When the board considers a transaction to be significant to the company business operations, we will consult with our shareholders.

Major transactions as defined by the Companies Act 1993, will be subject to shareholders approval by special resolution. However, when we are considering a significant acquisition or disposal of assets or securities, we will consult with our shareholders with as much lead-time as is commercially practicable in the prevailing circumstances. Where we decide to incorporate or subscribe for shares in subsidiaries to undertake our commercial activities, we will ensure effective management.

Board control of any subsidiary is exercised by our directors and management.

11. SDC & Other Authorities

CORDE requires payment from the Selwyn District Council, in accordance with contracts from SDC in respect of contracts which the company has been awarded. Likewise, if any other contracts are entered into between the company and any territorial or regional authority, payment of the contract price will be required from such a contracting authority.

The company will also seek compensation from any appropriate local authority for those contracts undertaken at the explicit request of central, regional or district governments to provide services to meet a particular social or economic goal.

12. Dividend Distribution

The dividend distribution policy is to pay a minimum annual dividend equal to the higher of \$2,500,000 or 50% of the Surplus After Tax of the Company, unless the Board of Directors deem this is not in the best interests of the Company.

An Interim Dividend will be declared and paid during the second half of the financial year.

A Final Dividend will be declared in conjunction with finalisation of the Annual Financial Statements and paid within six months of financial year end.

A Special Dividend can be considered at any time.

Where it is anticipated that the minimum cash payment may impact negatively on the Company's balance sheet or growth strategy, the Directors will discuss options with Selwyn District Council. Any distribution needs to be prudent in the circumstances and meet the solvency test.



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CORDE®

30+
YEARS

**Trusted
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Connections**