

**MERIDIAN ENERGY LIMITED**  
TENTH ANNUAL SHAREHOLDER MEETING MINUTES  
Held at Meridian offices, 287-293 Durham Street, Christchurch  
on Thursday, 12 October 2023  
commencing at 9.30am

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Present in-person:	Mark Verbiest	Chair
	Mark Cairns	Director
	David Carter	Director
	Julia Hoare	Director
	Tania Simpson	Director
	Neal Barclay	Chief Executive Officer
	Mike Roan	Chief Financial Officer
	Jason Woolley	Company Secretary
Present online:	Michelle Henderson	Director
	Nagaja Sanatkumar	Director
	Graham Cockroft	Director
	Carl Hansen	Strategic Advisor

Also present:                    Approximately 45 members and others in person and up to 90 online.

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**1. Opening of Meeting**

A video was played in which Tania Simpson welcomed guests with a mihi whakatau.

The Chair welcomed shareholders joining in person and online. The Chair also welcomed Anthony Smith from Meridian’s auditors, Deloitte and Ian Beaumont from Meridian’s lawyers, Russell McVeagh. The Chair provided housekeeping details relating to evacuation of the building and other health and safety matters.

**2. Agenda of Meeting**

The Chair outlined the procedures for asking questions and the voting procedures and, in particular, that voting at this meeting would be by way of poll. The Chair said that if there was insufficient time to answer all questions orally they would be answered by email. The Chair declared voting open on all items of business.

**3. Chair’s Address**

The Chair delivered the Chair’s address.

#### 4. Chief Executive's Address

The Chief Executive then delivered the Chief Executive's address.

#### 5. Questions

The meeting was opened for questions about the business.

One question was received in writing prior to the meeting:

1. *Shareholder Gillian King asked why is Meridian still invested in fossil gas? What are Meridian's plans to get out of gas? And when will Meridian be honest in its marketing, publicity and reporting about its energy sources – and in particular that it is not only supplying energy from 100% renewable sources i.e. wind, water and sun?*

The Chair thanked Ms King for the question and said that Meridian is not invested in gas. Meridian retailed gas to customers in Australia through its Powershop Australia subsidiary, but Meridian sold Powershop Australia in early 2022.

The Chair noted that Meridian generates only from renewable sources, wind, water and sun.

The following questions and comments were raised at the meeting by those at the meeting in-person or attending online.

2. *Shareholder Peter Wakeman asked about off-shore wind and what the costs involved were. He understood off-shore wind farms were only viable in Europe due to the level of subsidies.*

The Chief Executive responded by saying that off-shore wind developments were more expensive than on-shore developments and gave the example of a ship being needed to service the turbines compared to a ute for on-shore wind farms. However, the Chief Executive said, the costs were coming down so part of Meridian's strategy was to ensure that it was able to participate if and when off-shore wind investment did become economically viable.

3. *Shareholder Mr. Wakeman followed up his question by asking Management to confirm if Meridian had made a commitment to invest in off-shore wind yet.*

The Chief Executive responded by confirming Meridian had made no such decision just yet.

4. *Shareholder Mr. Wakeman asked another follow-up question, prefacing it by saying he needed to declare an interest as he was running as an independent candidate in the Banks peninsula electorate – Mr. Wakeman asked if there was a Meridian view point on water governance and reforms and how this might in future affect Meridian's portfolio.*

The Chair responded that Meridian had no view on the different governance forms in respect of water. Meridian's focus was on the catchments in which it operated and on the physical, environmental and cultural attributes of water in those contexts.

5. *Mr. Wakeman asked a fourth follow-up question about whether Meridian had any warnings or concerns about future water reform.*

The Chair responded by saying that Meridian didn't generally consume water. The Chair noted that charging for water would potentially impact Meridian and potentially also increase costs for consumers. The Chief Executive added that Meridian was not aware of any particular policy initiative on charging for water at this time.

6. *Mr. Wakeman asked a further follow-up question about the age of Meridian's hydro assets and the costs of maintaining them versus wind farms.*

The Chair responded that Meridian's older hydro assets still performed very well from a maintenance perspective. The economic life of windfarm assets was less than hydro assets so it could be expected they would need more maintenance over their lifetime but this was worked through in the economics of project assessments, and in terms of the levelised cost of energy both asset classes performed well. Further in a New Zealand context wind was still something of an untapped resource.

7. *Shareholder Peter Wakeman asked a further follow-up question about particular wind technologies and the relative costs.*

The Chair responded that Meridian had made a move with its most recent windfarms into direct drive wind turbine technology which had significantly lower maintenance costs than older turbine technologies.

8. *Shareholder and representative of the New Zealand Shareholder Association Frank Stewart said that the New Zealand Shareholders Association was very pleased with Meridian's disclosures and its annual report. Mr. Stewart asked about Meridian's dividend reinvestment plan and the level of Government participation.*

The Chair responded by referring the question to Meridian's Investor Relations Manager, Owen Hackston. Mr. Hackston responded by saying that Government participation was governed by a participation agreement signed between the Crown and Meridian. Other Crown- owned shareholders such as the ACC and the Superfund made their own decisions about whether to participate in the dividend reinvestment plan. Currently they did not exercise their rights to take up further shares. The Chair expanded on Mr. Hackston's answer by saying the aim of the participation agreement was to preserve the Government's 51% shareholding.

9. *Shareholder Andrew McKenzie referenced the slide presentation that had accompanied the Chair and Chief Executive's address. Mr. McKenzie noted that the sector needed collectively to invest \$30B over the next few years and Meridian's share of this based on current market share was \$10B. Mr McKenzie said that he calculated that this amounted*

*to \$450M a year and asked if this was sustainable along with the current level of dividend.*

The Chair responded yes it was sustainable all things being equal. The Chief Executive added to this that as Meridian grew the size of its investments this created a bigger balance sheet which in turn helped to sustain dividend levels.

10. *Shareholder Richard Hallowes asked a question about average windfarm life.*

The Chief Executive responded that Harapaki had an anticipated life of at least 30 years and the turbine suppliers had provided an availability warranty of something like 90% availability of the turbines over that period. Meridian was therefore confident that the turbines should last at least 30 years.

11. *Shareholder Wayne Keenan asked a question in relation to the slides accompanying the Chair and Chief Executive address. Mr. Keenan noted that generation seemed to level off after 2027 and asked if this could be explained.*

The Chair responded that over the next few years the boost in demand was driven by anticipated EV uptake. The Chief Executive explained the trend in demand up to 2050 was significantly driven by the electrification of transport. The Chair said that independent work commissioned by BCG indicated that consumers overall energy bill over this period could be expected to decrease because owning and operating an electric vehicle was cheaper than owning an operating an internal combustion engine vehicle. This meant that there was a genuine prize to be secured in terms of consumer welfare.

12. *Shareholder Gillian King submitted a question online congratulating Meridian on holding a hybrid Annual Shareholders Meeting which she said showed climate leadership. Ms. King asked if Meridian would be publicising this so that others could follow Meridian's example.*

The Chair responded yes, the hybrid form of meeting was becoming increasingly common in New Zealand and it was hoped that media would note and comment on it.

13. *Shareholder Carol Rees asked when there would be a resolution of the situation with New Zealand Aluminium Smelters.*

The Chair responded that this was not known, and that as soon as Meridian knew it would make an announcement.

14. *Shareholder John White asked why Meridian's energy hedges appear to be loss making.*

The Chair said this was due to the accounting requirement to show the annual position of the relevant hedges on a cash basis. There was no failure on Management's or the Board's part in relation to the hedges. The Chief Executive added that while Meridian was required to revalue the hedges for the purpose of financial standards it was not required to revalue the underlying retail book and that Meridian had actually locked in a margin on the underlying business which appeared as EBITDAF in Meridian's accounts.

15. *Shareholder James Bruce-Noble asked if Meridian was investing in batteries or storage.*

The Chair said Meridian was investing in a battery at Ruakaka and at least on other site in the North Island. Meridian had also looked at other storage options albeit not in the deep South. Thirdly, the Chair said, the hydro lakes in the Waitaki could be thought of as batteries in their own right. The Meridian team had done a great job in optimizing the capacity of those lakes and this was in the Chair's view a better way forward than large pumped hydro storage in the deep South that would take many years to develop.

16. *Shareholder James Bruce-Noble followed up with a further question on whether grid capacity might prove to be a constraint.*

The Chair said that he expected Transpower to respond to the increased need for greater grid capacity and to do so well within the required timeframes. He knew that Transpower were looking at more front loaded pricing scenarios. The Chair commented that there was an industry wide initiative to prioritise development and to date the participation right across the sector had been strong.

17. *Shareholder Ross Drummond noted that Meridian's Waitaki resource contents were being renewed and asked if there would be any required changes.*

The Chair responded saying that the applications for new consents had only just been submitted. Meridian was seeking new consents allowing for the same generation capacity and flexibility as was currently available to Meridian. The Chief Executive added that Meridian had secured the support of key stakeholders for its re-consent application and was hopeful of a positive outcome.

18. *Shareholder Peter Wakeman asked if Meridian was involved in the Richardson group hydrogen proposal in Southland.*

The Chief Executive said yes, Meridian was involved as a key retailer.

## 6. Formal Resolutions

The Chair outlined the voting procedures. The Chair then introduced and moved the resolutions. The directors seeking election and re-election spoke to the resolutions. The resolutions were opened for discussion. The Chair put the resolutions with voting by way of poll.

### **Resolution 1: Re-election of Mark Verbiest:**

Julia Hoare, Chair of Audit & Risk introduced and moved that Mark Verbiest, who retired by rotation and was eligible for re-election be re-elected as a Director of the Company.

Shareholder Peter Wakeman asked if Mark Verbiest had any conflict in terms of the off-shore wind sector. Mr. Verbiest confirmed he did not.

The resolution was passed with 2,012,625,439 votes for and 13,740,388 against.

**Resolution 2: Election of David Carter**


The Chair introduced the motion. David Carter spoke to the resolution. The Chair moved that David Carter be elected as a Director of the Company.

Shareholder Peter Wakeman asked Mr. Carter if he had any experience with windfarms or electricity. Mr. Carter confirmed he has none in windfarms but he did have significant experience with the civil aspects of electricity infrastructure.

The resolution was passed with 2,024,518,877 votes for and 1,847,120 against.

**7. Closing**

The Chair thanked those attending and closed the meeting at 10.40am.

Minutes confirmed Signed by: <sup>1</sup> Mark Verbiest  Date: <u>13</u> / <u>12</u> / 23
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