



meridian

# ***Notice of Annual Shareholder Meeting***



*The Annual Shareholder Meeting of Meridian Energy Limited (NZ938552 ARBN151 800 396) will be held in the Silks Room, Metropolitan Stand, Addington Raceway & Events Centre, 75 Jack Hinton Drive, Addington, Christchurch, New Zealand on **Friday 28 October commencing at 10.00am (New Zealand Time).***

**IMPORTANT DATES (ALL TIMES ARE IN NEW ZEALAND TIME)**

Record date for voting entitlements for the annual meeting: <b>25 OCTOBER 2016, 5.00PM</b>	Latest time for receipt of postal votes and proxy forms: <b>26 OCTOBER 2016, 10.00AM</b>	Annual meeting of shareholders: <b>28 OCTOBER 2016, 10.00AM</b>
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# Business

- A. Chairman's Address**
- B. Chief Executive's Review**
- C. Shareholder Questions**
- D. Ordinary Business**

To consider and, if thought appropriate, pass the following Ordinary Resolutions:

**Resolution 1: Re-election of Jan Dawson:**

That Jan Dawson, who retires by rotation and is eligible for re-election, be re-elected as a director of the Company.

**Resolution 2: Re-election of Chris Moller:**

That Chris Moller, who retires by rotation and is eligible for re-election, be re-elected as a director of the Company.

**Resolution 3: Director's fees:** That the total annual director fee pool be increased over two years by **\$114,000** from **\$986,000** to **\$1,100,000**, with the first annual increase to be backdated to take effect from 1 July 2016.

For further detail see the Explanatory Note.

## E. General Business

To consider any other matter that may lawfully be considered at the Annual Shareholder Meeting.

Following the formal part of the meeting, the directors invite investors to join them for light refreshments.

On behalf of the Board



**Jason Stein**  
Company Secretary  
30 September 2016

## Explanatory Note

### Resolutions 1 and 2 - Re-election of directors

The Company's Constitution requires the number of directors who are required to retire at any Annual Shareholder Meeting (ASM) to be in accordance with the New Zealand Stock Exchange (NZX) Listing Rules.

These rules require that:

- a) At least one third of the directors or, the number nearest to one third, must retire by rotation at the ASM each year but shall be eligible for re-election at that meeting. Those required to retire shall be those who have been longest in office since they were last elected or deemed elected.
- b) A director must not hold office (without re-election) past the third ASM following his or her appointment or 3 years, whichever is longer.
- c) A director appointed to fill a casual vacancy or as an addition to the board must not hold office (without re-election) past the next ASM.

Accordingly, Jan Dawson, Sally Farrier and Chris Moller are those directors who retire by rotation. Jan Dawson and Chris Moller, being eligible, offer themselves for re-election by shareholders at the ASM. Sally Farrier has advised the Board that she will not be seeking re-election as a director and will retire at the conclusion of the ASM.

The Board has determined, in its view, each director seeking re-election is an independent director (as defined in the NZX Listing Rules).

A separate vote will be held for each candidate. These are resolutions 1 and 2. Background details of directors offering themselves for re-election at this ASM are set out in this notice.

The Board can also confirm director nominations closed on 8 September 2016 and no other director nominations were received.



**JAN DAWSON**

*Director*

CNZM, BCOM, FCA (CAANZ), FINSTD

Jan Dawson joined the Meridian Board in November 2012 and is Chair of the Audit and Risk Committee. Jan is Chair of Westpac New Zealand Limited, Deputy Chair of Air New Zealand Limited and a director of AIG Insurance New Zealand Limited and the Beca Group and was this year made a Companion of the New Zealand Order of Merit for services to governance. Jan is a professional independent director. She was previously Chair and Chief Executive of KPMG New Zealand, following a career spanning 30 years specialising in audit and accounting services in the UK, Canada and New Zealand. She was previously President of Yachting New Zealand and a director of Goodman Fielder Limited and Counties Manukau District Health Board.

The directors (other than Ms Dawson) unanimously recommend that Shareholders vote in favour of the re-election of Ms Dawson as a director.



**CHRIS MOLLER**

*Chair*

CNZM, BCA, DIPLOMA OF ACCOUNTING, FCA (CAANZ)

Chris Moller has been on the Meridian Board since May 2009 and was appointed Chair in January 2011. Chris also serves on the Remuneration and Human Resources Committee. Chris has extensive experience in New Zealand and international business at both director and executive levels. He is the former Chief Executive Officer of the New Zealand Rugby Union and co-led New Zealand's successful bid to host the Rugby World Cup 2011. His 15-year career in the dairy industry included roles as Deputy Chief Executive of Fonterra and Chief Financial Officer of the New Zealand Dairy Board. Chris is currently Chair of the NZ Transport Agency and SKYCITY Entertainment Group Limited. He is also a director of Westpac New Zealand Limited. Previously he was a director of NZX Limited, Synlait Limited, the International Cricket Council, Cricket World Cup 2015 Limited, the International Rugby Board, Rugby New Zealand 2011 Limited (which entered into voluntary liquidation after meeting all of its debts following the conclusion of Rugby World Cup 2011) and National Foods (Pty) Limited.

The directors (other than Mr Moller) unanimously recommend that Shareholders vote in favour of the re-election of Mr Moller as a director.

### Resolution 3 – Directors Fees

It is proposed that the total annual director fee pool be increased over two years by **\$114,000** from **\$986,000** to **\$1,100,000**, with the first annual increase backdated to take effect from 1 July 2016.

Meridian’s Board has given careful thought to the proposal to increase director fees, which were last set in 2013 at the time of Meridian’s listing. The Board has considered the types of skills and wide-ranging experience that is a requirement for Meridian’s directors.

As one of New Zealand’s largest listed companies with a significant and engaged investor base, it is important that Meridian attracts and retains directors with the skills and diversity of thinking to govern the business with the objective of creating shareholder value. In addition, the Board has had regard to the actual and likely number of hours spent by the Board in the preparation for, and attendance at meetings and the complexity of the work being considered at those meetings.

The Board has also sought and considered independent advice from PwC, who have conducted a review of remuneration for comparable listed companies in New Zealand. A copy of the Summary Directors’ Fees Report is available in the shareholder meetings section at [www.meridianenergy.co.nz/investors](http://www.meridianenergy.co.nz/investors)

The report does not make any recommendation but concludes that in relation to Chair, non-executive director base fees, committee chair and committee member fees:

- The proposed fees for Meridian for 2016–2017 are below the median<sup>1</sup> of the peer group market data at all levels, with the proposed committee member fees for 2016–2017 the least competitive, ranging from 46% to 55% of the market median levels; and
- With the exception of the non-executive director base fee which is slightly above the peer group median at 104%, the proposed fees for 2017–2018 remain below the median of the peer group at all levels with committee chair and member fees ranging from 60% to 81% of the market median.

The peer group used in PwC’s benchmarking process included the ten largest listed New Zealand companies by market capitalisation which are closest in size to Meridian although only two companies are larger, and eight are smaller than Meridian.

Having reviewed and considered the results of the PwC benchmarking exercise and after consultation with a number of shareholder representatives, Meridian’s Board unanimously recommends that shareholders vote in favour of the proposed fee increase effective from 1 July 2016.

Meridian’s Board also agrees with the approach that smaller, more regular incremental, increases are preferable to large one-off increases. Meridian regularly monitors the market movement in respect of director fees and at this stage does not expect this proposal will require further adjustment prior to 2018–2019. A similar process of engagement with shareholder representatives would be followed for any proposed future increase.

TABLE 1 – TOTAL POOL

	CURRENT (AS AT IPO)	2016-2017	2017-2018
Board fees	\$916,000	\$909,500 <sup>2</sup>	\$1,000,000
Committee fees	\$70,000	\$85,000	\$100,000
<b>Total pool</b>	<b>\$986,000</b>	<b>\$994,500</b>	<b>\$1,100,000</b>

TABLE 2 – INDIVIDUAL BREAKDOWN

	CURRENT (AS AT IPO)	2016-2017	2017-2018
Chair	\$165,000	\$182,500	\$200,000
Deputy Chair	\$114,000	\$127,000	\$140,000
Director	\$91,000	\$100,000	\$110,000
Audit & Risk Committee Chair	\$15,000	\$18,200	\$22,500
A&R Member	\$7,500	\$9,100	\$10,000
Safety & Sustainability Committee Chair	\$12,500	\$15,000	\$15,000
Safety & Sustainability Committee Member	\$5,000	\$6,200	\$9,200
Remuneration & Human Resources Committee Chair	\$12,500	\$15,000	\$15,000

Table 1 sets out the Board fees and the Committee fees which are included in the proposed Total Pool for which shareholder approval is being sought. The 2016–2017 and 2017–2018 figures assume a Board of eight directors.

Table 2 shows the manner in which the Board currently intends to allocate the Total Pool of directors’ fees if the resolution is approved by shareholders.



1 The median or 50<sup>th</sup> percentile represents the data point at which 50% of the sample is higher and 50% of the sample is lower i.e. the mid point of the data. For example, in a sample of 10, the median will be exactly halfway between the 5<sup>th</sup> and 6<sup>th</sup> ranked data points in the sample.

2 The proposed decrease in the Board fees in 2016-2017 is due to the retirement and non-replacement of one director immediately prior to the 2015 Annual Shareholder Meeting, thereby reducing the Board from nine directors to eight directors.

# Procedural Notes

## Voting

The Board has determined that as at the close of trading on **Tuesday 25 October 2016** registered shareholders at that time are entitled to attend and vote at the ASM.

All resolutions are ordinary resolutions and will be passed by a simple majority of more than 50% of votes validly cast at the ASM.

On behalf of directors, the Company's share registrar, Computershare Investor Services Limited are authorised to receive and count postal votes at the meeting.

Results of the voting will be available after the conclusion of the meeting, and will be notified on the NZX and ASX.

## Voting restrictions

In accordance with NZX Listing Rules, the Company will disregard any votes cast on resolution 3 by each director and their associates, other than where the vote is cast by a director or their associate as proxy for a person who is entitled to vote, in accordance with express directions on the voting/proxy form to vote for or against the resolution.

## Casting your vote

You may cast your vote in one of three ways described below. You may abstain from voting on one or more of the resolutions:

- a) **Attending and voting in person:** The Board encourages all shareholders to attend the ASM in person and vote. You should bring your postal Proxy/Voting Form or your CSN/ Securityholder Number to assist with registration at the meeting.
- b) **Casting a postal vote:** A shareholder may cast a postal vote on all or any of the matters to be voted on at the ASM by voting FOR, AGAINST or ABSTAIN. Lodge your postal vote online at [www.investorvote.co.nz](http://www.investorvote.co.nz), or, complete step 1 of the hard copy proxy / voting form, sign where indicated and return it to the share registrar.
- c) **Appointing a proxy:** You may appoint a proxy to attend the meeting and vote on your behalf. Again, visit [www.investorvote.co.nz](http://www.investorvote.co.nz) to lodge your proxy, or, complete step 1 and step 2 of the hard copy proxy/voting form, sign where indicated and return it to the share registrar.

*Note: The proxy holder does not need to be a shareholder of the Company. If you appoint a director as your proxy, please read "Voting restrictions" on this page. Any undirected proxies granted to the director will be voted in favour of the relevant resolutions except that directors standing for re-election will abstain from voting discretionary proxies in respect of their own appointment. A body corporate which is a shareholder may appoint a representative to attend the meeting on its behalf in the same manner as that in which it can appoint a proxy.*

## Shareholder Questions

Shareholders attending the meeting in person will be given the opportunity to raise questions. Shareholders may also submit written questions. The main themes will be aggregated and responded to at the ASM. Written questions should be sent by post to The Company Secretary, Meridian Energy Limited, PO Box 10840, Wellington 6143 or by email to [jason.stein@meridianenergy.co.nz](mailto:jason.stein@meridianenergy.co.nz).

Meridian Energy Limited reserves the right not to address questions that, in the Board's opinion are not reasonable to address in the context of an annual shareholder meeting, or any written question received fewer than five working days prior to the Annual Shareholder Meeting.

## Share Registrar Details

### New Zealand

Computershare Investor Services Limited  
Private Bag 92119  
Auckland 1142  
New Zealand  
Level 2, 159 Hurstmere Road  
Takapuna  
Auckland 0622  
New Zealand

### Australia

Computershare Investor Services Pty Limited  
GPO Box 2975  
Melbourne, VIC 3001  
Australia



# Important Information

## Meeting Venue

The Annual Shareholder Meeting is being held in the Silks Room, Metropolitan Stand, Addington Raceway & Events Centre, 75 Jack Hinton Drive, Addington, Christchurch.

To access the Metropolitan Stand from Whiteleigh Avenue:

- Turn onto Jack Hinton Drive at the roundabout between Twiggers Street and Boundary Road
- Make a right-hand turn
- Continue past the front of the Horncastle Arena
- The venue has free parking.  
(there is also access from Wrights Road)

## Webcast

If you are unable to attend the Annual Shareholder Meeting, but would still like to follow its proceedings, then visit: [www.meridianenergy.co.nz/investors](http://www.meridianenergy.co.nz/investors)