



NZ Windfarms Ltd
POWERED BY NATURE



NZ Windfarms Limited

Notice of Meeting and Scheme Booklet

Notice of Meeting and Scheme Booklet

In relation to the proposed acquisition of all of the outstanding fully paid ordinary shares not already held in NZ Windfarms Limited by Meridian Energy Limited for a price of NZ\$0.25 per Scheme Share pursuant to a scheme of arrangement.

NZ WINDFARMS' DIRECTORS UNANIMOUSLY RECOMMEND THAT YOU VOTE IN FAVOUR OF THE SCHEME, IN THE ABSENCE OF A SUPERIOR PROPOSAL.

The special meeting of Shareholders to consider, and vote, on the Scheme will be held at:

TIME: 9:00am (New Zealand time)

DATE: Tuesday, 24 June 2025

WHERE: **In person:** at MUFG Corporate Markets' Auckland office at Level 30, PwC Tower, 15 Customs Street West, Auckland 1010

Virtual/online: via MUFG Corporate Markets' virtual meeting platform at www.virtualmeeting.co.nz/nwfs25

See the Notice of Meeting in Section 3 of this Scheme Booklet for more details.

Important

This is an important document and requires your immediate attention. You are encouraged to vote and have your say on the Scheme.

You should read this Scheme Booklet carefully and in its entirety before deciding whether or not to vote in favour of the Scheme. If you are in doubt as to any aspect of the Scheme, you should seek advice from your financial, taxation or legal adviser.

If you have sold all of your Shares in NZ Windfarms, please disregard this Scheme Booklet and hand it and the accompanying Voting/Proxy Form to the purchaser or the agent (e.g. the broker) through whom the sale was made.

An Independent Adviser's Report on the merits of the Scheme is attached as Annexure A to this Scheme Booklet and should also be read carefully.

Important Information

Purposes of this Scheme Booklet

The purposes of this Scheme Booklet are to:

- provide you with information about the proposed acquisition of NZ Windfarms by Meridian pursuant to the Scheme;
- provide you with the material terms and conditions of the Scheme and explain their effect;
- explain the manner in which the Scheme will be considered by Shareholders and, if approved, implemented;
- provide you with information that could reasonably be expected to be material to your decision whether or not to vote in favour of the Scheme; and
- communicate the information required by the Takeovers Panel in relation to the Scheme.

This Scheme Booklet is not a product disclosure statement.

Your decision

This Scheme Booklet does not take into account your individual investment objectives, financial situation or needs. You must make your own decisions and seek your own advice in this regard.

The information and recommendations contained in this Scheme Booklet do not constitute, and should not be taken as constituting, financial advice, financial product advice, tax advice or legal advice.

If you are in any doubt as to what you should do, you should seek advice from your financial, taxation or legal adviser before making any decision regarding the Scheme.

Not an offer

This Scheme Booklet does not constitute an offer of financial products to Shareholders (or any other person), or a solicitation of an offer of financial products from Shareholders (or any other person), in any jurisdiction.

Laws of New Zealand

This Scheme Booklet has been prepared in accordance with New Zealand law. Accordingly, the information contained in this Scheme Booklet may not be the same as that which might have been disclosed had the Scheme Booklet been prepared in accordance with the laws of another jurisdiction.

Forward looking statements

This Scheme Booklet contains certain forward-looking statements which are subject to risks (both known and unknown), uncertainties, assumptions and other important factors that could cause the actual conduct, results, performance or achievements of NZ Windfarms to be materially different.

Deviations as to future conduct, market conditions, results, performance and achievements are both normal and to be expected.

Forward looking statements generally may be identified by the use of forward-looking words such as 'aim', 'anticipate', 'believe', 'estimate', 'expect', 'forecast', 'foresee', 'future', 'intend', 'likely', 'may', 'planned', 'potential', 'should', or other similar words.

No person (including NZ Windfarms and its Representatives) gives or makes any representation, warranty, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this Scheme Booklet will actually occur. You are cautioned against relying on any such forward looking statements.

Privacy and personal information

NZ Windfarms and Meridian and their respective Representatives may collect personal information in the process of implementing the Scheme. Such information may include the name, contact details and shareholdings of Shareholders and the name of persons appointed by those persons to act as a proxy or corporate representative at the Scheme Meeting. The primary purpose of the collection of personal information is to assist NZ Windfarms and Meridian to conduct the Scheme Meeting and implement the Scheme. Personal information may be stored in hard copy form or electronic form, including with third party data storage facilities and in cloud storage located inside or outside New Zealand.

Personal information of the type described above may be disclosed to MUFG Corporate Markets, print and mail service providers, proxy solicitation firms, Related Companies of each of NZ Windfarms and Meridian, and services providers and advisers to NZ Windfarms and Meridian.

Shareholders have rights to access the personal information that has been collected about them. Any Shareholder that wishes to access their own personal information should contact MUFG Corporate Markets in the first instance. Shareholders who appoint a named individual (other than a NZ Windfarms Director) to act as their proxy or corporate representative should make sure that person is aware of, and has agreed to, these matters.

Responsibility for information

Other than as set out below, this Scheme Booklet has been prepared by, and is the responsibility of, NZ Windfarms:

- the Meridian Information has been prepared by, and is the responsibility of, Meridian. None of the NZ Windfarms Group, nor any of their respective Representatives, assumes any responsibility for the accuracy or completeness of the Meridian Information; and
- the Independent Adviser's Report set out in Annexure A has been prepared by, and is the responsibility of, the Independent Adviser. None of NZ Windfarms, Meridian, their Related Companies and their respective Representatives assumes any responsibility for the accuracy or completeness of the Independent Adviser's Report.

For the avoidance of doubt, none of the Meridian Group, nor any of their respective Representatives assumes any responsibility for the accuracy or completeness of any information in the Scheme Booklet other than the Meridian Information.

Websites not part of this Scheme Booklet

Any references in this Scheme Booklet to any website are for informational purposes only. No information contained on any website forms part of this Scheme Booklet.

To the maximum extent permitted by law, NZ Windfarms, Meridian and their respective Representatives do not assume any responsibility for the contents of any website referenced in this Scheme Booklet.

Role of Takeovers Panel and the Court

The fact that the Takeovers Panel has provided a letter indicating that it does not intend to object to the Scheme (or that it subsequently issues a no-objection statement in respect of the Scheme), or that the Court has ordered that a meeting be convened, does not mean that the Takeovers Panel or the Court:

- has formed any view as to the merits of the proposed Scheme or as to how Shareholders should vote (on this matter, Shareholders must reach their own decision); or
- has prepared, or is responsible for the content of, the Scheme Booklet or any other material.

Notice of the Final Court Hearing

If you wish to oppose the Scheme at the Final Court Hearing (which will take place after the Scheme Meeting), you must file a notice of appearance or a notice of opposition together with supporting documents at the Court and at the offices of Wynn Williams, Level 20, Vero Centre, 48 Shortland Street, Auckland 1010.

The deadline for such filing will be 5:00pm on 8 July 2025 or any later date which will be announced by NZ Windfarms on the NZX. See Section 4.8 of this Scheme Booklet for more detail.

Times and dates

All references to times and dates in this Scheme Booklet are to New Zealand time, unless otherwise stated. Any obligation to do an act by a specified time in New Zealand time must be done in any other jurisdiction by the specified New Zealand time.

All references to expected dates and times in this Scheme Booklet in respect of procedural aspects of the Scheme are indicative only and, among other things, are subject to obtaining all necessary approvals from the Court.

Currency

Unless expressly specified, all references to currency in this Scheme Booklet are to New Zealand dollars.

Effect of rounding

A number of figures, amounts, percentages, prices, estimates, calculations of value and fractions in this Scheme Booklet are subject to the effect of rounding. Accordingly, actual calculations may differ from amounts set out in this Scheme Booklet.

Defined terms

Capitalised terms set out in this Scheme Booklet have the meanings given to them in the Glossary in Section 8.

Date of this Scheme Booklet

This Scheme Booklet is dated 19 May 2025.

What Do Shareholders Need To Do?

Read the Scheme Booklet

Please read this Scheme Booklet, including the Independent Adviser's Report, carefully and in full.

Seek advice

If you are in doubt as to what you should do, or about any part of this Scheme Booklet, please seek advice from your financial, taxation or legal adviser.

Vote on the Scheme

The Scheme Meeting will be held at 9:00am on Tuesday, 24 June 2025.

Any Shareholder who holds Scheme Shares on the Voting Eligibility Date is entitled to vote on the Scheme. Details of the Scheme Meeting are set out in the Notice of Meeting at Section 3 of this Scheme Booklet and in the Voting/Proxy Form.

If you cannot attend the Scheme Meeting online or in person, we encourage you to complete and return the Voting/Proxy Form to MUFG Corporate Markets no later than 9:00am on 22 June 2025. Details of how to return your Voting/Proxy Form are set out in paragraph 13 of the Procedural Notes to the Notice of Meeting in Section 3 of this Scheme Booklet.

It is very important that you vote on the Scheme.

For the Scheme to proceed, both of the following two voting thresholds must be met:

- at least 75% of the votes of Shareholders in each interest class who are entitled to vote and who actually vote, must be voted in favour of the Scheme Resolution; and
- more than 50% of the total number of votes attached to the Scheme Shares must be voted in favour of the Scheme Resolution.

For the avoidance of doubt, the 50% threshold referred to above relates to the total number of Scheme Shares (all of which are entitled to vote), not the total number of Shareholders (as is the case in certain other jurisdictions).

NZ Windfarms has one class of share, all of which are fully paid up ordinary shares with identical voting rights. At the date of the Scheme Booklet, there are two interest classes (comprising Meridian in one interest class, and all other Shareholders in the second interest class). More information on the interest classes is set out in Section 4.11.

The Directors unanimously recommend that Shareholders vote in favour of the Scheme.

Check and update your details

If the Scheme becomes Effective and you hold Scheme Shares on the Record Date then, whether or not you voted on the Scheme (or voted for or against the Scheme), you will be paid Consideration of NZ\$0.25 in cash for each of the Scheme Shares you hold.

See Section 4.13 for details of how Consideration will be paid. You may need to take the actions contemplated by that Section to ensure payment of the Consideration in your desired currency to your desired bank account.

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Section 1:

Chairman's Letter

Chairman's Letter



Dear Shareholder,

NZ Windfarms has entered into a Scheme Implementation Agreement with Meridian, by which it is proposed that Meridian will acquire all of the Shares it does not already own in NZ Windfarms through a Court-approved scheme of arrangement.

Subject to approval by the Shareholders and other Conditions of the Scheme, the purchase price payable by Meridian for your Shares, on implementation of the Scheme, is \$0.25 per Share.

On behalf of the NZ Windfarms' Board, I am pleased to be able to provide you with this Scheme Booklet. It contains important information regarding the Scheme, its Conditions, and information on how you can vote on the Scheme.

I encourage you to read this Scheme Booklet, including the Independent Adviser's Report which is attached to this Scheme Booklet, before you vote on the Scheme.

The Directors unanimously recommend that you vote in favour of the Scheme, in the absence of a Superior Proposal.

The Scheme, and the price offered by Meridian, highlights the value created to date by the combined efforts of NZ Windfarms' outstanding management and development teams, the Board and our advisers. It also reflects the progress that NZ Windfarms and the Meridian team has made pursuing the Te Rere Hau Wind Farm repowering project through the Te Rere Hau JV.

The Te Rere Hau JV is a 50:50 joint venture between NZ Windfarms and Meridian. Meridian is NZ Windfarms' largest shareholder.

While the Te Rere Hau JV has provided a framework to enable NZ Windfarms to progress the Te Rere Hau Wind Farm repowering, our Shareholders remain exposed to current and ongoing risks associated with completing that project, and other subsequent development projects, and operating those assets into the future.

By contrast, the proposed Scheme offers Shareholders a lower-risk option to recognise the current value created by NZ Windfarms.

The Board evaluated domestic and international investor funding options for NZ Windfarms' required equity contribution to the Te Rere Hau JV before receiving Meridian's offer. The Board believes that the price offered by Meridian for the Shares is fair, particularly considering those funding alternatives and the risks associated with NZ Windfarms' development projects. The Independent Adviser's valuation range for the Shares supports the Board's assessment of the Consideration offered by Meridian.

The Directors encourage all Shareholders to vote in favour of the Scheme in the absence of a Superior Proposal.

The Directors believe the value and certainty offered by the Scheme provides a materially better outcome for Shareholders than retaining your Shares.

Details of the reasons for the Directors' recommendation are set out in this Scheme Booklet and include:

- the Consideration of \$0.25 per Share is above the Independent Adviser's valuation range and is more than double the NZ Windfarms' closing Share price on NZX on 18 February 2025 (being the last trading day prior to NZ Windfarms' first announcement of the Scheme);
- Scheme Shareholders will realise the value of the Shares for 100% cash consideration on implementation of the Scheme. If the Scheme does not proceed, the Shares will likely trade below \$0.25 per Share for at least the short to medium term, and there will be no certainty as to the amount that Shareholders will be able to realise on their Shares;
- the Board has not received any better offer for the Shares and has received no indication that a Superior Proposal will emerge;
- the repower of the Te Rere Hau Wind Farm is subject to a final investment decision by NZ Windfarms and Meridian and is not certain to proceed; and
- if the Scheme is not implemented, NZ Windfarms is unlikely to pay dividends during the repowering of the Te Rere Hau Wind Farm and is likely to require additional share capital to fund that and other projects. In addition, NZ Windfarms will continue to be subject to ongoing risks during both the construction and operational phases that could adversely impact the value of Shares and returns available to Shareholders.

While the Board has also considered reasons why Shareholders may decide to vote against the Scheme (and has set these out in this Scheme Booklet), we are of the view that the reasons to vote in favour of the Scheme more than outweigh the reasons to vote against it.

No matter how many Shares you own, your vote is very important. I encourage you to vote on the Scheme Resolution by attending the Scheme Meeting in person or online, or by completing the Voting/ Proxy Form which accompanies this Scheme Booklet.

Details of the Scheme Meeting, and instructions on how to vote and ask questions, are set out in the Notice of Meeting which is in this Scheme Booklet.

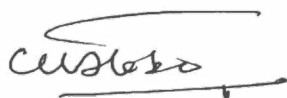
If the Scheme is implemented, your Shares will be transferred to Meridian for the Consideration irrespective of whether or how you voted. It is therefore very important that you take this opportunity to have your say on the Scheme by voting.

If you have any questions regarding the Scheme or the Scheme Booklet you can contact us at info@nzwindfarms.co.nz. If you are in any doubt as to any aspect of this Scheme Booklet, you should consult your financial, taxation or legal advisers before making any decision in relation to your Shares.

On behalf of your Directors, I reiterate our strong support for the Scheme, and encourage you to vote in favour of the Scheme Resolution in the absence of a Superior Proposal.

I look forward to your participation either at the Scheme Meeting at 9:00am on Tuesday, 24 June 2025, or through your postal or proxy vote.

Yours sincerely,



Craig Stobo
Chairman

Section 2:

Indicative Timetable

Indicative Timetable

EVENT	INDICATIVE DATE/TIME
Voting/Proxy Forms due	9:00am on 22 June 2025
Voting Eligibility Date	5:00pm on 22 June 2025
Scheme Meeting	9:00am on Tuesday, 24 June 2025
IF THE SCHEME IS APPROVED BY SHAREHOLDERS All of the dates below (other than the End Date) are indicative only and are subject to satisfaction or waiver (as applicable) of the Conditions, including the approval of the Court.	
Last date for filing notices for the Final Court Hearing	8 July 2025 (by 5:00pm)
Final Court Hearing	10:00am on 16 July 2025 (or such other date as the Court directs)
Trading Halt Date	18 July 2025 (at close of trading)
Record Date	25 July 2025 (at 5:00pm)
Implementation Date	1 August 2025
Delisting Date	1 August 2025 (at close of trading)
End Date	18 August 2025

The End Date is the long-stop date by which all Conditions must be satisfied or waived (if capable of waiver) and the Scheme must be Effective. The End Date may be extended by agreement between NZ Windfarms and Meridian or where required under the terms of the Scheme Implementation Agreement.

Details of the Conditions, and the relevant dates for satisfaction and/or waiver (if applicable) of each Condition, that may impact the indicative dates set out in the above timetable, are set out in Section 4.10.

Any changes to the above timetable will be announced on NZ Windfarms' announcement page on the NZX (<https://www.nzx.com/companies/NWF>).

Section 3:

Notice of Meeting

Notice

Notice is given that a special meeting of the Shareholders of NZ Windfarms Limited (being the **Scheme Meeting**) will be held:

TIME: Tuesday, 24 June 2025

DATE: 9:00am (New Zealand time)

WHERE: **In person:** at MUFG Corporate Markets' Auckland office at Level 30, PwC Tower, 15 Customs Street West, Auckland 1010

Virtual/online: via MUFG Corporate Markets' virtual meeting platform at www.virtualmeeting.co.nz/nwfsm25

Instructions and further details on how to attend and participate in the Scheme Meeting are set out in the Procedural Notes to this Notice of Meeting and in the Virtual Meeting Guide available at https://bcast.linkinvestorservices.co.nz/MUFG/MUFG_VirtualMeetingGuide.pdf

Agenda

Scheme Resolution

To consider and, if thought fit, to pass the following resolution:

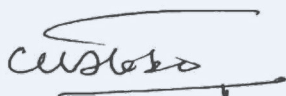
“That the Scheme (the terms of which are described in the Scheme Booklet) is approved.”

The Scheme Resolution will be put as a single resolution for the purposes of confirming the approvals of each interest class and a simple majority of the votes of all Shareholders.

The Scheme Booklet referred to in the Scheme Resolution is this Scheme Booklet.

Voting will be by way of poll and MUFG Corporate Markets will confirm whether or not each of the relevant voting thresholds have been met in respect of the Scheme Resolution (see the Procedural Notes below). MUFG Corporate Markets will act as scrutineer in respect of the vote.

By order of the Board.



Craig Stobo
Chairman

19 May 2025

Procedural Notes

Scheme Booklet and Voting/Proxy Form

1. This Scheme Booklet (which includes this Notice of Meeting) provides information in relation to the Scheme Resolution and the Scheme, how the Scheme will be implemented and the reasons for proposing the Scheme.
2. A Voting/Proxy Form accompanies this Scheme Booklet.

Scheme of arrangement

3. The Scheme is to be implemented by way of a Court-approved scheme of arrangement under Part 15 of the Companies Act pursuant to the Scheme Plan.
4. NZ Windfarms has obtained the Initial Court Orders which are available to view on NZ Windfarms' NZX announcement page (<https://www.nzx.com/companies/NWF/announcements>). The next significant step in the Scheme process is seeking the approval of the Shareholders by voting on the Scheme Resolution.

Voting on the Scheme Resolution

5. Under the Companies Act, for the Scheme to be approved by Shareholders, the votes cast at the Scheme Meeting must meet both the following thresholds:
 - (a) 75% or more of the votes of Shareholders in each interest class who are entitled to vote and who actually vote, must be voted in favour of the Scheme Resolution; and
 - (b) more than 50% of the total number of votes attached to the Scheme Shares must be voted in favour of the Scheme Resolution.
6. Both of the voting thresholds set out in Procedural Note 5 above must be met for the Scheme Resolution to be approved.
7. Voting on the Scheme Resolution will be by poll.
8. NZ Windfarms has one class of share, all of which are fully paid up ordinary shares with identical voting rights. However, as the proposed acquirer under the Scheme, Meridian is required to vote its Scheme Shares in a separate interest class. This means that, as at the date of the Scheme Booklet, there are two interest classes (being, respectively, Meridian in one interest class and all other Shareholders in the second interest class). This is expected to remain the case at the time of the Scheme Meeting. Despite this, only one Scheme Meeting will be held (and not two separate meetings for each interest class). See Section 4.11 of this Scheme Booklet for more information about what an interest class is.

Whether or not you are in favour of the Scheme, it is very important that you cast your vote.

Eligibility to vote on the Scheme Resolution

9. The persons who will be entitled to vote at the Scheme Meeting are those persons (or their proxy or representative) whose name is recorded in the Register as the holder of one or more Scheme Shares on the Voting Eligibility Date.

How to vote

10. Shareholders who are eligible to vote on the Scheme Resolution can vote:
 - (a) **Online:** via MUFG Corporate Markets virtual meeting platform at www.virtualmeeting.co.nz/nwfs25. Please refer to Procedural Notes 17 to 19 below for further information.
 - (b) **In person:** by attending the Scheme Meeting and bringing your personalised Voting/Proxy Form.
 - (c) **By postal or email vote or proxy:** by completing, signing and lodging your personalised Voting/Proxy Form in accordance with the instructions on that form. See also Procedural Notes 11 to 16 below.

- (d) **By corporate representative:** a Shareholder that is a company may appoint a person to attend the Scheme Meeting on its behalf in the same manner as that in which it could appoint a proxy.

Appointing a proxy and postal voting

11. Shareholders may directly cast their vote prior to the Scheme Meeting, or appoint a proxy to attend and vote at the Scheme Meeting on their behalf, by completing and lodging the Voting/Proxy Form with MUFG Corporate Markets in accordance with the instructions set out on that Voting/Proxy Form and in Procedural Note 13 below. The completed Voting/Proxy Form must reach MUFG Corporate Markets not later than 48 hours before the time of the Scheme Meeting (i.e. before 9:00am on 22 June 2025).
12. The Board has authorised MUFG Corporate Markets to receive and count postal votes.
13. Completed Voting/Proxy Forms can be submitted:
 - (a) **online:** at <https://nz.investorcentre.mpms.mufg.com/voting/NWF>
 - (b) **by mail:** to MUFG Corporate Markets, PO Box 91976, Auckland 1142
 - (c) **by email:** to meetings.nz@cm.mpms.mufg.com
14. If you appoint a proxy, you can either direct your proxy how to vote or let them decide on your behalf by ticking the box marked “discretion”. If you do not tick a box for the Scheme Resolution, then your proxy will be treated as having discretion on how to vote.
15. A proxy need not be a Shareholder. You may appoint the Chairman or any other Director as your proxy. The Chairman and each other Director intend to vote undirected proxies in favour of the Scheme Resolution.
16. If, in appointing a proxy, you have not named a person to be your proxy (either online or on the Voting/Proxy Form), or your named proxy does not attend the Scheme Meeting, the Chair of the Scheme Meeting will be your proxy and will vote in accordance with your express direction. If you have not included an express direction (either online or in the Voting/Proxy Form), the Chair of the Scheme Meeting will exercise your vote in favour of the Scheme.

Attending the Scheme Meeting Online

17. Shareholders who choose to attend the meeting virtually online (via MUFG Corporate Markets’ virtual meeting platform at www.virtualmeeting.co.nz/nwfsm25) will be able to watch the meeting, vote and ask questions using their smartphone, tablet or desktop device.
18. Shareholders will require a valid email address to access the meeting and will need their shareholder number to ask questions and vote.
19. For more information, please refer to the Virtual Meeting Guide available here: https://bcast.linkinvestorservices.co.nz/MUFG/MUFG_VirtualMeetingGuide.pdf

How to Ask Questions

20. You are invited to submit questions to be addressed at the Scheme Meeting.
21. NZ Windfarms has discretion as to which, and how, questions will be answered during the Scheme Meeting. If you wish to submit a question, you may do so by completing the relevant section on the Voting/Proxy Form and returning that form to MUFG Capital Markets in the manner set out in Procedural Note 13 above.
22. There will also be an opportunity for Shareholders to raise questions during the Scheme Meeting in person or through the online virtual meeting platform. Information about how to ask questions during the online meeting is set out in the Virtual Meeting Guide available here: https://bcast.linkinvestorservices.co.nz/MUFG/MUFG_VirtualMeetingGuide.pdf.

Defined Terms

Capitalised terms used in this Notice of Meeting have the meanings given to them in the Glossary at Section 8 of the Scheme Booklet.

Section 4:

Information About the Scheme

4.1. **Summary of the Scheme**

Meridian has agreed to acquire all of the outstanding Shares in NZ Windfarms it does not already own, for Consideration of \$0.25 (in cash) for each Scheme Share, pursuant to a Court-approved scheme of arrangement.

Meridian is a New Zealand incorporated company that is listed on the NZX and ASX, and is one of New Zealand's largest listed companies. Meridian is the largest generator of electricity in New Zealand, generating around 30% of the country's electricity from 100% renewable sources. Meridian is also the largest shareholder in NZ Windfarms and owns 50% of the Te Rere Hau JV. Further information about Meridian is provided in Sections 5 and 6 of this Scheme Booklet.

For the Scheme to be implemented, it needs to be approved by the Shareholders, and certain other outstanding Conditions must be satisfied (including the approval of the Court) or, where possible, waived. For more information on the Conditions to the Scheme, including their status as at the date of this Scheme Booklet, see Section 4.10.

If the Scheme becomes Effective, all of the outstanding Shares in NZ Windfarms on the Implementation Date that Meridian does not already own will be transferred to Meridian. In return, the Scheme Shareholders will receive the Consideration for each Scheme Share they hold as at the Record Date.

Meridian has confirmed to NZ Windfarms that it has, or will by 8:00am on the Implementation Date have, sufficient funds in place from its own internal cash reserves to fund the Consideration in full.

4.2. **How the Scheme came about**

In September 2022, NZ Windfarms and Meridian entered into a confidentiality agreement for the purposes of enabling the parties to discuss potential repowering options for the Te Rere Hau Wind Farm, including by acquisition of the Te Rere Hau Wind Farm or NZ Windfarms (in full or in part), or a power purchase agreement.

In October 2023, NZ Windfarms and Meridian entered into the Te Rere Hau JV. As part of the commercial terms of the Te Rere Hau JV, Meridian agreed to:

- (a) purchase 100% of the generation from the repowered Te Rere Hau Wind Farm; and
- (b) subscribe for 19.99% of the Shares in NZ Windfarms through a placement of Shares and by underwriting a separate rights offer.

Following the establishment of the Te Rere Hau JV, NZ Windfarms undertook a comprehensive equity arranging process to find an investor to fund its equity commitment in relation to the Te Rere Hau Wind Farm repowering.

On 18 October 2024, NZ Windfarms received an unsolicited, confidential and non-binding offer from Meridian to acquire all of the Shares in NZ Windfarms for 24 cents per Share. The Board carefully considered Meridian's offer but determined that the offer did not align with the real value of NZ Windfarms, and the risks if any transaction with Meridian did not proceed. However, the Board resolved to consider Meridian's offer alongside the confirmed outcomes of NZ Windfarms' equity arranging process.

Following this decision, the parties discussed the circumstances in which Meridian might provide equity commitment underwriting terms. The purpose of the proposed underwrite was to address the risk to NZ Windfarms of being obliged to discontinue its negotiations and discussions with third party funders of its equity commitment to the Te Rere Hau JV if it was to further consider and then seek to implement the terms of Meridian's offer. The proposed underwrite would also enable NZ Windfarms to consider and compare the terms offered by Meridian with the terms it was receiving from third party equity investors.

On 18 December 2024, Meridian proposed initial underwriting terms, subject to certain conditions, including facilitating further due diligence by Meridian and documenting acceptable terms and on 20 December 2024, NZ Windfarms agreed to grant access to Meridian to enable it to conduct such due diligence. On 12 January 2025, Meridian and NZ Windfarms entered into a new confidentiality agreement to facilitate those due diligence enquiries by Meridian and discussions as to terms of a possible transaction.

On 3 February 2025, separate from the equity arranging process, NZ Windfarms received a new confidential, non-binding indicative higher offer from Meridian to acquire 100% of the Shares in NZ Windfarms through the proposed Scheme. This offer also included a formal offer from Meridian to underwrite NZ Windfarms' equity commitment to the Te Rere Hau JV in certain circumstances if the Scheme does not proceed.

After carefully considering and negotiating Meridian's offer, as well as evaluating the alternative options available to NZ Windfarms to fund its equity commitment to the Te Rere Hau JV, the Board determined that Meridian's final offer would be in the best interests of NZ Windfarms and the Shareholders. The fact that Meridian's final offer also included an equity underwrite commitment by Meridian was critical to the Board's determination.

Therefore, on 10 February 2025, NZ Windfarms entered into an Exclusivity Agreement with Meridian to allow it to complete its confirmatory due diligence and to enable the parties to negotiate the Scheme Implementation Agreement. NZ Windfarms also entered into an Underwriting Agreement with Meridian to document the agreed terms of the underwriting arrangement.

Details of the Exclusivity Agreement and the Underwriting Agreement are outlined below in Section 7.11.

On 18 February 2025, NZ Windfarms and Meridian entered into the Scheme Implementation Agreement which sets out the terms on which NZ Windfarms and Meridian will implement the Scheme. A copy of the Scheme Implementation Agreement is available on NZ Windfarms' announcement page on the NZX at <https://www.nzx.com/companies/NWF/announcements>. For ease of reference, a summary of certain key terms of the Scheme Implementation Agreement is also set out in Section 7.11.

4.3. What you will receive under the Scheme if it is approved and implemented

If the Scheme is implemented, each Scheme Shareholder will receive NZ\$0.25 cash for each Scheme Share held by that Scheme Shareholder as at the Record Date.

NZ Windfarms is not permitted to authorise, declare, pay or make any distributions (including any dividends to Shareholders) following the date of the Scheme Implementation Agreement. The Directors took this factor into account when assessing the value of Meridian's offer and in making their unanimous recommendation for you to vote in favour of the Scheme in absence of a Superior Proposal.

Scheme Shareholders will have no further rights to receive any distributions or dividends from NZ Windfarms once the Scheme is implemented, because all Shares in NZ Windfarms will be held by Meridian as NZ Windfarms' sole shareholder.

4.4. Directors' Recommendation

The Directors unanimously recommend that you vote in favour of the Scheme Resolution at the Scheme Meeting, in the absence of a Superior Proposal.

In reaching their recommendation to vote in favour of the Scheme, the Directors have considered the merits of the Scheme (including the matters set out in Sections 4.5 to 4.7 below), the Consideration being above the Independent Adviser's valuation range, as well as the outlook for NZ Windfarms' business. This includes the current and ongoing risks in bringing the Te Rere Hau Wind Farm repowering and other development projects of NZ Windfarms to fruition and then operating them, when compared with the opportunity presented by the Scheme for Shareholders to realise now the value already created in NZ Windfarms to date.

The Directors may change their recommendation if there is a Superior Proposal prior to the Scheme Meeting which does not result in Meridian matching or improving their offer. In addition, the Directors reserve the right to change their recommendation or vote against the Scheme if, prior to the Scheme Meeting, the Independent Adviser changes the Independent Adviser's valuation range for the Scheme Shares and, after that change, the Consideration is below the Independent Adviser's valuation range for the Scheme Shares.

4.5. Reasons to vote in favour of the Scheme

Here are the key reasons why the Directors unanimously recommend that you vote **in favour** of the Scheme:

The Consideration of NZ\$0.25 in cash per Scheme Share is above the Independent Adviser's valuation range of NZ\$0.190 to NZ\$0.229

Calibre Partners was appointed as the Independent Adviser to prepare an Independent Adviser's Report in connection with the Scheme. The Takeovers Panel approved the appointment of Calibre Partners for that role on 21 February 2025.

The Independent Adviser has assessed the value of the NZ Windfarms to be in the range of NZ\$0.190 to NZ\$0.229 per Scheme Share. The Consideration of NZ\$0.25 cash per Scheme Share is therefore above this range.

The Independent Adviser's Report is included as Annexure A to this Scheme Booklet. Shareholders are encouraged to read the Independent Adviser's Report carefully and in full.

The Scheme provides an opportunity to realise the value of your shares in NZ Windfarms for 100% cash consideration at a material premium to the pre-announcement trading

The price per Scheme Share of NZ\$0.25, which is payable by Meridian in cash if the Scheme becomes Effective, is more than double the value of the Share price immediately prior to the Scheme being announced (which was NZ\$0.1210 per Share on 18 February 2025).

In particular, this Consideration represents a premium of:

- 107% to NZ Windfarms' Share price on the NZX at close of trading on 18 February 2025; and
- 96% to NZ Windfarms' 90-day volume weighted average price on the NZX to close of trading on 18 February 2025.

While the Board is confident in the progress and prospects of the NZ Windfarms business, the Consideration provides Shareholders with the opportunity to realise the value of your investment in NZ Windfarms now, and at a significant premium to the market price of the Shares prior to NZ Windfarms' announcement that it had entered into the Scheme Implementation Agreement.

If the Scheme does not proceed, there will be uncertainty about the amount you will be able to realise for your Shares and, as set out below, it is unlikely that you will receive any dividends on your Shares in the short to medium term. You will also continue to be subject to the benefits and risks associated with NZ Windfarms' business (including the uncertainty associated with some of NZ Windfarms' early-stage development projects) and other general benefits and risks relating to any investment in a publicly listed company.

There is no assurance that you will be able to achieve returns that are equivalent to or better than the Consideration of NZ\$0.25 per Share at any time in the future.

NZ Windfarms' largest Shareholders are supportive of the Scheme

As more fully described in Section 6.7, in addition to Meridian (which holds 19.99% of the Scheme Shares), certain Shareholders (which in aggregate hold 17.09% of the Shares as at the date of this Scheme Booklet) have also entered into Voting Deeds with Meridian, under which they have committed to vote their Scheme Shares in favour of the Scheme.

Details of the effect of these voting commitments on the relevant voting thresholds are also set out in Section 4.11.

No Superior Proposal has emerged since the Scheme was announced and there can be no expectation or assurance that any further proposals will emerge

Since NZ Windfarms' entry into the Scheme Implementation Agreement, and up to the date of this Scheme Booklet, no Superior Proposal has been received.

While the Board retains the discretion to consider any other Competing Proposal that is reasonably capable of becoming a Superior Proposal (provided that it is necessary for the Board to respond to such proposal to comply with their fiduciary or statutory duties), there can be no expectation or assurance that any such proposals will emerge at any time. The Board would also need to take into account the Break Fee payable to Meridian, referred to in Section 4.7, and the impact of Meridian's existing shareholding in NZ Windfarms, in deciding whether to engage on any new proposal.

NZ Windfarms will be unlikely to pay dividends during the repower of the Te Rere Hau Wind Farm

In February 2023, the Board resolved to pause payment of dividends to Shareholders to support NZ Windfarms' strategic growth aspirations, including the repower of the Te Rere Hau Wind Farm. If the Scheme is not implemented, and NZ Windfarms instead proceeds with the repowering of Te Rere Hau Wind Farm through its interest in the Te Rere Hau JV, the Directors currently believe that NZ Windfarms will not be able to resume paying dividends to Shareholders until 2028 at the earliest. That is because revenue will be greatly reduced during the repowering project and NZ Windfarms' will need to be able to meet its share of the project costs (both planned and unexpected) during that project.

The repowering of Te Rere Hau Wind Farm remains subject to a final investment decision

The repower of the Te Rere Hau Wind Farm is to be undertaken by the Te Rere Hau JV. Under the contractual arrangements with Meridian relating to the Te Rere Hau JV, there are conditions that are still required to be satisfied for the repowering project to proceed. In particular, Meridian and NZ Windfarms must each make a final investment decision on the repowering, which (among other things) requires that acceptable financial returns from the repowering project can be demonstrated to each of Meridian and NZ Windfarms. Acceptable financial returns will continue to be linked to ongoing design, procurement, cost, and other development risks continuing to be in line with currently modelled levels.

This means that, if the Scheme does not proceed and NZ Windfarms' exercises its option under the Underwriting Agreement (for details of this option, see below and Section 7.11 of this Scheme Booklet), there remains a risk that the repowering of the Te Rere Hau Wind Farm will not proceed.

NZ Windfarms is likely to require additional capital to fund its projects, including the Te Rere Hau Wind Farm repowering

NZ Windfarms will require additional capital to fund its strategic growth aspirations, particularly in relation to the repowering of the Te Rere Hau Wind Farm and subsequent projects.

Pursuant to the terms of the Underwriting Agreement entered into between NZ Windfarms and Meridian, Meridian has agreed to underwrite NZ Windfarms' 50% equity commitment in respect of the Te Rere Hau JV in certain circumstances where the Scheme does not become Effective. However, as set out in more detail in Section 7.11 of this Scheme Booklet, Meridian will only be obliged to provide the agreed underwritten amount (being NZ\$9.8 million) if certain conditions are satisfied and if the Board elects to exercise the underwriting option contained in the Underwriting Agreement. Exercise of that option will also require NZ Windfarms to sell half of its interest in the Te Rere Hau JV to Meridian.

The Board would therefore need to consider whether any alternative funding options were available to fund NZ Windfarms' equity commitment to the Te Rere Hau JV. However, restarting the process of arranging and securing the necessary finance for the repowering project is likely to result in further delays to the negotiation of underlying project documentation and to any final investment decision which, as noted above, is required in order to commence the repower of Te Rere Hau Wind Farm.

NZ Windfarms is also likely to require additional capital to pursue its other wind farm development opportunities and projects. This additional capital would likely need to be provided by Shareholders, or by new investors (in which case the current Shareholders may have their interests in NZ Windfarms diluted). NZ Windfarms' ability to raise further capital may also be affected by foreign exchange fluctuations and general uncertainty in global capital markets.

The existing turbines at Te Rere Hau Wind Farm are nearing the end of their useful life

The existing turbines at Te Rere Hau Wind Farm are near the end of their economically useful life and will decline in number as they become non-operational. These turbines also no longer have original equipment manufacturer (OEM) maintenance support.

If neither the Scheme nor the repower proceeds, the ability of NZ Windfarms to generate revenue from its existing assets, and therefore provide returns to Shareholders, will diminish over time.

Shares may trade at less than NZ\$0.25 if the Scheme does not proceed

While the Directors cannot predict the price at which the Shares will trade in the future, the Directors believe that if the Scheme is not implemented, and absent a Superior Proposal, Shares in NZ Windfarms will likely trade at less than the Consideration of NZ\$0.25 per Scheme Share offered by Meridian.

Generally, no brokerage will be charged on the transfer of the Scheme Shares to Meridian if the Scheme proceeds

This is in contrast to selling your Shares on the NZX where you will generally incur brokerage charges.

4.6. Reasons you may choose not to vote in favour of the Scheme

While the Directors acknowledge the various reasons why you may decide to vote against the Scheme, the Directors believe that the reasons to vote in favour of the Scheme outweigh the reasons to vote against it.

You may consider that NZ Windfarms could have greater value over the longer term than you will receive under the Scheme

If the Conditions of the Scheme are satisfied or, if capable of waiver, waived, the Scheme is expected to be implemented in the third quarter of 2025. This timeframe may not be consistent with your investment objectives and/or you might consider that your Shares will have greater value by this time or over a longer term.

You may also consider that NZ Windfarms has strong long term growth potential and the capability to raise the further capital it will require, and that therefore the Consideration does not fully reflect your views on the long term value of NZ Windfarms. If that is the case, you might think that it would be better for the Scheme not to proceed so that you can retain your Shares and realise the value of them over the longer term.

However, if the Scheme does not proceed, but NZ Windfarms does raise sufficient capital to fund the Te Rere Hau Wind Farm repowering (and its other development projects), it will continue to be subject to ongoing risks during both construction and operational phases that could adversely impact the value of the Shares and any potential returns you expect to receive.

While Meridian (being NZ Windfarms' joint venture partner in the Te Rere Hau JV if the Scheme does not proceed) has an excellent track record at delivering wind farm developments, as with any large scale infrastructure project or development, there remains scope for unforeseen risks or events to occur that could result in costs or delays which may exceed the available funding for the project or require the project to be restructured. This could also have a negative impact on any future returns available to Shareholders.

In addition, in arriving at the view that approval and implementation of the Scheme is a better outcome for NZ Windfarms, the Directors have made an assessment that the Scheme represents a lower-risk option for Shareholders to recognise the value created by NZ Windfarms to date at a value that the Board believes is fair when compared against other available opportunities, considering project execution risks of the Te Rere Hau Wind Farm repowering and other development projects.

You may consider that Meridian's offer to underwrite NZ Windfarms' equity commitment to the Te Rere Hau JV provides a better alternative to the Scheme

You may consider that the Underwriting Arrangement represents a more favourable option for NZ Windfarms and/or that it will create greater value for your Shares over the medium to long term.

However, as set out in Section 4.5 above and in more detail in Section 7.11, assuming that NZ Windfarms' elects to exercise the option, NZ Windfarms will be obliged to sell 50% of its interest in the Te Rere Hau JV to Meridian, meaning NZ Windfarms will only retain a 25% interest in the Te Rere Hau JV.

As announced by NZ Windfarms on 19 February 2025 (when NZ Windfarms announced that it had entered into the Scheme Implementation Agreement), the amount of Meridian's agreed underwrite (being \$9.8 million) does not necessarily reflect the value that NZ Windfarms or Meridian would ascribe to the 25% interest in the Te Rere Hau JV that NZ Windfarms would be required to transfer to Meridian if the underwriting option was exercised.

As outlined above, the Board would therefore need to consider whether there were alternative options to fund NZ Windfarms' equity commitment to the Te Rere Hau JV and such alternatives may not be forthcoming. Though NZ Windfarms undertook a comprehensive equity arranging process (across a diverse pool of international and domestic investors) to find an investor to fund its equity commitment in relation to the Te Rere Hau Wind Farm repowering prior to announcement of the Scheme, all financing negotiations that existed prior to NZ Windfarms' entry into the Exclusivity Agreement and Underwriting Agreement with Meridian, and announcement of the Scheme Implementation Agreement, have been terminated. There can be no expectation or assurance that any such proposals would be available again if the Scheme is not implemented.

The Board is therefore of the view that approval and implementation of the Scheme is a better outcome for NZ Windfarms.

You may wish to maintain an investment in a publicly listed company with the specific characteristics of NZ Windfarms

If the Scheme is approved and implemented, Meridian will pay for your Scheme Shares in cash, and you will no longer be a Shareholder. As a result, you will no longer participate in the benefits (or risks) of NZ Windfarms' future business prospects and associated financial performance. While the Board has a positive outlook for NZ Windfarms, there is no guarantee of the success of NZ Windfarms' business prospects or its future financial performance, including its ability to pay dividends to Shareholders (which, as outlined above, have been paused for at least the near-term).

You may consider that there is a possibility that a Superior Proposal could emerge

While a Superior Proposal could emerge in the future, the Directors have no basis to believe that a Competing Proposal will be received and, as noted in Section 4.5 above, no such Competing Proposal has been received since it was announced that NZ Windfarms had entered into the Scheme Implementation Agreement.

Even if a Superior Proposal were to emerge prior to implementation of the Scheme, Meridian would retain the right to vote on such Superior Proposal in its capacity as a Shareholder. Given Meridian holds 19.99% of all NZ Windfarms' Shares, Meridian would have significant influence over the outcome of any Shareholder vote required in relation to that Superior Proposal.

As noted in Sections 4.11 and 6.7 of this Scheme Booklet, each Shareholder who has entered into Voting Deeds with Meridian would also be entitled to vote on a Superior Proposal and would not be bound by their voting commitments to Meridian in respect of the Scheme. However, those Shareholders would not be entitled to participate in any discussions or negotiations relating to a Competing Proposal (and, as a result could not enter into similar voting arrangements in respect of the Competing Proposal) unless and until that Competing Proposal become a Superior Proposal at which point the Scheme Implementation Agreement and their applicable Voting Deed would terminate.

The tax implications of the Scheme may not suit your current financial position

If the Scheme is approved and implemented, it will potentially result in tax implications for you, which may arise earlier than if you had sold the Shares at a time of your choosing. Tax implications will vary among Shareholders and, if you are in doubt about the potential tax implications for you arising from the Scheme, you should seek advice from your tax adviser.

You may consider that the Scheme is subject to conditions that you consider unacceptable

The Scheme was agreed subject to a number of Conditions, including Shareholder approval, Court approval, and no Material Adverse Change, Prescribed Occurrence, or requirement for a Commerce Commission clearance or authorisation (under the CC Condition) arising.

The outstanding Conditions as at the date of this Scheme Booklet are summarised in Section 4.10 of this Scheme Booklet. If these Conditions are not satisfied or waived (where capable of being waived) by the End Date, the Scheme can then be terminated by either NZ Windfarms or Meridian, even if it has already been approved by Shareholders. In those circumstances, Shareholders will retain all of their Shares and would not receive the Consideration.

You may consider that the Scheme is not in your best interests

For any or a combination of the reasons above, and/or for reasons that are particular to you and your circumstances, you may believe that the Scheme is not in your best interests.

4.7. Additional matters for you to consider

When considering whether to vote for or against the Scheme, the Directors believe you should also consider the following matters:

You may sell your Shares at any time before the Shares are suspended from trading on the NZX Main Board

If you don't want to hold your Shares and participate in the Scheme, you may sell your Shares on the NZX at any time before the close of trading on the Trading Halt Date (being the date which is the later of the Final Orders Date and the date on which the CC Condition is satisfied, if applicable, or waived). For details of the CC Condition, see Section 4.10.

However, if you choose to sell your Shares before the Trading Halt Date, the price you receive may differ from the Consideration of NZ\$0.25 for each Scheme Share under the Scheme, and you may incur brokerage on the sale. You should seek your own professional advice to determine if your individual financial or taxation circumstances would be better served by selling your Shares before the Trading Halt Date.

The Scheme may be implemented even if you do not vote at the Scheme Meeting, or you vote against the Scheme

If the Scheme Resolution is passed, all outstanding Conditions are satisfied or (if capable of waiver) waived, and the Scheme becomes Effective, all of your Shares will be transferred to Meridian on the Implementation Date regardless of whether or how you voted on the Scheme Resolution. If that occurs, you will be paid the Consideration for all of your Scheme Shares on the Implementation Date.

A Break Fee may be payable by NZ Windfarms in some circumstances

NZ Windfarms may be required to pay the Break Fee of NZ\$909,752 to Meridian if:

- at any time before the Scheme Implementation Agreement is terminated, a Competing Proposal is announced and, within 12 months after the date of that announcement, the person making the Competing Proposal, or one or more persons that control or are under the control of, or are Associated with, that person, completes in all material respects a Competing Proposal;

- any Director fails to recommend that Shareholders vote in favour of the Scheme or changes, qualifies, or withdraws his or her recommendation that Shareholders vote in favour of the Scheme, except:
 - in response to a Superior Proposal and provided NZ Windfarms has complied with its obligations under the Scheme Implementation Agreement relating to Meridian's matching rights; or
 - where the Independent Adviser issues an Independent Adviser's Report which concludes that the Consideration is not within or above the Independent Adviser's valuation range for the Shares; or
- Meridian terminates the Scheme Implementation Agreement before 8:00am on the Implementation Date as a result of:
 - NZ Windfarms being in breach of the Scheme Implementation Agreement where that breach is material in the context of the Scheme and the NZ Windfarms Group taken as a whole; or
 - the occurrence of a Prescribed Occurrence or Insolvency Event in respect of NZ Windfarms.

A Reverse Break Fee may be payable by Meridian to NZ Windfarms in certain circumstances

Meridian may be required to pay the Reverse Break Fee (of NZ\$909,752) to NZ Windfarms where the Scheme Implementation Agreement is terminated by NZ Windfarms before 8:00am on the Implementation Date due to:

- a breach of the Scheme Implementation Agreement by Meridian where the breach is material in the context of the Scheme and the Meridian Group taken as a whole; or
- an Insolvency Event occurring in respect of Meridian.

By voting for the Scheme, you are authorising NZ Windfarms to implement the Scheme on your behalf

If the Scheme is approved, NZ Windfarms is authorised to implement the Scheme on behalf of all Scheme Shareholders.

If the Scheme is implemented, NZ Windfarms will be delisted from the NZX

If the Scheme is to be implemented, NZ Windfarms will apply:

- for termination of the official quotation of the Shares on the NZX Main Board; and
- to be removed from the NZX Main Board from close of trading on the Implementation Date.

Independent Adviser's Report

The Independent Adviser has prepared a report for the Shareholders on the merits of the Scheme. The full Independent Adviser's Report is set out in Annexure A to this Scheme Booklet. You are encouraged to read that report carefully and in full before making a decision in respect of the Scheme.

4.8. If you are not in favour of the Scheme

If you do not support the Scheme, you can vote against the Scheme Resolution at the Scheme Meeting. Please refer to the Notice of Meeting (including the accompanying notes) in Section 3 of this Scheme Booklet for more information on this.

If you are a Shareholder, you are also entitled to appear and be heard at the Final Court Hearing, which is currently expected to occur at 10:00am on 16 July 2025. Any Shareholder that wishes to appear and be heard at the Final Court Hearing must file with the Court (at Auckland, being on the Corner of Waterloo Quadrant and Parliament Street) a notice of appearance or a notice of opposition (in either case containing an address for service), together with any affidavits and/

or memoranda of submissions on which they intend to rely by 5:00pm on 8 July 2025 (being the final date for objections, as set out in the indicative timetable in Section 2 of this Scheme Booklet unless NZ Windfarms' announces a later date on NZX). A copy of the documents filed must also be served on NZ Windfarms at c-/ Wynn Williams, Level 20, Vero Centre, 48 Shortland Street, Auckland 1010, or by email to all of the email addresses listed for Wynn Williams in the Directory to this Scheme Booklet, by the final date for objections.

NZ Windfarms will serve upon the Shareholder, at the specified address for service, a copy of all documents filed in support of the application for Final Court Orders by 5:00pm on 9 July 2025.

Any other person claiming to have a proper interest in the Scheme, who wishes to appear and be heard on the application for Final Court Orders, must file an application with the Court at Auckland (Corner of Waterloo Quadrant and Parliament Street, Auckland) for leave to be heard and a notice of opposition (either or both containing an address for service), together with any affidavits and/or memoranda of submissions on which such person intends to rely, by the final date for objections (see above). A copy of the documents filed must also be served on NZ Windfarms at c-/ Wynn Williams, Level 20, Vero Centre, 48 Shortland Street, Auckland 1010, or by email to all of the email addresses listed for Wynn Williams in the Directory to this Scheme Booklet, by the final date for objections. NZ Windfarms will also serve upon any such person, at their address for service, a copy of all documents filed in support of the application for Final Court Orders by 5:00pm on 9 July 2025.

If the application for Scheme approval is opposed, oppositions will be heard by the Court at 10:00am on 16 July 2025, or such other date as the Court directs.

You may only appear and be heard at the Final Court Hearing if you are:

- a Shareholder who files a notice of appearance or a notice of opposition to the application for Final Court Orders within the required timeframes set out above; or
- any other person who claims to have a proper interest in the Scheme who files an application for leave to be heard and a notice of opposition to the application for Final Court Orders within the required timeframes set out above, and who is subsequently granted leave to appear and be heard at the Final Court Hearing.

In addition, the Takeovers Panel may also consider an objection by a Shareholder or other interested party to the Scheme when determining whether to provide a "no objection statement" (see Section 4.11). Written objections can be submitted directly to the Takeovers Panel (whether or not a "no objection statement" is granted) by email to takeovers.panel@takeovers.govt.nz. The Takeovers Panel is also entitled to appear and be heard at the Final Court Hearing.

There are no other dissent or buy-out rights for Shareholders who do not support the Scheme.

If you do not want to participate in the Scheme, you may sell your Shares on the NZX Main Board at any time before close of trading on NZX on the Trading Halt Date (refer to Section 4.7 above). NZ Windfarms intends to apply to the NZX for trading in the Shares to be suspended on the NZX Main Board from the close of trading on the Trading Halt Date (being the date which is the later of the Final Orders Date and the date on which the CC Condition is satisfied, if applicable, or waived). You will not be able to sell your Shares on market after this time.

4.9. What happens if the Scheme is not approved?

If the Scheme is not approved by Shareholders or the Court, if the other Conditions are not satisfied or waived (if capable of waiver), or if the Scheme Implementation Agreement is terminated:

- you will not receive the Consideration;
- your Shares will remain yours and will not be transferred to Meridian;
- NZ Windfarms will continue to operate as standalone entity listed on the NZX Main Board;
- depending on the reasons why the Scheme does not proceed, NZ Windfarms may be required to pay Meridian the Break Fee or Meridian may be required to pay NZ Windfarms the Reverse Break Fee (details of the Break Fee and Reverse Break Fee are set out in Section 4.7 above);

- you will continue to be exposed to the benefits and risks associated with an investment in NZ Windfarms for so long as you hold Shares (as with the general benefits and risks of any investment in a publicly listed company);
- NZ Windfarms will be required to fund its equity commitment in relation to the Te Rere Hau JV and other ongoing costs associated with operating its business. While Meridian has agreed to underwrite NZ Windfarms' 50% equity commitment in respect of the Te Rere Hau JV on the terms of the Underwriting Agreement (further details of which are set out in Section 7.11 below), exercise of this underwrite will require NZ Windfarms to sell 50% of its interest in the Te Rere Hau JV to Meridian; and
- the trading price of Shares is likely to fall below the closing price for the Shares on NZX as at the date of this Scheme Booklet.

4.10. Status of Conditions

As at the date of this Scheme Booklet, the following Conditions remain outstanding:

- (a) Court approval of the Scheme;
- (b) Shareholder approval of the Scheme by the requisite majorities;
- (c) no law, judgment, order, restraint or prohibition enforced or issued by any Government Agency being in effect as at 8:00am on the Implementation Date that prohibits, prevents, materially delays or makes illegal the implementation of the Scheme;
- (d) no Material Adverse Change occurring between the date of the Scheme Implementation Agreement and 5:00pm on the Business Day before the Implementation Date;
- (e) no Prescribed Occurrence occurring between the date of the Scheme Implementation Agreement and 8:00am on the Implementation Date; and
- (f) if required, a clearance being given, or authorisation being granted, by the Commerce Commission under the Commerce Act 1986 for the Scheme on terms acceptable to Meridian (this is the **CC Condition** referred to in this Scheme Booklet).

The Conditions in paragraphs (a) and (b) above must be satisfied by the End Date and cannot be waived by either Meridian or NZ Windfarms.

The Conditions in paragraph (c), (d) and (e) must be satisfied by 8:00am on the Implementation Date. While the Conditions in paragraphs (d) and (e) are for the benefit of, and may be waived by, Meridian by giving written notice of such waiver to NZ Windfarms, the Condition in paragraph (c) is not able to be waived by either Meridian or NZ Windfarms.

The CC Condition in paragraph (f) will only be relevant if Meridian receives notice from the Commerce Commission to the effect that the Commerce Commission threatens to take, intends to take, or has taken, steps to prevent or delay the Scheme. If such notice is not received by Meridian before 5:00pm on the Business Day before the Implementation Date, this Condition will be waived by Meridian. If a notice is received by Meridian prior to 5:00pm on the Business Day before the Implementation Date, the CC Condition must be satisfied before the End Date, unless it is waived by Meridian.

NZ Windfarms will announce on the NZX, the satisfaction or waiver of these Conditions as they occur, including the results of the Scheme Meeting and whether any notice from the Commerce Commission is received which triggers the CC Condition as described above.

If:

- a Condition in paragraph (a), (b) or (f) has not been satisfied or waived (where capable of waiver) by the End Date;
- a Condition in paragraph (c), (d) or (e) has not been satisfied or waived (where capable of waiver) by 5:00pm on the Implementation Date;
- the Implementation Date does not occur on or before the End Date; or

- there is an act, failure to act, event or circumstance which prevents the satisfaction of the Conditions by the times referred to above,

then NZ Windfarms and Meridian will consult in good faith to determine:

- whether to change the timetable and/or extend the relevant date or dates for satisfaction of the Condition(s), provided that any extension to the End Date must not exceed one month from 18 August 2025; or
- if a change to the timetable would not (in the reasonable opinion of NZ Windfarms and Meridian) assist in the satisfaction of the relevant Condition(s), whether the Scheme may proceed by alternative means or methods.

As at the date of this Scheme Booklet, NZ Windfarms has no reason to believe that any Condition will not be able to be satisfied within the timeframes set out above.

The Court is also able to order that the Scheme is subject to other terms and conditions as it sees fit, which could impact the implementation of the Scheme. Any such additional terms and conditions must be agreed between NZ Windfarms and Meridian.

If any of the Conditions are not satisfied or waived (where capable of waiver) by the End Date (including any extension to the current End Date which is agreed between NZ Windfarms and Meridian), either NZ Windfarms or Meridian can terminate the Scheme, even if the Shareholders have already approved it. In those circumstances, Shareholders will retain their Shares and will not receive any payment from Meridian.

4.11. **Key steps in the Scheme**

The Scheme is to be implemented by way of a scheme of arrangement under Part 15 of the Companies Act. The key steps in the process to implement the Scheme are summarised briefly below.

Initial Court Orders

NZ Windfarms applied to the Court for, and on 12 May 2025 was issued, the Initial Court Orders. This was the first milestone in the Scheme approval process. The Initial Court Orders directed NZ Windfarms to convene the Scheme Meeting for Shareholders to consider and vote on the Scheme. A copy of the Initial Court Orders was released via NZX on 12 May 2025 (see NZ Windfarms' announcement page on the NZX (<https://www.nzx.com/companies/NWF>)).

The Scheme will only be implemented if:

- Shareholders approve the Scheme Resolution by the requisite majorities at the Scheme Meeting (see below);
- the Court approves the Scheme and grants the Final Court Orders;
- the other Conditions are satisfied or waived (to the extent capable of waiver) – see Section 4.10 above; and
- the Scheme Implementation Agreement is not terminated in accordance with its terms – see Section 7.11.

Shareholder approval requirements

In order for the Scheme to be approved, the Scheme Resolution must be approved at the Scheme Meeting by both of the following thresholds:

- 75% or more of the votes of Shareholders in each interest class who are entitled to vote and who actually vote, must be voted in favour of the Scheme Resolution; and
- more than 50% of the total number of votes attached to the Scheme Shares must be voted in favour of the Scheme Resolution.

If the Scheme Resolution is approved by these required majorities of Shareholders at the Scheme Meeting, then NZ Windfarms will apply to the Court for orders approving the Scheme (being the Final Court Orders).

What is an interest class?

Shareholders whose rights are so dissimilar that they cannot sensibly consult together about a common interest will form a separate interest class for the purposes of voting on the Scheme Resolution.

NZ Windfarms has one class of shares, all of which are fully paid up ordinary shares with identical voting rights. However, as Meridian already owns 19.99% of all of the NZ Windfarms Shares, and has committed to voting in favour of the Scheme pursuant to the terms of a deed poll required and enforceable by the Takeovers Panel, Meridian will vote in a separate interest class.

This means that, as at the date of this Scheme Booklet, there are two interest classes (being Meridian in one interest class and all other Shareholders in the other interest class). This is expected to remain the case at the time of the Scheme Meeting.

Scheme Meeting

Even though there are two interest classes, there will be only one Shareholder meeting (being the Scheme Meeting) held to consider the Scheme Resolution. The votes cast by Meridian:

- will be counted separately for the purposes of the interest class vote (i.e. Meridian votes will not count towards the votes of the second interest class comprised of all Shareholders except Meridian); and
- will be counted together with the votes of all other Shareholders when assessing whether more than 50% of the total number of votes attached to the Scheme Shares are voted in favour of the Scheme Resolution.

Voting commitments

As at the date of this Scheme Booklet, each of the following Shareholders has committed to vote all Scheme Shares held by them in favour of the Scheme, in accordance with the Voting Deeds described in Section 6.7:

- Robert Alexander Stone, who holds 41,000,000 Scheme Shares, being 11.27% of all Shares on issue, as at the date of this Scheme Booklet;
- Salt Funds Management Limited, which holds 13,767,066 Scheme Shares, being 3.78% of all Shares on issue, as at the date of this Scheme Booklet;
- Aspiring Asset Management Limited, which holds 4,125,000 Scheme Shares, being 1.13% of all Shares on issue, as at the date of this Scheme Booklet;
- Michael Andrew Neil, who holds 1,800,000 Scheme Shares, being 0.49% of all Shares on issue, as at the date of this Scheme Booklet; and
- Frederick Kilner Stone, who holds 1,500,000 Scheme Shares, being 0.41% of all Shares on issue, as at the date of this Scheme Booklet.

Each of these Shareholders is bound to vote in favour of the Scheme Resolution unless the applicable Voting Deed is terminated prior to the Scheme Meeting. This would occur where the Scheme Implementation Agreement is terminated as a result of a Superior Proposal arising. For further details of the circumstances in which the Voting Deeds may be terminated, refer to Section 6.7 of this Scheme Booklet.

This means that, in aggregate, 134,935,814 Scheme Shares, being approximately 37.08% of all Shares in NZ Windfarms as at the date of this Scheme Booklet, will be voted in favour of the Scheme Resolution at the Scheme Meeting (assuming none of the Voting Deeds are terminated in accordance with their terms (see Section 6.7)). This means that additional Scheme Shares will need to be voted in favour of the Scheme Resolution in order for the voting thresholds set out above to be met.

In particular, the effect of the Voting Deeds and the Scheme Implementation Agreement on the requirement that the Scheme Resolution be approved by more than 50% of the total number of votes attached to the Scheme Shares, is that, as at the date of this Scheme Booklet, a further

12.92% of all Shares in NZ Windfarms (being 47,014,533 Scheme Shares) would need to be voted in favour of the Scheme Resolution.

The effect of the Voting Deeds on the requirement that the Scheme Resolution be approved by 75% or more of the votes of Shareholders in each interest class (that excludes Meridian) is more difficult to assess. This is because the number of additional votes needed to meet this requirement will depend on the number of other votes actually cast for or against the Scheme Resolution either at the Scheme Meeting or prior to the Scheme Meeting through valid Voting/ Proxy Forms. However, the voting commitments in each of the Voting Deeds will positively impact the likelihood of the 75% threshold being met.

Takeovers Panel's no objection statement

Under the Companies Act, NZ Windfarms may request a statement from the Takeovers Panel indicating that the Takeovers Panel has no objection to the Court making the Final Court Orders to approve the Scheme. This is commonly referred to as a "no objection" statement.

If the Scheme Resolution is passed at the Scheme Meeting, NZ Windfarms will promptly thereafter apply to the Takeovers Panel for a no objection statement which, if given, will be filed with the Court as part of the final papers for the Final Court Hearing.

The Takeovers Panel has granted a preliminary statement (called a "letter of intention"), indicating that, on the basis of the documents and information provided to it, it is minded to issue a final no objection statement on or before the Final Orders Date.

Even when a no objection statement is granted by the Takeovers Panel, the Court still has the discretion to determine whether or not to approve the Scheme.

Final Court Orders

If Shareholders approve the Scheme Resolution at the Scheme Meeting, NZ Windfarms will apply to the Court for the Final Court Orders.

The Final Court Orders, if granted by the Court, will make the Scheme binding on NZ Windfarms, Meridian and all other Shareholders (including Shareholders who voted against the Scheme or who abstained or otherwise did not vote on the Scheme), subject to the satisfaction or (if capable of waiver) waiver of any of the Conditions which continue to apply until immediately prior to the Implementation of the Scheme (refer to Section 4.10 above for details of the timing for satisfaction and/or waiver (as applicable) of the Conditions).

In considering the application for the Final Court Orders, the factors which the High Court will consider include whether:

- there has been compliance with the relevant procedural rules, the relevant legislation and the Initial Court Orders (including in relation to the Scheme Meeting);
- the Scheme has been fairly put to Shareholders, including whether the Scheme Booklet puts the information reasonably necessary to enable each interest class of Shareholders to consider and vote on the Scheme;
- Shareholders in each interest class are fairly represented by those Shareholders who vote on the Scheme;
- the Scheme is such that it might reasonably be approved by an intelligent and honest business person acting in that person's own interest; and
- the Scheme is generally fair and equitable.

Each Shareholder has the right to appear at the Final Court Hearing if the Shareholder has taken the steps set out in Section 4.8.

The Scheme will be implemented in accordance with the Scheme Plan if the Court approves the Scheme, all other Conditions have been satisfied or (if capable of waiver) waived, and the Scheme Implementation Agreement is not terminated.

Scheme Record Date

Assuming all Conditions have been satisfied or waived (if capable of waiver) and the Scheme Implementation Agreement or the Deed Poll has not been terminated, on the Implementation Date those Shareholders who were registered in the Register as the holder of one or more Shares on the Record Date will receive the Consideration for all of the Scheme Shares held by them as at the Record Date.

Dealings on or prior to the Record Date

NZ Windfarms must, before 5:00pm on the Record Date, register registrable transfers of NZ Windfarms Shares received prior to close of trading on the Trading Halt Date.

For the purposes of determining entitlements under the Scheme, NZ Windfarms will not accept for registration, nor recognise for any purpose (except a transfer of Shares in accordance with the Scheme Plan or any subsequent transfer by Meridian), any transfer or transmission application or other request received after the close of trading on the Trading Halt Date, or received prior to such time but not in registrable or actionable form.

NZ Windfarms intends to apply for its Shares to be suspended from trading on the NZX Main Board with effect from the close of trading on the Trading Halt Date.

Dealings after the Record Date

You must not dispose of, or purport or agree to dispose of, any Shares or any interest in them after 5:00pm on the Trading Halt Date, except under the Scheme Plan.

For the purpose of determining entitlements to the Consideration, NZ Windfarms must maintain the Register in its form as at the Record Date until the Consideration has been paid to the Scheme Shareholders. The Register in this form will solely determine entitlements to the Consideration.

After 5:00pm on the Record Date, each entry of a Shareholder on the Register will cease to have effect, except as evidence of entitlement to the Consideration in respect of the Scheme Shares relating to that entry.

Implementation Date

The Implementation Date is the day on which Scheme Shareholders will be paid for their Scheme Shares.

By 5:00pm on the Business Day before the Implementation Date, Meridian must pay into a trust account operated by MUFG Corporate Markets the aggregate Consideration payable to Scheme Shareholders. The terms on which MUFG Corporate Markets will receive and pay the aggregate Consideration are as set out in the Scheme Plan. A copy of the Scheme Plan is set out in Annexure B of this Scheme.

On the implementation of the Scheme on the Implementation Date, which is currently expected to occur on 1 August 2025, the Scheme Shares will be transferred to Meridian without Scheme Shareholders needing to take any further action.

Immediately after the Scheme Shares are transferred to Meridian, MUFG Corporate Markets will, on behalf of Meridian, pay from the trust account the Consideration to the Scheme Shareholders. See Section 4.13 for more details on payment of the Consideration to Scheme Shareholders.

Deed Poll

On 8 May 2025, Meridian executed the Deed Poll pursuant to which Meridian has undertaken in favour of each Scheme Shareholder to pay each Scheme Shareholder the Consideration to which they are entitled under the Scheme, subject to the Scheme becoming Effective.

The Scheme Plan appoints NZ Windfarms as attorney of the Scheme Shareholders to enforce the Deed Poll.

A copy of the Deed Poll is set out in Annexure C to this Scheme Booklet.

4.12. **Scheme Shareholder warranties**

Each Scheme Shareholder is deemed to have warranted to Meridian that all of their Scheme Shares (including any rights and entitlements attaching to those Scheme Shares) which are to be transferred to Meridian under the Scheme will, at the time of transfer, vest in Meridian free from all encumbrances and interests of third parties of any kind.

4.13. **Payment of Consideration**

If the Scheme is implemented, you will be paid the Consideration for your Scheme Shares on the Implementation Date (which is currently expected to be 1 August 2025).

New Zealand dollar payments

Except as contemplated by the 'Payments in currencies other than New Zealand dollars' section below, the Consideration will be paid by electronic funds transfer of New Zealand dollars into the New Zealand bank account that Scheme Shareholders have previously provided to MUFG Corporate Markets. If:

- you wish to change your bank account details; or
- you have not otherwise provided your New Zealand bank account details, and you wish to be paid in New Zealand dollars,

please advise MUFG Corporate Markets of your bank account details as soon as possible and, in any event, before the Record Date.

If you wish to be paid the Consideration for your Scheme Shares in New Zealand dollars and you have already provided MUFG Corporate Markets with your New Zealand bank account details, you do not need to provide your details to MUFG Corporate Markets.

Payments in currencies other than New Zealand dollars

Where you have a registered address outside New Zealand and have not, prior to the Record Date, provided bank account details to enable payment in New Zealand dollars by electronic funds transfer, but have provided sufficient written instructions in the required form to MUFG Corporate Markets to enable payment in a currency other than New Zealand dollars (and MUFG Corporate Markets is able to make payment in that currency), you will be paid the Consideration (less any applicable costs, exchange rate spread and fees) in the nominated currency by electronic funds transfer to the bank account you have nominated.

If you wish to be paid the Consideration for your Scheme Shares in a currency other than New Zealand dollars, please contact MUFG Corporate Markets as soon as possible and, in any event, before the Record Date, to provide the necessary details.

Foreign currency payments are at your risk

Meridian has agreed to pay the Consideration in New Zealand dollars. Accordingly, if you have provided, or provide information to MUFG Corporate Markets sufficient to enable the payment in a currency other than New Zealand dollars (see the 'Payments in currencies other than New Zealand dollars' section above), then:

- any currency conversion from New Zealand dollars into a different currency is solely at your risk; and
- neither NZ Windfarms or Meridian will be responsible for, or have any liability in connection with, any currency conversion or any fees or other costs that you are required to pay, or which are deducted from the Consideration payable to you, in connection with facilitating the payment of the Consideration to you in a currency other than New Zealand dollars.

What happens if you do not provide sufficient payment information?

If you have not provided the bank account or payment information and/or taken the steps contemplated by the 'New Zealand dollar payments' or 'Payments in currencies other than New Zealand dollars' sections above, MUFG Corporate Markets will retain the Consideration owed to you in a trust account for two years after the Implementation Date.

If MUFG Corporate Markets retains your Consideration, you may, before the expiry of that two year period, claim your Consideration by written request to MUFG Corporate Markets. In connection with this request, you must provide the bank account or payment information, or take the steps, contemplated by the 'Payments in New Zealand dollars' or 'Payments in currencies other than New Zealand dollars' sections above.

If you have not claimed your Consideration in accordance with the above paragraph by the expiry of the two year period, MUFG Corporate Markets will pay your Consideration (and all other remaining, unclaimed Consideration) to Meridian.

How to contact MUFG Corporate Markets to provide bank account details or payment information

MUFG Corporate Markets' contact details are set out in the Directory.

4.14. Delisting of NZ Windfarms

If the Scheme is to be implemented, NZ Windfarms will apply:

- for termination of the official quotation of the Shares on the NZX Main Board; and
- to be removed from the NZX Main Board from close of trading on the Implementation Date.

Section 5:

Information About Meridian

Information About Meridian

5.1. Qualification

This Section forms part of the Meridian Information and has been prepared by, and is the responsibility of, Meridian. None of the NZ Windfarms Group or any of their respective Representatives assumes any responsibility for the accuracy or completeness of the information in this Section.

5.2. Information

If the Scheme is implemented, Meridian will acquire all of the Scheme Shares.

Meridian is one of New Zealand's largest listed companies and is majority owned by the New Zealand Government. Meridian is a limited liability company that was incorporated on 16 December 1998 and is headquartered in Wellington, New Zealand. The company is dual listed on the New Zealand Stock Exchange (NZX) and the Australian Securities Exchange (ASX).

Meridian generates around 30% of New Zealand's electricity, all from renewable sources. The company owns and operates seven hydro power stations and six wind farms, and has power purchase agreements with a number of customers that allow Meridian to own and operate commercial-scale solar on customer properties and sell the generation back to the customers.

Meridian is one of New Zealand's largest retailers of electricity, supplying power to more than 350,000 residential and business customers across the country through its Meridian and Powershop brands.

Meridian is also playing a key role in growing New Zealand's electricity generation to boost the country's security of supply, and enable the further electrification and decarbonisation of New Zealand homes and businesses. The company has a significant development pipeline and is planning to invest \$3 billion through to 2030.

Meridian is the largest shareholder in NZ Windfarms (19.99%) and is also the 50-50 joint venture partner to repower NZ Windfarms' main asset, the Te Rere Hau Wind Farm in Manawatū.

More information is available at www.meridianenergy.co.nz.

Section 6:

Information Equivalent to Schedule 1 of the Takeovers Code

This Section contains information, to the extent applicable, equivalent to the information that would be provided by the Meridian Group in a takeover offer document in accordance with Schedule 1 of the Takeovers Code.

The information set out in this section is Meridian Information and has been prepared by, and is the responsibility of, Meridian.

6.1. Date

This Section was prepared, and is current, as at 16 May 2025.

6.2. Meridian and its directors

The name and address of Meridian is:

Meridian Energy Limited

Level 2, 98 Customhouse Quay
Wellington 6011
New Zealand

Meridian can be contacted by email at: generalcounsel@meridianenergy.co.nz

The directors of Meridian are:

- David Powell Carter;
- Graham John Cockroft;
- Michelle Anne Henderson;
- Julia Cecile Hoare;
- Nagaja Tharanginee Sanatkumar;
- Tania Joy Te Rangingangana Simpson; and
- Mark John Verbiest.

Meridian is the only person who will become a controller of an increased percentage of the voting securities in NWF as a result of the Scheme.

6.3. Scheme company

The name of the company to which the Scheme relates is NZ Windfarms Limited.

6.4. Scheme terms

The terms and conditions of the Scheme are set out in the Scheme Plan in Annexure B to this Scheme Booklet. A summary of the terms and conditions of the Scheme is also included in Section 4.

6.5. Ownership of equity securities of NZ Windfarms

As at the date of this Scheme Booklet, Meridian holds and controls 72,743,748 fully paid ordinary shares in NZ Windfarms (being 19.99% of the total Shares on issue in NZ Windfarms).

Other than Meridian, none of the following persons holds or controls any equity securities of any class of NZ Windfarms as at the date of this Scheme Booklet:

- (a) any Related Company of Meridian;
- (b) any person acting jointly or in concert with Meridian; and
- (c) any director of any of the persons described in paragraphs (a) or (b) above.

Information about the persons who hold or control 5% or more of any class of equity securities in NZ Windfarms is set out in Section 7.5.

6.6. Trading in NZ Windfarms equity securities

None of the persons referred to in Section 6.5 above has acquired or disposed of any equity securities in NZ Windfarms in the six-month period ending on the date of this Scheme Booklet.

6.7. Agreements to vote in favour of Scheme

Except as set out below in this Section 6.7, no person has agreed conditionally or unconditionally to vote in favour of this Scheme.

Meridian has entered into separate voting deeds with other Shareholders in reliance on the Takeovers Code (Voting Agreements for Schemes of Arrangement) Exemption Notice 2020 (the Exemption Notice). Pursuant to these Voting Deeds, each of the following Shareholders has provided a voting commitment (as defined in the **Exemption Notice**) to vote their respective Shares in favour of the Scheme (unless the Scheme Implementation Agreement or the relevant Voting Deed is terminated). As at the date of this Scheme Booklet, the following Shareholders have entered into Voting Deeds:

- Robert Alexander Stone, who holds 41,000,000 Shares (being 11.27% of all Shares on issue) at the date of this Scheme Booklet;
- Salt Funds Management Limited, which holds 13,767,066 Shares (being 3.78% of all Shares on issue) as at the date of this Scheme Booklet;
- Aspiring Asset Management Limited, which holds 4,125,000 Shares (being 1.13% of all Shares on issue) as at the date of this Scheme Booklet;
- Michael Andrew Neil, who holds 1,800,000 Shares (being 0.49% of all Shares on issue) at the date of this Scheme Booklet; and
- Frederick Kilner Stone, who holds 1,500,000 Shares (being 0.41% of all Shares on issue) at the date of this Scheme Booklet.

Copies of each of these Voting Deeds are attached to notices given by Meridian to NZ Windfarms' and which are available to view at: <https://www.nzx.com/announcements/447649>, at <https://www.nzx.com/announcements/449755> and at <https://www.nzx.com/announcements/450256>.

These Voting Deeds, and the voting commitments given under them, will terminate immediately upon an announcement by NZ Windfarms that the Scheme Resolution has been approved by Shareholders. The Voting Deeds may be terminated prior to the passing of the Scheme Resolution in limited circumstances, including as a result of the Scheme Implementation Agreement being terminated (see Sections 4.11 and 7.11 for details) or by notice from Meridian. The relevant Shareholder may also terminate their Voting Deed if the Scheme Implementation Agreement or the Scheme Plan is amended to reduce the Consideration or otherwise in a manner which materially adversely affects the benefit of the Scheme for all of the Shareholders.

In accordance with the Scheme Implementation Agreement, which was announced to the NZX on 19 February 2025, each of the Directors has undertaken to vote all of the Scheme Shares that he or she holds or controls in favour of the Scheme, subject to the Independent Adviser's Report concluding that the Consideration is within or above the Independent Adviser's valuation range for the Scheme Shares and there being no Superior Proposal. However, at the date of this Scheme Booklet, none of the Directors holds or controls any Shares in NZ Windfarms.

Meridian will also vote the Scheme Shares it already owns in favour of the Scheme and has executed a deed poll in favour of the Takeovers Panel which confirms this.

6.8. Arrangement to pay Consideration

Meridian confirms that resources will be available to it that are sufficient to meet the total Consideration to be paid to Scheme Shareholders if the Scheme becomes Effective. On 8 May 2025, Meridian executed the Deed Poll pursuant to which Meridian has:

- undertaken in favour of each Scheme Shareholder to deposit, or procure the deposit of, in immediately available cleared funds, by no later than 5:00pm on the Business Day before the Implementation Date, an amount equal to the aggregate amount of the Consideration

payable to all Scheme Shareholders as set out in the Scheme Plan, such deposit to be made into the trust account operated by MUFG Corporate Markets and which is to be held and dealt with in accordance with the Scheme Plan; and

- subject to clause 3 of the Scheme Plan, irrevocably acknowledged and agreed that the Consideration deposited into the trust account referred to above must be applied to the Scheme Shareholders in satisfaction of their respective entitlements to receive the Consideration under the Scheme in accordance with the Scheme Plan, provided that the Scheme Shares are transferred to Meridian.

A copy of the Deed Poll is set out in Annexure C to this Scheme Booklet.

6.9. Arrangements between the Meridian Group and NZ Windfarms

Except as set out below in this Section 6.9, as at the date of this Scheme Booklet, no agreement or arrangement (whether legally enforceable or not) has been made, or is proposed to be made, between Meridian or any of its Associates and NZ Windfarms or any Related Company of NZ Windfarms, in connection with, in anticipation of, or in response to, the Scheme.

2022 Confidentiality Agreement

NZ Windfarms and Meridian entered into a confidentiality agreement on 12 September 2022 for the purposes of enabling the parties to discuss potential repowering options for the Te Rere Hau Wind Farm, including by acquisition of the Te Rere Hau Wind Farm or NZ Windfarms (in full or in part), or through a power purchase agreement. Under that agreement, each of NZ Windfarms and Meridian agreed to keep each other's confidential information, confidential, and only to disclose such information in limited circumstances, including when confidential information becomes public knowledge, is lawfully received by a third party, is required to be disclosed to Representatives for the purposes of the discussions or where disclosure is required by law.

2025 Confidentiality Agreement

NZ Windfarms and Meridian entered into a further mutual confidentiality agreement on 12 January 2025 for the purposes of facilitating specific discussions relating to a possible transaction between them or their respective Related Companies and/or with the Shareholders. This agreement was on similar terms as the 2022 confidentiality agreement (referred to above), and also allowed disclosure of confidential information to certain directors, employees, advisers and Related Companies of NZ Windfarms and Meridian for the purposes of allowing those persons to evaluate, and participate in discussions relating to, a possible transaction.

Exclusivity Agreement

On 10 February 2025, Meridian and NZ Windfarms entered into an Exclusivity Agreement, setting out the terms on which the parties agreed to an exclusivity period to enable Meridian to undertake its due diligence and to finalise and sign the Scheme Implementation Agreement. During the exclusivity period set out in the Exclusivity Agreement, NZ Windfarms was subject to usual 'no shop' and 'no talk' restrictions which prevented NZ Windfarms or any of its Representatives from directly or indirectly soliciting or encouraging any Competing Proposal during that period.

The exclusivity period under the Exclusivity Agreement commenced on the date of the Exclusivity Agreement and terminated on entry into the Scheme Implementation Agreement.

Note that a separate Exclusivity Period applied under the terms of the Scheme Implementation Agreement – refer to Section 7.11 for further details.

Underwriting Agreement

On 10 February 2025, Meridian, Kōkako SPV Limited, NWF and NZWF SPV LP entered into an Underwriting Agreement. The Underwriting Agreement gives NZ Windfarms the right, subject to certain conditions (including that the Scheme has not been implemented and that the failure to implement the Scheme is not as a result of a breach of the Scheme Implementation Agreement

by NZ Windfarms) to require Meridian to buy half of NZ Windfarms' 50% equity interest in the Te Rere Hau JV for \$9.8 million.

Further details of the Underwriting Agreement are set out in Section 7.11 of this Scheme Booklet and in the NZX announcement made by NZ Windfarms on 19 February 2025, available here: <https://www.nzx.com/announcements/446920>.

Scheme Implementation Agreement

Meridian and NZ Windfarms entered into the Scheme Implementation Agreement on 18 February 2025. On 8 April 2025, Meridian and NZ Windfarms entered into the Initial Side Letter to clarify as between them, the timing for satisfaction and/or waiver of the CC Condition. On 8 May 2025, Meridian and NZ Windfarms entered into the Second Side Letter to amend the definition of "Scheme Shareholder" under the Scheme Implementation Agreement.

The material terms of the Scheme Implementation Agreement and the Side Letters are summarised in Section 7.11.

A copy of the Scheme Implementation Agreement was disclosed via NZX through the announcement made by NZ Windfarms on 19 February 2025, available here: <https://www.nzx.com/announcements/446920>.

Deed Poll

Meridian executed a deed poll in favour of the Scheme Shareholders on 18 February 2025, which recorded that (among other things), under the Scheme Plan, NZ Windfarms is appointed as attorney for the Scheme Shareholders to enforce the Original Deed Poll. On 8 May 2025, as a result of Meridian and NZ Windfarms' entry into the Second Side Letter (see Section 7.11), Meridian entered into a further deed poll in favour of the Scheme Shareholders which reflects the change to the definition of "Scheme Shareholder" contemplated by the Side Letter, but which is otherwise on substantially the same terms as the Original Deed Poll.

Further details of the terms of the Deed Poll are set out in Section 6.8 above.

The form of the Deed Poll is set out in Annexure C to this Scheme Booklet.

6.10. Arrangements between the Meridian Group and Directors and Senior Managers of NZ Windfarms

Other than as set out in this Section 6.10, no agreement or arrangement (whether legally enforceable or not) has been made, or is proposed to be made, between Meridian or any of its Associates, and any Director or Senior Manager of NZ Windfarms or any director or manager of NZ Windfarms' Related Companies in connection with, in anticipation of, or in response to the Scheme (including any agreement or arrangement providing for a payment or other benefit to be made or given by way of compensation for loss of office, or as to their remaining in or retiring from office).

On February 4 2025, Meridian sent NZ Windfarms a letter in connection with the non-binding indicative offer to acquire 100% of NZ Windfarms by way of the Scheme, dated 3 February 2025. This letter set out Meridian's commitment to finding Adam Radich (General Manager Operations & Development, NZ Windfarms) a role within Meridian. In particular, if the Scheme is approved and implemented, Meridian has agreed to identify and offer Adam Radich a role on terms that are materially similar to his current employment agreement with NZ Windfarms.

As provided in clause 6.4 of the Scheme Implementation Agreement, it has also been agreed that:

- the NZ Windfarms long term incentive scheme in which the Senior Managers participate, will be terminated with effect on and from the Implementation Date; and
- all entitlements of the participating Senior Managers under that long term incentive scheme will be paid in full on or prior to the Implementation Date.

6.11. Financial Assistance

No agreement or arrangement has been made, or is proposed to be made, under which Meridian or any subsidiary of Meridian will give (directly or indirectly) financial assistance for the purpose of, or in connection with, the Scheme.

6.12. Intentions about material changes to NZ Windfarms

Given that, if the Scheme becomes Effective, NZ Windfarms will become a wholly-owned subsidiary of Meridian, this information is not applicable.

6.13. Pre-emption rights clauses in NZ Windfarms' constitution

There is no restriction on the rights of Scheme Shareholders to transfer the Scheme Shares (being the equity securities to which the Scheme relates) which has the effect of requiring Scheme Shareholders to offer Scheme Shares for purchase to other Scheme Shareholders or to any other person before transferring the Scheme Shares under the Scheme.

6.14. Escalation clauses

There is no agreement or arrangement (whether legally enforceable or not) under which:

- (a) any existing holder of equity securities in NZ Windfarms will or may receive in relation to, or as a consequence of, the Scheme any additional consideration or other benefit over and above the Consideration; or
- (b) any prior holder of equity securities in NZ Windfarms will or may receive any consideration or other benefit as a consequence of the Scheme.

6.15. Classes of financial products

No report is required to be obtained by Meridian as to the fairness and reasonableness of the Consideration and terms of the Scheme as between different classes of financial products as there is only one class of equity securities of NZ Windfarms on issue.

Section 7:

Information Equivalent to Schedule 2 of the Takeovers Code

This Section contains the information, to the extent applicable, that would be provided by NZ Windfarms in a target company statement under Schedule 2 of the Takeovers Code.

The information set out in this section has been prepared by, and is the responsibility of, NZ Windfarms.

Except where necessary to provide a number greater than zero, all percentages shown in this section have been rounded to 2 decimal places.

7.1 Date

This Section was prepared, and is current, as at 16 May 2025.

7.2 Scheme

This Scheme Booklet relates to a scheme of arrangement between NZ Windfarms and its Shareholders in relation to the proposed acquisition by Meridian of all of the Scheme Shares not already held by Meridian.

7.3 Scheme company

The name and address of the company to which the Scheme relates is:

NZ Windfarms Limited

376 North Range Road
Aokautere
Palmerston North 4471
New Zealand

NZ Windfarms can be contacted by email at: info@nzwindfarms.co.nz

7.4 Directors of NZ Windfarms

The Directors are:

- Craig Hamilton Stobo (Independent Chairman)
- Christine Elizabeth Spring (Independent Director)
- Patrick Edward Brockie (Independent Director); and
- Philip Wade Cory-Wright (Independent Director).

7.5 Ownership of equity securities of NZ Windfarms

Ownership interests of Directors and Senior Managers of NZ Windfarms

Other than Adam Radich (GM Operations and Development, NZ Windfarms), no Director or Senior Manager¹ of NZ Windfarms, or their Associates, holds or controls any Shares in NZ Windfarms.

The number and percentage of Shares in NZ Windfarms held or controlled by Adam Radich as at 16 May 2025 is as follows:

Name	Description	Number of Shares held or controlled	Percentage of total Shares
Adam Radich	Senior Manager	7,111.2628 ²	0.002%

Other than the Shares, there are no other equity securities on issue in NZ Windfarms.

¹ For the purposes of this Scheme Booklet, NZ Windfarms has treated David Prentice (Chief Executive Officer), Adam Radich (GM Operations and Development) and Melanie Strydom (Chief Financial Officer) as NZ Windfarms' Senior Managers in accordance with the Takeovers Code.

² These Shares are held through Sharesies.

No Director or Senior Manager of NZ Windfarms (including Adam Radich), or any of their Associates, has in the two year period ending on 16 May 2025:

- (a) been issued with any Shares in NZ Windfarms; or
- (b) obtained a beneficial interest in any Shares of NZ Windfarms under any NZ Windfarms employee share scheme or other remuneration arrangement.

Ownership interests of holders or controllers of 5% or more of the Shares

The table below sets out the number and percentage of Shares held or controlled by any other person holding or controlling 5% or more of the Shares as at 16 May 2025, to the knowledge of NZ Windfarms.

Name	Number of Shares held or controlled	Percentage of total Shares
Meridian Energy Limited	72,743,748	19.99%
Robert Alexander Stone	41,000,000	11.27%
New Zealand Depository Nominee ³	38,912,552	10.70%

To NZ Windfarms' knowledge, no other person holds or controls 5% or more of the Shares in NZ Windfarms.

While New Zealand Central Securities Depository Limited holds 42,412,183 Shares in NZ Windfarms (representing 11.65% of the total Shares on issue), these Shares are held on behalf of beneficial owners, none of whom individually holds or controls 5% or more of the Shares in NZ Windfarms.

The information in this Section 7.5 is based on information provided to NZ Windfarms as at 16 May 2025 (being the latest practicable date before the date of printing this Scheme Booklet).

7.6 Trading in NZ Windfarms Shares by Directors and Senior Managers

No NZ Windfarms Shares were acquired or disposed of by any Director or Senior Manager (including their Associates) during the six-month period before 16 May 2025 (being the latest practicable date before the date of this Scheme Booklet).

7.7 Trading in NZ Windfarms Shares by holders or controllers of 5% or more of the Shares

To NZ Windfarms' knowledge, no individual Shareholder with more than 5% of the Shares has acquired or disposed of any Shares during the six-month period before 16 May 2025 (being the latest practicable date before the date of this Scheme Booklet).⁴

7.8 Intentions to vote in favour of the Scheme

Adam Radich has confirmed to NZ Windfarms that he intends to vote all of his Shares (being 7,111,2628 Shares, representing 0.002% of all of the Shares in NZ Windfarms) in favour of the Scheme.

No other Director or Senior Manager, or any of their Associates, holds any Shares in NZ Windfarms.

³ New Zealand Depository Nominee includes Sharesies, which holds Shares on behalf of small beneficial shareholders.

⁴ The information in this Section 7.7 excludes any trading by New Zealand Depository Nominee which holds Shares on behalf of, and acts in relation to the Shares in accordance with the instructions of, small beneficial shareholders.

7.9 Ownership of equity securities of Meridian, or its Related Companies

The table below sets out the number and percentage of equity securities of Meridian held or controlled by each Director or Senior Manager of NZ Windfarms or their Associates as at the date of this Scheme Booklet.

Name of Director or Senior Manager	Description	Number of Meridian Shares held or controlled	Percentage of total Meridian Shares
Philip Cory-Wright	Director	28,157 ⁵	0.001%
Patrick Brockie	Director	17,000 ⁶	0.0006%
David Prentice	Senior Manager	1192.1764 ⁷	0.00005%

Except as set out above, no other Director or Senior Manager of NZ Windfarms or their Associates holds or controls any equity securities in Meridian or its Related Companies as at the date of this Scheme Booklet.

NZ Windfarms does not hold or control any equity securities in Meridian or its Related Companies as at the date of this Scheme Booklet.

7.10 Trading in equity securities of Meridian or its Related Companies

The table below sets out the details of the equity securities of Meridian that were acquired by the Directors and Senior Managers or their Associates during the six-month period before 16 May 2025 (being the latest practicable date before the date of this Scheme Booklet).

Each of the acquisitions was as a result of the issuance of new ordinary shares in Meridian pursuant to Meridian's dividend reinvestment plan, dated 25 August 2021.

Name of Director or Senior Manager	Number of ordinary shares acquired ⁸	Date of acquisition	Consideration per ordinary share ⁹
Philip Cory-Wright	598	20 September 2024	\$5.9452
Philip Cory-Wright	285	25 March 2025	\$5.3695

Except as set out in the table above, neither NZ Windfarms, nor any of its Directors or Senior Managers has acquired or disposed of any equity securities in Meridian or any of its Related Companies during the six-month period before 16 May 2025 (being the latest practicable date before the date of this Scheme Booklet).

⁵ Shares in Meridian held by an Associate of Philip Cory-Wright.

⁶ Shares in Meridian held by Patrick Brockie and his wife, Julie Waters.

⁷ Shares in Meridian held by an Associate of David Prentice through Sharesies.

⁸ Shares acquired by an Associate of Philip Cory-Wright.

⁹ This is the issue price determined by Meridian for the purposes of each ordinary share issued pursuant to Meridian's dividend reinvestment plan. No consideration was actually paid or is payable for the ordinary shares issued under the dividend reinvestment plan.

7.11 Arrangements between Meridian and NZ Windfarms

Except as set out below in this Section 7.11, no agreement or arrangement (whether legally enforceable or not) has been made, or is proposed to be made, between Meridian or any of its Associates and NZ Windfarms or any of its Related Companies in connection with, in anticipation of, or in response to, the Scheme.

Confidentiality Agreements

Details of the confidentiality agreements entered into between NZ Windfarms and Meridian on 12 September 2022 and on 12 January 2025 are set out in Section 6.9 of this Scheme Booklet.

Exclusivity Agreement

A summary of the Exclusivity Agreement is set out in Section 6.9 of this Scheme Booklet.

Underwriting Agreement

Following the establishment of the Te Rere Hau JV in October 2023, NZ Windfarms began a comprehensive equity arrangement process to find one or more investors to fund NZ Windfarms' equity commitment in respect of the Te Rere Hau Wind Farm repowering project.

Upon entry into the Exclusivity Agreement, NZ Windfarms was obliged to discontinue any and all negotiations and discussions with third parties relating to the funding of NZ Windfarms' equity commitment to the Te Rere Hau JV. Entry into the Exclusivity Agreement therefore created a risk for NZ Windfarms that it would be unable to secure the necessary funding for the Te Rere Hau JV if the Scheme did not become Effective. As a result, NZ Windfarms, Meridian, Kōkako SPV Limited and NZWF SPV LP entered into an equity underwriting agreement on 10 February 2025.

Exercise of the underwrite

The underwriting arrangements contemplated by the Underwriting Agreement will only become effective if NZ Windfarms (in its sole discretion and subject to satisfaction of certain conditions as outlined below) gives a written exercise notice to Meridian electing to implement the underwriting transaction.

In summary, the underwriting transaction contemplates that if NZ Windfarms exercised the underwrite, then on the date for financial close of its financial commitment to the Te Rere Hau JV:

- NZ Windfarms will sell to Meridian, 50% of its interests in each of Te Rere Hau Holdings Limited and Te Rere Hau Holdings (2023) LP (meaning NZ Windfarms will only retain a 25% interest in the Te Rere Hau JV);
- NZ Windfarms will assign to Meridian its right and obligation to subscribe for 25% of the required equity for the Te Rere Hau Wind Farm repowering project (meaning NZ Windfarms will retain a right and obligation to subscribe for the remaining 25% of the required equity for that project); and
- as consideration for the above, Meridian will pay NZ Windfarms an amount of \$9,800,000 (plus GST, if any) in cash.

Conditions of underwrite

NZ Windfarms' right to give the exercise notice to Meridian referred to above is subject to the following conditions:

- that the Scheme has not been implemented (and the failure to implement the Scheme is not as a result of a breach by NZ Windfarms of the Scheme Implementation Agreement);
- that NZ Windfarms reasonably expects (at the time of giving the election notice) that the requirements for financial close commitments to the Te Rere Hau JV will be satisfied and that financial close will occur within 30 days;
- NZ Windfarms not being subject to a continuing event of default; and

- Meridian not having already exercised its contractual rights to acquire the interest of NZ Windfarms in the Te Rere Hau JV should NZ Windfarms be unable to fund its equity commitment.

Termination of Underwriting Agreement

The Underwriting Agreement will terminate on the termination of the Investors' Agreement between NZ Windfarms and Meridian.

Scheme Implementation Agreement

On 18, February 2025, NZ Windfarms and Meridian entered into the Scheme Implementation Agreement. The key legal terms of the Scheme Implementation Agreement are as follows:

Conditions

Implementation of the Scheme is subject to the Conditions being satisfied or (if capable of waiver) waived. A summary of the Conditions is set out in Section 4.10, and include:

- (a) Court approval of the Scheme;
- (b) Shareholder approval of the Scheme by the requisite majorities;
- (c) no law, judgment, order, restraint or prohibition enforced or issued by any Government Agency being in effect as at 8:00am on the Implementation Date that prohibits, prevents, materially delays or makes illegal the implementation of the Scheme;
- (d) no Material Adverse Change occurring between the date of the Scheme Implementation Agreement and 5:00pm on the Business Day before the Implementation Date;
- (e) no Prescribed Occurrence occurring between the date of the Scheme Implementation Agreement and 8:00am on the Implementation Date; and
- (f) a clearance being given, or authorisation being granted, by the Commerce Commission under the Commerce Act 1986 for the Scheme on terms acceptable to Meridian. This Condition will only apply if Meridian receives notice from the Commerce Commission to the effect that the Commerce Commission threatens to take, intends to take, or has taken steps to prevent or delay the implementation of the Scheme prior to 5:00pm on the Business Day before the Implementation Date.

The Conditions described above must be satisfied or waived (if capable of waiver) by the End Date.

Obligations

The parties are required to do everything reasonably necessary, including by using all reasonable endeavours to procure that their Representatives work in good faith and in a timely and co-operative manner, to implement the Scheme in accordance with the terms of the Scheme Implementation Agreement.

Recommendation and voting intentions

NZ Windfarms has agreed to ensure that each of the Directors:

- recommends that Shareholders vote in favour of the Scheme; and
- who hold or control Shares, undertakes to vote, or procure the voting of, all of the Shares that he or she holds or controls in favour of the Scheme,

in each case in the absence of a Superior Proposal and provided that the Independent Adviser's Report concludes that the Consideration is within or above the Independent Adviser's valuation range for the Shares.

Exclusivity

The Scheme Implementation Agreement contains certain exclusivity arrangements in favour of Meridian. These include customary “no shop”, “no talk” and “no due diligence” restrictions which apply to NZ Windfarms, its Related Companies and their respective Representatives.

In addition, these terms include certain customary “matching rights” in favour of Meridian in relation to any Competing Proposal received by NZ Windfarms.

These exclusivity terms applied during the Exclusivity Period, which ended on 31 March 2025. No Competing Proposal was received by NZ Windfarms during this period.

Break Fee and Reverse Break Fee

NZ Windfarms has agreed to pay the Break Fee and Meridian has agreed to pay the Reverse Break Fee in certain circumstances. The amount of the Break Fee and Reverse Break Fee is NZ\$909,752. The Scheme Implementation Agreement expressly provides that GST will not be chargeable in relation to the Break Fee or Reverse Break Fee.

The circumstances in which the Break Fee and Reverse Break Fee are payable are set out in Section 4.7. NZ Windfarms’ and Meridian’s liability for these circumstances and events is limited to the payment of the Break Fee or Reverse Break Fee (as applicable), except where the liability relates to fraud of either party (in which case that liability is not limited to the relevant Break Fee or Reverse Break Fee).

Representations, warranties and undertakings

The Scheme Implementation Agreement includes a number of customary representations, warranties and undertakings from each of NZ Windfarms and Meridian. This includes a warranty from Meridian in relation to funding the Consideration (see below).

Subject to the limitation on each party’s liability arising under the Break Fee and Reverse Break Fee provisions (see above), each of NZ Windfarms and Meridian agrees to indemnify the other, together with that other party’s Related Companies and Representatives, against any losses which such persons may suffer directly as a result of or in connection with:

- any matter or circumstance which results in a warranty given by the indemnifying party being untrue, inaccurate or misleading; or
- a breach of that indemnifying party’s undertakings.

Termination

The Scheme Implementation Agreement contains a number of termination provisions. These are briefly described below.

Either NZ Windfarms or Meridian may terminate the Scheme Implementation Agreement at any time if:

- the other party is in breach of the Scheme Implementation Agreement (including in breach of a warranty or undertaking given by that party) where the consequences of that breach are material in the context of the Scheme and the breaching party taken as a whole; and
- the non-breaching party has:
 - not previously waived any relevant Condition or the same breach, event or circumstance giving rise to the termination right; and
 - given notice to the other party of its intention to terminate (and the circumstances in which it considers permit it to terminate); and
- if the breach is remediable, it has not been remedied within 10 Business Days after the time that notice of the breach is given (or any shorter period ending at 5.00pm on the day before the Implementation Date); and

- the non-breaching party terminates the Scheme Implementation Agreement by notice in writing to the breaching party before the earlier to occur of 15 Business Days after the time that notice of intention to terminate is given and 8:00am on the Implementation Date.

In addition, either party may terminate the Scheme Implementation Agreement by giving written notice to the other:

- at any time before the Final Orders Date if NZ Windfarms:
 - enters into a binding agreement in respect of a Competing Proposal (where Meridian has not provided a Counter Proposal or the Board determines that such Counter Proposal is less favourable to Shareholders than the Competing Proposal); or
 - is the subject of a takeover offer which is a Superior Proposal and which has been sent to Shareholders.
- if the CC Condition is not satisfied, if applicable, or waived by the End Date or if the Scheme otherwise does not become Effective by the End Date.

NZ Windfarms may also terminate the Scheme Implementation Agreement:

- by giving written notice to Meridian before 8:00am on the Implementation Date if an Insolvency Event occurs in respect of Meridian; or
- if the Independent Adviser's Report concludes that the Consideration is not within or above the Independent Adviser's valuation range for the Shares (provided that NZ Windfarms has first consulted with Meridian and given Meridian an opportunity to increase the Consideration).

Meridian may also terminate the Scheme Implementation Agreement by giving notice in writing to NZ Windfarms:

- before 8:00am on the Implementation Date if a Prescribed Occurrence, Material Adverse Change or Insolvency Event occurs in respect of NZ Windfarms; or
- before the Final Orders Date if, at any time before the Scheme is Effective, a Director fails:
 - to make the recommendation, or give the undertaking in respect of voting (refer to the section headed "Recommendation and voting intentions" above); or
 - changes, qualifies or withdraws that recommendation or undertaking once made or makes any statement inconsistent with that recommendation or that undertaking.

Funding

Meridian has warranted that as at date of the Scheme Implementation Agreement it had a reasonable basis to expect that it will have available to it by 8:00am on the Implementation Date sufficient cash amounts (from internal cash reserves), to satisfy its obligations to pay the Consideration in accordance with the Scheme Implementation Agreement, the Scheme Plan and the Deed Poll.

Interim period

The Scheme Implementation Agreement includes a number of obligations on NZ Windfarms which relate to the conduct of its business during the period between the date of the Scheme Implementation Agreement (18 February 2025) and the Implementation Date. These positive and negative obligations are generally designed to enable NZ Windfarms to continue to run its business in the normal course, while also recognising that it is appropriate for certain material actions to require Meridian's prior approval, given the potential change in ownership of NZ Windfarms under the Scheme.

Side Letters

On 8 April 2025, NZ Windfarms and Meridian entered into a letter agreement relating to the Scheme Implementation Agreement. The purpose of this Initial Side Letter was to clarify NZ Windfarms and Meridian's understanding and interpretation of the timing for satisfaction and/or waiver of the CC Condition.

The Initial Side Letter provides that the CC Condition (being the requirement to obtain a clearance or authorisation from the Commerce Commission for Meridian's acquisition of the Scheme Shares) is only applicable for the purposes of the Scheme Implementation Agreement if, at any time before 5:00pm on the Business Day before the Implementation Date, Meridian receives notice from the Commerce Commission to the effect that the Commerce Commission threatens to take, intends to take, or has taken steps to prevent or delay the implementation of the Scheme.

If no notice has been received by Meridian prior to this time, Meridian waives the CC Condition with effect on and from 5:00pm on the Business Day before the Implementation Date.

On 8 May 2025, NZ Windfarms and Meridian entered into a further letter agreement which amended the definition of "Scheme Shareholder" in the Scheme Implementation Agreement to exclude Meridian. The purpose of the amendment was to clarify that Meridian will not be required by the terms of the Scheme Implementation Agreement or the Scheme Plan to pay the Consideration in respect of Shares that Meridian already owns.

As Meridian's binding undertakings to pay the Consideration to Scheme Shareholders were initially recorded in the Original Deed Poll, the Second Side Letter also required Meridian to enter into the Deed Poll to incorporate the agreed change to the definition of "Scheme Shareholder". Meridian entered into the Deed Poll in favour of the Scheme Shareholders on 8 May 2025.

Deed Poll

A summary of the Deed Poll entered into by Meridian is set out in Section 6.9 of this Scheme Booklet.

7.12 Relationship Between Meridian and Directors and Senior Managers of NZ Windfarms

Except as set out in Section 6.10, no agreement or arrangement (whether legally enforceable or not) has been made, or is proposed to be made, between Meridian or any of its Associates and any Director or Senior Manager of NZ Windfarms or any director or senior manager of a Related Company of NZ Windfarms in connection with, in anticipation of, or in response to, the Scheme.

None of the Directors or Senior Managers of NZ Windfarms is a director or senior manager of Meridian or any of its Related Companies.

7.13 Agreements between NZ Windfarms and its Directors and Senior Managers

Except as set out in this Section 7.13, no agreement or arrangement (whether legally enforceable or not) has been made, or is proposed to be made, between NZ Windfarms or any Related Company of NZ Windfarms and any Directors or Senior Managers of NZ Windfarms or any directors or senior managers of its Related Companies, or their Associates, under which a payment or other benefit may be made or given by way of compensation for loss of office, or as to their remaining in or retiring from office in connection with, in anticipating of, or in response to, the Scheme.

Long-term incentive scheme

David Prentice and Adam Radich (being Senior Managers of NZ Windfarms) are participants in NZ Windfarms' long-term incentive scheme pursuant to which those Senior Managers are, subject to satisfaction of certain conditions, entitled to be paid a cash sum which is determined by reference to the difference between the value of the Shares at the date of the grant and, if the Scheme proceeds, the price of NZ\$0.25 per Share payable under the Scheme.

As required by the Scheme Implementation Agreement:

- all entitlements of the Senior Managers under the long-term incentive scheme will be paid in full on or prior to the Implementation Date; and
- the long-term incentive scheme will be terminated with effect on and from the Implementation Date.

7.14 Interests of Directors and Senior Managers in contracts of Meridian or its Related Companies

Except as set out in Section 6.10, no Director or Senior Manager or their Associates has an interest in any contract to which Meridian or any of its Related Companies, is a party.

7.15 Interests of NZ Windfarms' substantial security holders in material contracts of Meridian or its Related Companies

Robert Alexander Stone, who holds or controls 5% or more of the Shares, has an interest in a Voting Deed entered into with Meridian in respect of the Scheme (details of the Voting Deeds entered into by Meridian as at the date of this Scheme Booklet are set out in Sections 4.11 and 6.7).

Other than Meridian (which is itself a substantial security holder of NZ Windfarms) and Robert Alexander Stone, the Directors and Senior Managers are not aware of any other person who holds or controls 5% or more of the Shares in NZ Windfarms who also has an interest in any material contract to which Meridian or any of its Related Companies is a party.

7.16 Additional information

The Meridian Information in this Scheme Booklet is the responsibility of Meridian.

In the opinion of the NZ Windfarms Directors, and to the best of their knowledge, no additional information is required to make that information correct or not misleading.

7.17 Directors' recommendation

The Directors unanimously recommend that Shareholders vote in favour of the Scheme Resolution, in the absence of a Superior Proposal and subject to the qualifications set out in Section 4.4.

7.18 Actions of NZ Windfarms

Except for the agreements referred to in Section 7.11, there are no material agreements or arrangements (whether legally enforceable or not) of NZ Windfarms or any Related Company of NZ Windfarms which have been entered into as a consequence of, in response to, or in connection with, the Scheme.

There are also no negotiations underway as a consequence of, in response to, or in connection with, the Scheme that relate to, or could result in:

- an extraordinary transaction, such as a merger, amalgamation or reorganisation, involving NZ Windfarms or any of its Related Companies;
- the acquisition or disposition of material assets by NZ Windfarms or any of its Related Companies;
- an acquisition of equity securities by, or of, NZ Windfarms or any of its Related Companies; or
- any material change in the issued equity securities of NZ Windfarms, or the policy of the Board relating to distributions of NZ Windfarms.

7.19 **Equity Securities of NZ Windfarms**

As at the date of this Scheme Booklet, NZ Windfarms has 363,900,692 Shares on issue.

All Shares are fully paid ordinary shares in NZ Windfarms.

Subject to certain provisions in the constitution of NZ Windfarms and the NZX Listing Rules (which, for example, impose voting restrictions on Shareholders in certain circumstances), each Share confers upon the holder the right to:

- an equal share in dividends authorised by the Board;
- an equal share in the distribution of surplus assets on liquidation of NZ Windfarms;
- participate in further issues of equity securities by NZ Windfarms; and
- vote on a show of hands, or cast one vote per Share on a poll, at a meeting of Shareholders on any resolution, including a resolution to:
 - appoint or remove a director or auditor;
 - alter NZ Windfarms' constitution;
 - approve a major transaction;
 - approve an amalgamation involving NZ Windfarms; and
 - put NZ Windfarms into liquidation.

7.20 **Financial Information**

A copy of NZ Windfarms' most recent Annual Report (being the Annual Report for the financial year ended 30 June 2024, incorporating audited financial statements for that financial year) as well as NZ Windfarms' most recent Interim Report (being the Interim Report for the six months ended 31 December 2024, incorporating unaudited financial statements for that half-year period) are available on NZ Windfarms' website at <https://www.nzwindfarms.co.nz/investor-centre>.

Each person who is eligible to vote on the Scheme may also request from NZ Windfarms a hard copy of NZ Windfarms' most recent Annual Report and/or the most recent Interim Report by making a written request to MUFG Corporate Markets at the contact details set out in the Directory.

Other than as set out in this Scheme Booklet (including the Independent Adviser's Report), NZ Windfarms' most recent annual Shareholders' meeting presentation (released to NZX on 7 November 2024) and its most recent Interim Report and associated results announcement and investor presentation (each released to NZX on 28 February 2025), there have not been any material changes in the financial or trading position, or prospects, of NZ Windfarms since the most recent Annual Report was made available to Shareholders on 29 August 2024.

The NZ Windfarms Directors are not aware of any information about the assets, liabilities, profitability and financial affairs of NZ Windfarms which is not contained in the materials referred to above which could reasonably be expected to be material to Shareholders when making a decision to vote for, or against, the Scheme Resolution.

7.21 **Independent advice on merits of the Scheme**

Calibre Partners is the Independent Adviser that has provided a report in relation to the merits of the Scheme.

A copy of the full Independent Adviser's Report is set out in Annexure A.

7.22 **Asset valuations**

No information provided in this Scheme Booklet refers to a valuation of any asset of NZ Windfarms.

7.23 **Prospective financial information**

The Independent Adviser's Report contains prospective financial information in relation to NZ Windfarms. The principal assumptions on which the prospective financial information is based are set out in the Independent Adviser's Report.

Other than the prospective financial information referred to above, this Scheme Booklet does not refer to any other prospective financial information about NZ Windfarms.

7.24 **Sales of unquoted equity securities under the Scheme**

There are no unquoted equity securities that are subject to the Scheme.

7.25 **Market prices for Scheme Shares**

The Shares are quoted on the NZX Main Board.

The closing price of the Shares on the NZX Main Board on:

- 16 May 2025, being the last practicable working day before the date on which this Scheme Booklet was sent to Shareholders, was NZ\$0.2400; and
- 18 February 2025, being the last day on which NZX was open for business before the date on which NZ Windfarms announced its entry into the Scheme Implementation Agreement with Meridian, was NZ\$0.1210.

The highest and lowest closing market prices of the Shares on the NZX Main Board (and the relevant dates) during the six months before 18 February 2025 (being the last day on which NZX was open for business before the date on which NZ Windfarms announced that it had entered into the Scheme Implementation Agreement with Meridian), were as follows:

- the highest closing market price of the Shares was NZ\$0.1420 (on 29 August 2024); and
- the lowest closing market price of NZ Windfarms Shares was NZ\$0.1190 (on 5 December 2024).

No issues of new Shares (or any other equity securities) and no distributions on Shares were made by NZ Windfarms in the six month period before 18 February 2025 that could have affected the market prices referred to in this Section 7.25.

7.26 **Other information**

The Directors are not aware of any additional information, which is not otherwise disclosed or referred to in this Scheme Booklet, that would reasonably be expected to be material to the Shareholders when making a decision to vote for or against the Scheme Resolution.

7.27 **Board approval of information in this Section 7**

The contents of this Scheme Booklet have been approved by the Directors, other than:

- the Meridian Information, which Meridian has approved; and
- the Independent Adviser's Report, which has been prepared by Calibre Partners.

Section 8:

Glossary

The meaning of terms set out in this Scheme Booklet are set out below:

Associate has the same meaning as in rule 4 of the Takeovers Code.

Board means the board of directors of NZ Windfarms.

Break Fee means NZ\$909,752.

Business Day means any day (other than a Saturday, Sunday, or statutory public holiday) on which banks are usually open in Wellington, New Zealand and excluding any day between 24 December 2025 and 5 January 2026 (both dates inclusive).

CC Condition means (if Meridian receives notice from the Commerce Commission at any time before 5:00pm on the Business Day prior to the Implementation Date to the effect that the Commerce Commission threatens to take, intends to take, or has taken, steps to prevent or delay the Scheme) a clearance being given, or authorisation being granted, by the Commerce Commission under the Commerce Act 1986 for the Scheme on terms acceptable to Meridian.

Chairman means the chairman of the Board, being Craig Stobo.

Companies Act means the Companies Act 1993.

Competing Proposal means any proposed:

- (a) takeover (whether a full or partial takeover under the Takeovers Code) in respect of NZ Windfarms by a Third Party;
- (b) scheme of arrangement in respect of a NZ Windfarms Group member involving a Third Party;
- (c) transfer or issuance of financial products of NZ Windfarms to a Third Party, where the Shareholders' approval is required under the Takeovers Code;
- (d) sale of assets or financial products of the NZ Windfarms Group to a Third Party, where such sale constitutes a division or similarly material part of the NZ Windfarms Group's business; or
- (e) any strategic alliance, joint venture, partnership, economic or synthetic merger or other transaction which would have the effect of a Third Party, directly or indirectly, having a Relevant Interest in more than 20% of the Shares, and

for the purposes of this definition of "Competing Proposal":

- (f) any such proposal may be indicative, conditional or otherwise non-binding;
- (g) paragraphs (c) and (d) above include any agreement (within the meaning of section 6 of the Financial Markets Conduct Act 2013) whereby such a transaction is effected through a series of linked or related transactions which if conducted as a single transaction would constitute a "Competing Proposal" within the meaning of paragraphs (c) and (d) above; and
- (h) "Third Party" shall mean a Third Party together with its Associates.

Conditions means the conditions to the Scheme set out in clause 3.1 of the Scheme Implementation Agreement, including as summarised in Section 4.10.

Consideration means \$0.25 in respect of each Scheme Share, as may be adjusted in accordance with the Scheme Implementation Agreement to give effect to a Counter Proposal.

Counter Proposal means an offer by Meridian to amend the terms of the Scheme and the Scheme Implementation Agreement, or to make an alternative proposal to NZ Windfarms and the Shareholders, following receipt by NZ Windfarms of a Competing Proposal.

Court means the High Court of New Zealand, Auckland registry.

Deed Poll means the deed poll entered into by Meridian dated 8 May 2025 in favour of the Scheme Shareholders, attached as Annexure C.

Delisting Date means the date on which the Shares cease to be quoted, and NWF ceases to be listed, on the NZX.

Director means a director of NZ Windfarms, being (as at the date of this Scheme Booklet) the persons set out in the Directory to this Scheme Booklet.

Effective means, when used in relation to the Scheme, the coming into effect under section 236(3) of the Companies Act of the order of the Court made under section 236(1) of the Companies Act in relation to the Scheme and all of the Conditions having been satisfied or waived (where capable of being waived) in accordance with the Scheme.

End Date means 18 August 2025, or such later date as:

- (a) NZ Windfarms and Meridian agree in writing;
- (b) determined or required in accordance with the terms of the Scheme Implementation Agreement.

Exclusivity Agreement means the exclusivity agreement between NZ Windfarms and Meridian, dated 10 February 2025, details of which are set out in Section 6.9.

Exclusivity Period means from 18 February 2025 to 31 March 2025.

Final Court Hearing means the final hearing of the Court in respect of the Scheme, which is currently expected to take place at 10:00am on 16 July 2025 or such later date as the Court directs.

Final Court Orders means, on application by NZ Windfarms, orders that the Scheme will be binding on NZ Windfarms, Meridian, Shareholders and/or such other persons or class of persons as the Court may specify, in accordance with section 236(1) (and section 237, if applicable) of the Companies Act.

Final Orders Date means the day on which the Final Court Orders are sealed by the Court.

Implementation Date means the day on which the Scheme is to be implemented, being 5 Business Days after the Record Date, or such other date agreed between the NZ Windfarms and Meridian in writing (and implemented will have a corresponding meaning).

Independent Adviser means Calibre Partners.

Independent Adviser's Report means the report prepared by the Independent Adviser in relation to the Scheme, a copy of which is attached as Annexure A (and as may be amended or updated from time to time and includes any supplementary or replacement report).

Initial Court Orders means the initial orders of the Court relating to the Scheme, dated 12 May 2025.

Initial Side Letter means the agreement relating to interpretation of the CC Condition under the Scheme Implementation Agreement entered into by NZ Windfarms and Meridian on 8 April 2025.

Insolvency Event has the meaning given to that term in the Scheme Implementation Agreement.

Material Adverse Change means an event or circumstance that occurs (or a series of events or circumstances that occur) on or after the date of the Scheme Implementation Agreement which causes damage to the Te Rere Hau Wind Farm or surrounding area, which materially delays or prevents the Te Rere Hau Wind Farm repowering project from proceeding or completing (including, without limitation, any seismic event or related weather event).

Meridian means Meridian Energy Limited (NZBN 9429037696863), a company incorporated in New Zealand.

Meridian Group means Meridian and each of its Related Companies.

Meridian Information means all information given by Meridian to NZ Windfarms for inclusion in the Scheme Booklet, being:

- (a) information about Meridian Group and its businesses and interests; and
- (b) any other information which NZ Windfarms and Meridian agree (acting reasonably) is Meridian Information and that is identified in this Scheme Booklet or any supplementary information for Shareholders as such.

MUFG Corporate Markets means NZ Windfarms' share registrar, MUFG Corporate Markets, a division of MUFG Pension & Market Services (NZ) Limited.

Notice of Meeting means the notice of the special meeting of Shareholders set out in Section 3 of this Scheme Booklet.

NZ Windfarms or **NWF** means NZ Windfarms Limited, a company incorporated in New Zealand (NZBN 9429036375530 and NZX Ticker “NWF”).

NZ Windfarms Group means NZ Windfarms and its Related Companies.

NZ\$ means New Zealand dollars.

NZX means NZX Limited.

NZX Main Board means the main board equity security market operated by NZX.

Original Deed Poll means the deed poll which was entered into by Meridian on 18 February 2025 and which was replaced by the Deed Poll.

Prescribed Occurrence means an occurrence set out in Schedule 1 to the Scheme Implementation Agreement (other than an event which has been agreed to by Meridian or which is expressly permitted by or required to give effect to the Scheme Implementation Agreement) and includes matters such as a change to the capital structure of NZ Windfarms, any payment of dividends or other distribution to Shareholders or an Insolvency Event occurring in respect of NZ Windfarms.

Record Date means 5:00pm on the date which is five Business Days after the later of:

- (a) the Final Orders Date; or
- (b) the date on which the CC Condition is satisfied, if applicable, or waived.

Register means the register of Shares maintained by MUFG Corporate Markets on behalf of NZ Windfarms.

Relevant Interest has the meaning given in section 235(1) of the Financial Markets Conduct Act 2013.

Related Company has the meaning given to that expression in section 2(3) of the Companies Act, provided that, for this purpose, references to “company” in that section will extend to any body corporate wherever incorporated or registered.

Representative in relation to any person means any director, officer, employee or agent of, and any accountant, auditor, financier, financial adviser, legal adviser, technical adviser or other expert adviser or consultant to, that person.

Reverse Break Fee means NZ\$909,752.

Scheme means a scheme of arrangement under Part 15 of the Companies Act under which all of the Scheme Shares held by Scheme Shareholders will be transferred to Meridian in consideration for the payment by Meridian of the Consideration to each Scheme Shareholder, in each case in accordance with the Scheme Plan.

Scheme Booklet means this document together with its annexures.

Scheme Implementation Agreement means the scheme implementation agreement between NZ Windfarms and Meridian dated 18 February 2025 (as may be amended from time to time).

Scheme Meeting means the meeting of Shareholders ordered by the Court to be convened pursuant to the Initial Court Orders in respect of the Scheme and includes any adjournment of that meeting.

Scheme Plan means the Scheme Plan set out in Annexure B, subject to:

- (a) any amendments agreed in writing between NZ Windfarms and Meridian; and
- (b) approval by the Court under section 236(1) of the Companies Act.

Scheme Resolution means the resolution to be put to the Shareholders at the Scheme Meeting, as set out in the Notice of Meeting in Section 3 of this Scheme Booklet.

Scheme Shareholder means a person (other than Meridian) who is registered in the Register as the holder of one or more Shares on the Record Date.

Scheme Shares means all of the Shares on issue as at the Record Date.

Second Side Letter means the agreement amending the Scheme Implementation Agreement between NZ Windfarms and Meridian and dated 8 May 2025.

Senior Manager for the purposes of this Scheme Booklet means David Prentice (Chief Executive Officer, NZ Windfarms), Adam Radich (General Manager Operations & Development, NZ Windfarms) and Melanie Strydom (Chief Financial Officer).

Share means a fully paid ordinary share in the capital of NZ Windfarms.

Shareholder means a person who is registered in the Register as the holder of one or more of the Shares from time to time.

Side Letters means the Initial Side Letter and the Second Side Letter.

Superior Proposal means a written bona fide Competing Proposal received after the date of the Scheme Implementation Agreement that the Board determines, acting in good faith and after having taken advice from its external financial and legal advisers:

- (a) is reasonably capable of being valued and implemented, taking into account all aspects of the Competing Proposal, including its conditions precedent; and
- (b) is more favourable to Shareholders than the Scheme, taking into account all the terms and conditions of the Competing Proposal and the Scheme.

Takeovers Code means the Takeovers Code set out in the Schedule to the Takeovers Code Regulations 2000 (SR2000/210) as amended, including by any applicable exemption granted by the Takeovers Panel under the Takeovers Act 1993.

Takeovers Panel means the Takeovers Panel established by section 5(1) of the Takeovers Act 1993.

Te Rere Hau JV means the 50-50 joint venture between NZ Windfarms and Meridian which was established in October 2023 to repower the Te Rere Hau Wind Farm.

Te Rere Hau Wind Farm means the wind farm located on the North Range Road in the Tararua Ranges, south-east of Palmerston North, New Zealand, which is owned by the Te Rere Hau JV.

Third Party means a person other than a member of the Meridian Group.

Trading Halt Date means the date and time from which the Shares will be suspended from trading on the NZX Main Board, being close of trading on the later of:

- (a) the Final Orders Date; and
- (b) the date on which the CC Condition is satisfied, if applicable, or waived,

or such other date as NZ Windfarms and Meridian agree in writing.

Underwriting Agreement means the equity underwriting agreement entered into between Meridian, Kōkako SPV Limited, NZ Windfarms and NZWF SPV LP, dated 10 February 2025, details of which are set out in Sections 6.9 and 7.11 of this Scheme Booklet.

Voting Deeds means the voting deeds entered into between Meridian and certain other Shareholders as at the date of this Scheme Booklet, details of which are set out in Section 6.7 of this Scheme Booklet.

Voting Eligibility Date means the time for determining eligibility to vote at the Scheme Meeting, expected to be 5:00pm on 22 June 2025 or, if the Scheme Meeting is adjourned, 5:00pm on the day which is two days before the adjourned meeting time for the Scheme Meeting.

Voting/Proxy Form means the voting and proxy appointment form which accompanies this Scheme Booklet.

Annexure A:

Independent Adviser's Report

NZ Windfarms Limited

Independent Adviser's Report in relation to the proposed scheme of arrangement with Meridian Energy Limited

May 2025

STATEMENT OF INDEPENDENCE

Calibre Partners confirms that it:

- has no conflict of interest that could affect its ability to provide an unbiased report; and
- has no direct or indirect pecuniary or other interest in the proposed transaction considered in this report, including any success or contingency fee or remuneration, other than to receive the cash fee for providing this report.

Calibre Partners has satisfied the Takeovers Panel, on the basis of the material provided to the Panel, that it is independent under the Panel's Guidance Note on Independent Advisers for the purposes of preparing this report.



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1. Executive Summary

1.1 Introduction

NZ Windfarms Limited (**NZ Windfarms**) is a New Zealand incorporated company listed on NZX Main Board. It develops and operates windfarms in New Zealand and currently has two operating farms generating electricity, Te Rere Hau (**TRH**) and Hau Nui.

In October 2023, NZ Windfarms and Meridian Energy Limited (**Meridian**) entered an agreement to form a 50-50 joint venture to pursue the repowering and expansion of TRH wind farm (**the Project**) which would have capacity of around 170 MW, once completed. The joint venture vehicle charged with the design, development and operation of the Project is Te Rere Hau Project Limited Partnership (**TRH LP**). A Final Investment Decision (**FID**) in respect of the TRH repowering is expected by June 2025.

In August 2024, NZ Windfarms sought Expressions of Interest (**EOI**) to raise equity capital to help fund NZ Windfarms' expected contribution to the TRH LP. A shortlist of parties was invited to submit proposals through an Equity Commitment phase.

On 3 February 2025, separate from the equity raising process, NZ Windfarms received an offer from Meridian to purchase all the outstanding shares in NZ Windfarms. The proposal was considered by NZ Windfarms against the responses received to the equity raising process. On 19 February 2025, the parties entered into a Scheme Implementation Agreement (**SIA**) to give effect to a Scheme of Arrangement (**the Scheme**).

Meridian currently owns 19.99% of the NZWF shares on issue.

1.2 The Scheme

The proposed consideration is \$0.25 per share, payable to all shareholders in cash.

The Scheme is subject to a number of key conditions that are set out in the Scheme Booklet, including the approval of NZ Windfarms' shareholders.

NZ Windfarms shareholders are being asked to vote to approve or reject the implementation of the Scheme. For the Scheme to proceed, it is necessary that both of two voting thresholds are met, being:

- At least 75% of the votes cast in each interest class must be in favour of the Scheme.
- More than 50% of the total number of NZ Windfarms' shares on issue must be voted in favour of the Scheme.

In this regard:

- Meridian owns 19.99% of the shares on issue and will vote in favour of the Scheme.
- Robert Stone, Salt Funds Management, Aspiring Asset Management, Michael Andrew Neil and Frederick Kilner Stone who together own 16.96% of NZ Windfarms, are supportive of the transaction and have entered into voting deeds to vote their shares in favour of the Scheme.

We consider it likely that the 50% threshold will be met. Achieving this threshold requires around 13.05% of the NZ Windfarms' shares, in addition to Meridan, Robert Stone, Salt Funds Management, Aspiring Asset Management, Michael Andrew Neil and Frederick Kilner Stone, to vote in favour of the Scheme.

The threshold of 75% applies to votes cast rather than total shares on issue. This threshold will effectively exclude the shares held and voted by Meridian, which falls into its own interest class.

NZ Windfarms' directors unanimously recommend that shareholders vote in favour of the Scheme, in the absence of a Superior Proposal as defined in the SIA.



1.3 Potential outcomes

The possible outcomes are:

- **The Scheme is implemented**

If NZ Windfarms' shareholders approve the Scheme and all other steps required to implement the Scheme (as set out in the Scheme Booklet) are completed, then the Scheme will be implemented. In that event, all shareholders in NZ Windfarms would have their shares acquired at \$0.25 per share. NZ Windfarms' shares would cease to be quoted on the NZX Main Board.

- **The Scheme does not proceed**

If NZ Windfarms shareholders do not approve the Scheme, it will not proceed. The Scheme would also not proceed if NZ Windfarms' shareholders vote in favour of it, but the other conditions in the SIA are either not satisfied or waived, or if the SIA is validly terminated. If the Scheme does not proceed, then no shares would be transacted, and NZ Windfarms would remain a listed company with its shares quoted on the NZX Main Board.

Pursuant to the SIA, NZ Windfarms cannot solicit any alternative proposal to the Scheme.

1.4 Key issues to be considered by shareholders

For shareholders deciding whether to approve or reject the Scheme, key issues to be considered include:

- The proposed consideration of \$0.25 per share is above our assessed valuation range of \$0.190 to \$0.229 per share, and it is above our projected value range of \$0.198 to \$0.239 at 30 June 2025.
- The proposed consideration also represents a premium of 107% to the closing share price of \$0.1210 on 18 February 2025, which was the last trading day before the SIA was announced to the market.
- Until recently, NZ Windfarms operated a single asset (TRH) and its EBITDAF contracted in recent periods largely due to challenging wind conditions at the site. During construction of the Project, its only revenue will be from Hau Nui, which has a substantially lower current generation capacity compared to TRH.
- If the Scheme is not implemented, NZ Windfarms would remain a listed company with its shares listed on the NZX Main Board. In the absence of any other factors, we consider there is a real prospect that NZ Windfarms' share price could recede from current levels.
- If the Scheme does not proceed, Meridian has agreed to underwrite the equity raising process and pay NZ Windfarms \$9.8 million for 25% of the joint venture arrangement, with NZ Windfarms retaining a non-controlling 25% interest. Alternatively, NZ Windfarms could raise additional equity to fund its contribution to the joint venture, but this would dilute the existing shareholders.
- Pursuant to the SIA, NZ Windfarms cannot solicit any alternative proposal. Should a "Superior Proposal" eventuate in accordance with the terms of the SIA, in certain circumstances NZ Windfarms can respond.
- In theory, there is nothing to prevent another party from issuing a formal takeover offer to acquire NZ Windfarms, or to procure a shareholder to requisition a meeting of shareholders to consider a competing proposal, before the shareholders vote on the Scheme. However, there are practical limitations to this given Meridian's existing shareholding and voting commitment, Robert Stone, Salt Funds Management, Aspiring Asset Management, Michael Andrew Neil and Frederick Kilner Stone's voting commitments.

In our opinion, the offer is reasonable. The proposed consideration of \$0.25 per share is above our assessed fair market value range for NZ Windfarms.

The above should be read in conjunction with our analysis of the merits of the Scheme, as set out in Section 7 of this Independent Adviser's Report (**Report**).



Voting on the Scheme is a matter for individual shareholders based on their own views as to value and future market conditions, as well as their risk profile, liquidity preference, portfolio strategy, tax position and other factors. In particular, taxation consequences can vary widely across shareholders, and we note the after-tax value of the proposed consideration may vary between shareholders given their respective tax positions. Shareholders will need to consider these consequences and, if appropriate, consult their own professional advisers.



2. Background

2.1 Prior to the Scheme

Prior to October 2023, NZ Windfarms only operated the TRH windfarm, which is a 91 turbine farm, commissioned between 2005 and 2011. In October 2023, NZ Windfarms and Meridian agreed to form a 50-50 joint venture to repower and extend the TRH wind farm. The joint venture entity is the Te Rere Hau Project Limited Partnership (TRH LP or the JV).

- As part of the commercial terms of the JV arrangement, NZ Windfarms issued 43,209,500 new shares to Meridian, at a price of \$0.155 per share, totalling \$6.7 million.
- At the same time, NZ Windfarms undertook a pro-rata renounceable 1:8.5 rights issue of shares, offered to existing shareholders at a price of \$0.155 per share. This resulted in the issuance of 8,176,831 new shares, raising \$1.3 million. The rights issue was underwritten by Meridian and an additional 24,450,777 shares were issued to Meridian, raising a further \$3.8 million.
- In total Meridian subscribed for 19.99% of the shares in NZ Windfarms.

In terms of the JV arrangement:

- Amongst other things, Meridian would contribute 50% of the development cost, funding 100% upfront initially, with reimbursement at financial close.
- NZ Windfarms would contribute the existing assets to the JV along with the rights to the Project (represented by goodwill) and would seek to raise capital to fund its remaining equity commitment to the JV.

On 3 February 2025, separate from the equity arranging process, NZ Windfarms received a confidential, non-binding indicative proposal from Meridian to acquire 100% of the shares in NZ Windfarms through the proposed Scheme.

The Meridian proposal included an offer to underwrite NZ Windfarms' current equity raise process by entering into an Equity Underwriting Agreement. This agreement, subject to conditions, gives NZ Windfarms the right to require Meridian to buy half of NZ Windfarms' 50% equity interest in the JV for \$9.8 million if the Scheme is not implemented and the repower project proceeds. If NZ Windfarms exercises this right, it would retain a 25% equity interest in the TRH JV.

On 10 February 2025 NZ Windfarms entered into an Exclusivity Agreement with Meridian to allow it to complete its due diligence and enable the parties to negotiate the SIA for the Scheme.

2.2 The Scheme

On 19 February 2025, NZ Windfarms entered into the SIA for the sale of all outstanding shares in NZ Windfarms to Meridian.

The proposed consideration is \$0.25 per share, payable to all shareholders in cash.

The SIA is to be implemented via a scheme of arrangement under Part 15 of the Companies Act 1993 (**Companies Act**) and is subject to key conditions that include:

- The approval of NZ Windfarms' shareholders.
- The approval of the High Court of New Zealand (**High Court**) in accordance with the Companies Act.
- No law, judgement, order, restraint or prohibition enforced or issued by any Government Agency being in effect as at 8.00am on the Implementation Date that prohibits, prevents, materially delays or makes illegal the implementation of the Scheme.
- No prescribed occurrences as defined in Schedule One of the SIA.
- No Material Adverse Change occurs as defined in Schedule One of the SIA.



- If required, a clearance being given, or authorisation being granted, by the Commerce Commission under the Commerce Act 1986 for the Scheme on terms acceptable to Meridian.

Pursuant to the SIA, NZ Windfarms cannot solicit any alternative proposal to the Scheme. However, should a competing proposal eventuate, in certain circumstances NZ Windfarms can respond and facilitate an alternative transaction. Meridian would have the right to match a counter proposal.

NZ Windfarms' Board has concluded that the proposed consideration of \$0.25 per share provides shareholders with the ability to realise value for their shares. NZ Windfarms' directors unanimously recommend that shareholders vote in favour of the Scheme, in the absence of a superior proposal.

2.3 Profile of Meridian

Meridian is a New Zealand based power company listed on the New Zealand and Australian Stock Exchanges. Meridian engages in the generation, trading, and retailing of electricity to residential, business, and industrial customers in New Zealand, Australia, and the United Kingdom.

Meridian generates electricity through the following sources:

- Seven hydro stations that have a combined capacity of 2,365 MW;
- Eight wind farms that have a combined capacity of 594 MW; and
- A grid-scale solar array (as well as offering solar installation services).

Meridian has recently completed the development of the Harapaki windfarm in the Hawkes Bay. Harapaki has capacity of 176 MW and is the second largest windfarm in New Zealand.

Meridian's majority shareholder is the New Zealand Government, owning 51%.

Meridian is already the largest shareholder in NZ Windfarms (19.99%) and owns 50% of the joint venture (TRH LP) that is planned to repower NZ Windfarms' existing TRH windfarm.

2.4 Purpose of this report

NZ Windfarms is subject to the Takeovers Code (**the Code**).

The Scheme is governed by the Companies Act and is required to be approved by the High Court in order to proceed. The High Court will not approve a scheme that affects the voting rights of a company subject to the Code unless:

- It is satisfied that the shareholders of the company will not be adversely affected by the use of a scheme rather than the Code to effect the change involving the company; or
- The High Court is presented with a 'no-objection statement' from the Takeovers Panel (**the Panel**). The Panel will take various factors into account when considering an application for a no-objection statement, including:
 - An appropriate balance has been struck between alignment of the relevant scheme with what would be permitted under a Code offer and inherent flexibility of schemes.
 - All material information relating to the scheme proposal has been disclosed.
 - The standard of disclosure to all shareholders has been equivalent to the standard that would be required by the Code in a Code-regulated transaction or is otherwise appropriate in all of the relevant circumstances.
 - The interest classes of shareholders have been composed appropriately.
 - The protections available to shareholders (and other equity security holders) under the Code and/or the Takeovers Act 1993 (or equivalents to those protections) have been provided for under or in connection with the Scheme.
 - Other key matters have been addressed and there are no other reasons for the Panel to object to the Scheme.



The practice of the Panel (except in very limited circumstances) is to require the preparation of an Independent Adviser's Report before it will consider issuing a 'no-objection statement' to the High Court.

NZ Windfarms' Board has engaged Calibre Partners to prepare this Report to inform NZ Windfarms' shareholders on the merits of the Scheme. Our appointment has been approved by the Panel. Shareholders should read the Scheme Booklet issued by NZ Windfarms in conjunction with this Report.

Accepting or rejecting the Scheme is a matter for individual shareholders based on their views as to value and future market conditions, as well as their risk profile, liquidity preference, portfolio strategy, tax position and other factors. In particular, taxation consequences can vary widely between shareholders. Shareholders will need to consider these consequences and, if appropriate, consult their own professional advisers.

2.5 Other

The sources of information we have had access to and relied upon are set out in Appendix 1.

This Report should be read in conjunction with the statements and declarations set out in Appendix 2 regarding our independence, qualifications, general disclaimer and indemnity, as well as restrictions on the use of this Report.

Unless specified otherwise, references to '\$' are to New Zealand Dollars. When referring to NZ Windfarms, references to financial years or 'FY' mean NZ Windfarms' financial years ended 30 June.

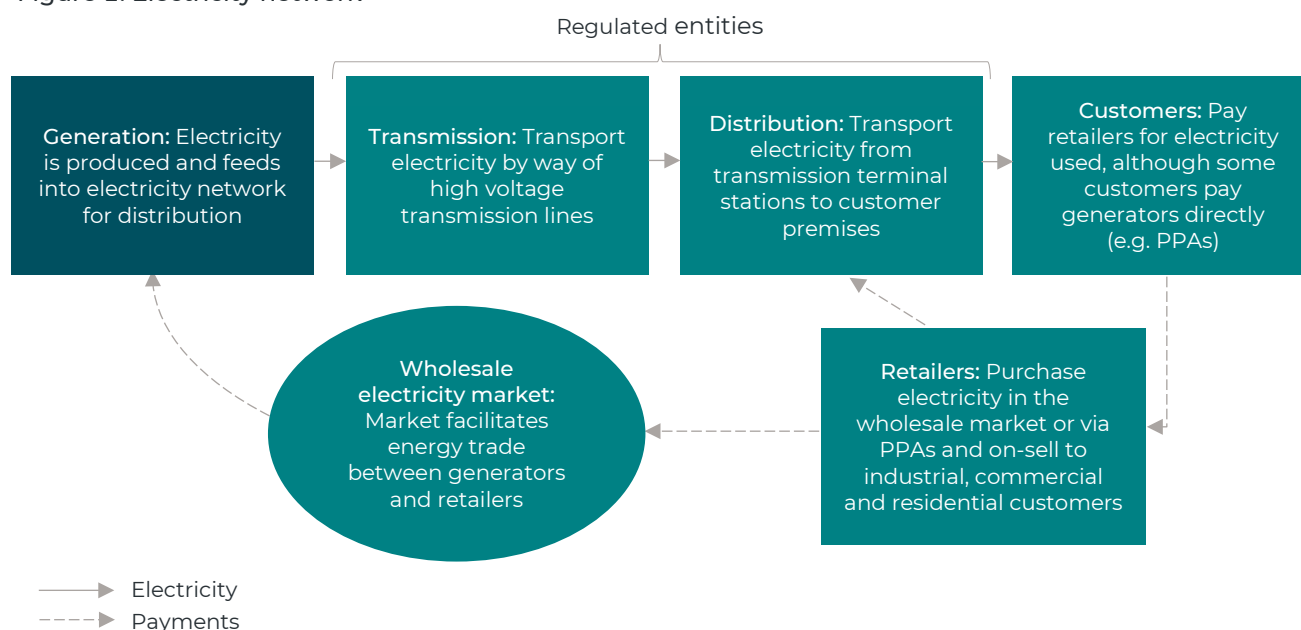
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3. New Zealand Electricity Industry Overview

The electricity industry in New Zealand consists of four primary segments – generation, transmission, distribution and retail. Electricity is supplied to the majority of consumers through an electricity network or ‘grid’. Generators connected to the grid produce electricity that is transported on high-voltage transmission lines (the transmission network) over long distances and then through a lower voltage distribution network to end consumers (the distribution network). Most industrial, commercial and residential consumers are connected to the distribution network and buy electricity through a retail company (retailer). This is illustrated by Figure 1 below.

Figure 1: Electricity network



Source: MBIE

The electricity system in New Zealand is largely organised around the wholesale electricity prices. Wholesale spot prices are determined every half hour by the available supply and demand for electricity, and location on the grid. Prices on the wholesale market are highly relevant to the performance of electricity generators – high wholesale prices drive revenue growth. In addition to the spot market, participants also enter into hedges, to mitigate the volatility in the spot prices.

NZ Windfarms owns and operates generation assets that are connected to the electricity network. Typically, generators earn revenue by selling electricity in the wholesale electricity markets and through derivative contracts with retailers or large energy users, for example via Power Purchase Agreements (PPA). Generators do this to effectively hedge the risk of low prices in the spot market.

New Zealand has one electricity grid with an installed generation capacity of around 10.0 GW. Nearly all of the South Island's production is generated by hydroelectric power stations, whereas in the North Island electricity is generated using a mix of geothermal, natural gas, hydro, coal and wind resources. The North Island accounts for more than 60% of electricity demand in New Zealand.

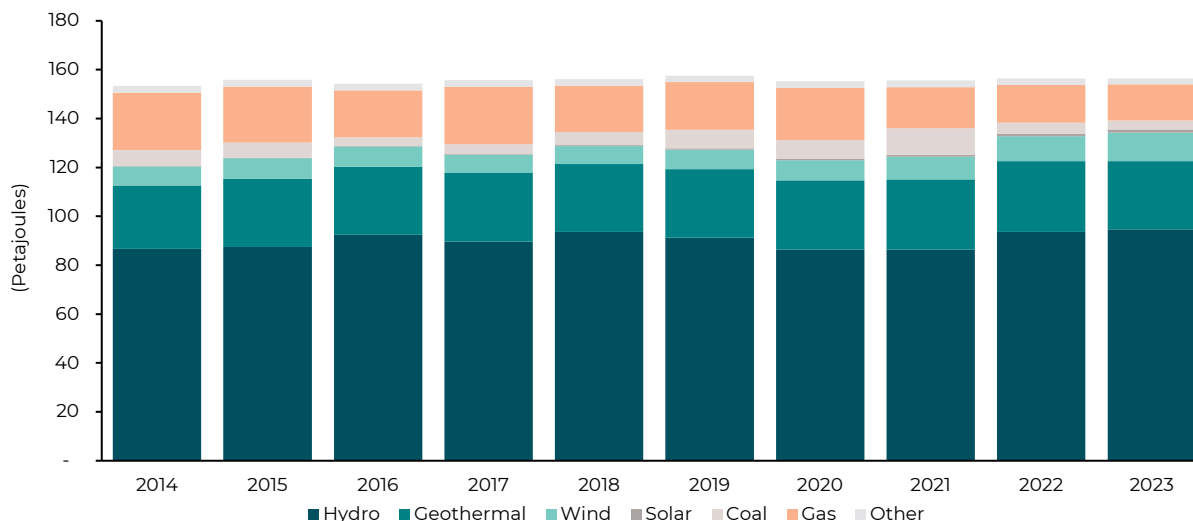
New Zealand has the third highest rate of renewable energy generation as a share of primary supply in the OECD (behind Norway and Iceland).¹ Approximately 88% of the electricity generated in New Zealand is currently produced from renewable sources, and this is expected to increase as coal and gas-fired generation is reduced.

¹ Energy Resources Aotearoa on New Zealand's energy mix.



The share of renewable electricity has increased from around 80% to 88% between 2014 and 2023. Wind electricity generation has increased its share over the same period.

Figure 2: Historical energy generation by source

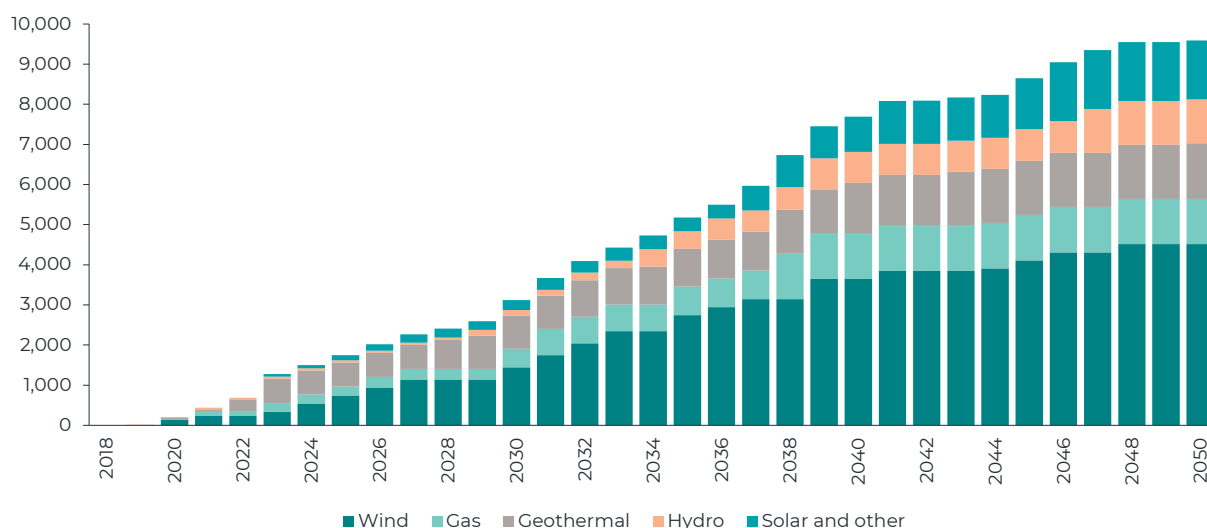


Source: Annual electricity generation and consumption 2024, MBIE

The Ministry of Business, Innovation and Employment (MBIE) predicts that due to a decline in the cost of solar and wind technologies combined with a limited supply of gas, most future developments will be in the form of renewable generation assets. This is illustrated by Figure 3 below.

It is expected that 92% of New Zealand's electricity will be generated from renewable sources by 2035, of which around 20% will be wind.

Figure 3: Cumulative new development by energy source (MW)



Source: Energy in New Zealand 2020, MBIE



Renewable electricity projects are increasing in number, as New Zealand's energy needs are forecast to grow significantly, and the Government enacts policies aimed at reducing carbon emissions. Wind power is an increasingly important feature in New Zealand's electricity mix as fossil fuel generators continue to shut down. To achieve New Zealand's emissions reduction targets, a new windfarm of scale needs to be built every year until 2050.² NZ Windfarms is well placed to benefit from New Zealand's decarbonisation initiatives and further expansion in renewable energy.

Over the past two and a half decades, wind technology has made significant strides. Wind turbines have become larger, more efficient, and more reliable, while the cost of wind-generated electricity has reduced.

The New Zealand Wind Energy Association suggests that investment in wind farms is increasing for a number of reasons, including:

- Wind is a renewable resource and is not reliant on ongoing exploration. Unlike water (hydroelectricity), it is not in demand for other purposes such as irrigation, conservation and recreation.
- New Zealand receives an abundance of wind from the 'Roaring Forties', which are westerly winds that blow in latitudes 40 to 50. As a result, New Zealand is widely regarded as having excellent wind patterns for the generation of electricity.
- The cost of electricity generation is not influenced by international markets for fossil fuels, which can be volatile.
- Wind farms are not exposed to costs related to carbon emissions.
- Negative public sentiment towards non-renewable energy is increasing. This will likely lead to further regulatory changes that favour renewable energy.
- Land used for wind farms can serve multiple purposes, including grazing livestock and cropping.

New Zealand currently has 21 fully operational onshore wind farms operating with a total installed capacity of 1,263 MW. This represents over 12% of New Zealand's total installed generation capacity.

Currently wind is an intermittent power source as it relies on periods of strong wind to generate electricity. Therefore, it cannot provide baseload power and is instead used for peaking power.

The future growth prospects of the wind industry depend on innovations in wind technologies relative to other renewable technologies, and advances in battery storage technologies.

New Zealand wholesale electricity prices

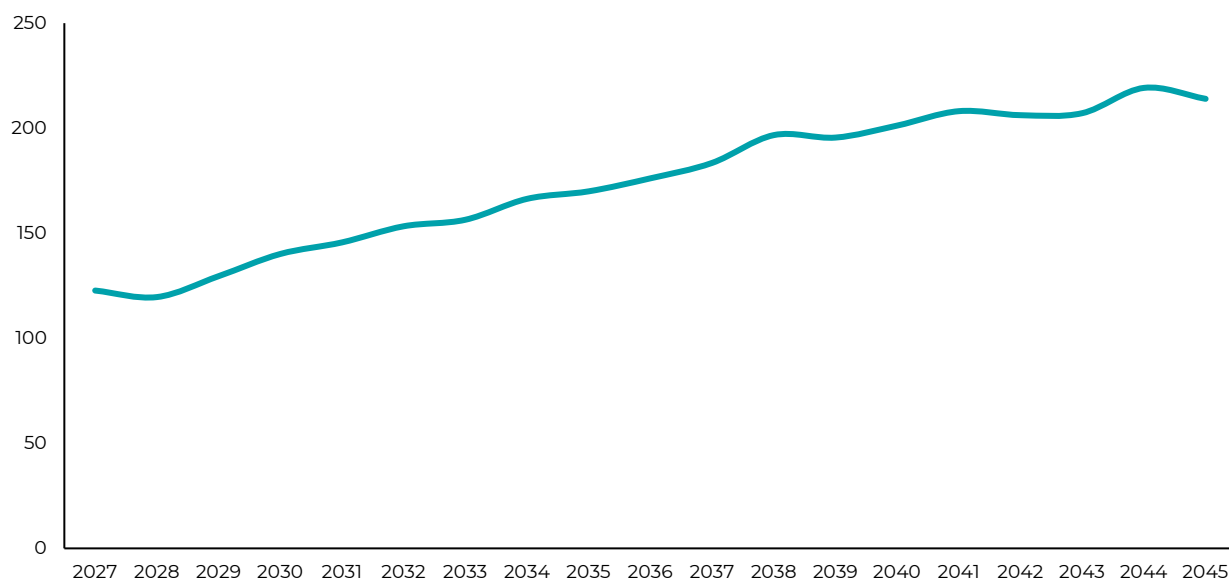
Figure 4 shows forecast wholesale electricity prices in New Zealand. The wholesale electricity prices are forecast to rise by around 25% between 2027 and 2032 due to higher demand and reduction in fossil fuel-based energy generation. In the longer term, prices are forecast to increase gradually in line with demand and inflation. In particular, the wholesale electricity price at Otahuhu node (OTA) is forecast to increase to \$214 per MW by 2045³.

² The Boston Consulting Group.

³ Future electricity prices are uncertain and there is a risk that market prices may differ materially from this forecast



Figure 4: New Zealand forecast wholesale electricity price (\$ per MWh)⁴



Source: Energy Link forecast energy prices, June 2024

Regulatory environment

New Zealand's policy and regulatory environment is supportive of growth in renewable energy. The New Zealand Government has introduced a target to raise renewable electricity's contribution from 88% of total generation output to 92% by 2035. Other renewable energy initiatives include:

- New Zealand committed to the Paris Agreement in 2016.
- In November 2019, the New Zealand Government passed the Climate Change Response (Zero Carbon) Amendment Act (CCR Act) to provide a framework for implementing climate change policies. The CCR Act aims to achieve the following:
 - Reduce net emissions of all greenhouse gases (except biogenic methane) to zero by 2050.
 - Reduce emissions of biogenic methane to between 24% and 47% below 2017 levels by 2050, including to 10% below 2017 levels by 2030.⁵
 - Establish a system of emissions budgets as a step towards the long-term target.
 - Ensure the government develops and implements policies for climate change adaptation and mitigation.
- An independent Climate Change Commission was established in December 2019 following the passing of the CCR Act. The Climate Change Commission was established to help the New Zealand Government to set and achieve emission budgets, reduction targets and policy direction. Its draft advice, released in January 2021, explicitly states that in order to combat climate change, increasing the supply of renewable energy must be a priority.
- The Fast-track Approvals Act was passed in 2024, aimed at establishing a permanent fast-track regime that would make it easier and quicker to gain approvals for development and infrastructure projects that would deliver regional and national benefits.

⁴ Nodal price for Otahuhu

⁵ Ministry for the Environment on the Climate Change Response (Zero Carbon) Amendment Act.



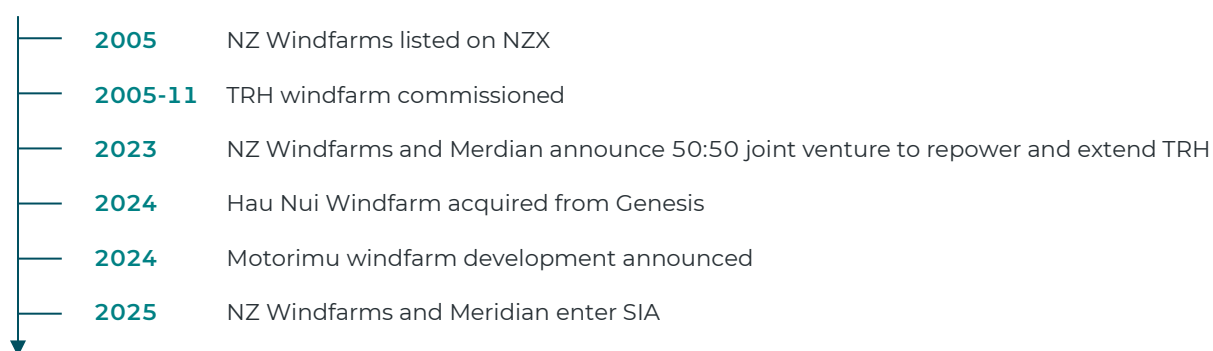
4. NZ Windfarms overview

4.1 Background and history

NZ Windfarms is a New Zealand wind farm operator, incorporated in 2002. It recently announced its strategic transition from an operator of wind generation assets to a renewables operator and developer. It currently operates the Te Rere Hau (TRH) and Hau Nui wind farms, with ambitions to develop both sites.

A timeline of key events since NZ Windfarms was established is shown below.

Figure 5: Timeline of key events



Source NZX announcements and NZ Windfarms

NZ Windfarms' and Meridian's current operating windfarms are identified in Figure 6.

Figure 6: Operating assets



Source: NZ Windfarms

Note: Potential development assets in the pipeline are not shown due to commercial sensitivity

NZ Windfarms has total installed capacity of around 50 MW. This has the potential to increase to around 175 MW following the TRH repower and expansion – although NZ Windfarms would not own 100% of the repowered asset.



Table 1: Operating assets

Wind farm	Location	Capacity (MW)	Commission year	Useful life (years)	PPA counterparty (volume %)
Te Rere Hau	Tararua Ranges	45.5/170	2005 - 2011	7/30	100%/100%
Hau Nui	Martinborough	4.8	1996/2004	8	100%
Total		~50/175			

Source: NZ Windfarms

In addition to the current sites, NZ Windfarms has identified development projects that could collectively add an additional 480 MW.

4.2 Te Rere Hau

TRH is NZ Windfarm's principal operating asset. It is located in the Tararua Ranges, east of Palmerston North and currently has 45.5 MW capacity.

The existing turbines are nearing the end of their economically useful life, and the turbine model (WF500) no longer has original equipment manufacturer (OEM) maintenance support. The number of turbines is expected to decline as they become non-operational and reach the end of their useful life. This is expected to commence in 2031.

TRH Repower and extension

The proposal to repower TRH will replace the turbines with more technologically advanced and efficient turbines which have greater generation capacity at lower wind speeds.

The Project has two aspects, which are planned to be constructed in parallel:

- The repowering aspect of the Project will consist of 30 new larger turbines to repower the **existing** site. NZ Windfarms obtained a two-year fast-track consent for the repowering phase in May 2023.
- The extension aspect of the Project involves an extension of a further nine turbines on an adjacent piece of land (**Aokautere Extension project**). Consent for the extension project was granted in August 2024.

On completion of the Project 39 new turbines will occupy the area with a generation capacity of up to 170 MW and annual generation of around 730 GWh.

In terms of the Investors' Agreement between NZ Windfarms and Meridian:

- Meridian would contribute in the region of \$116 million to fund its 50% interest in the Project.
- NZ Windfarms would secure around \$50 million in the JV through:
 - Around \$47.4 million for the sale of existing assets to the JV, including tangible assets, consents, land, wind rights, roading, electrical grid connection infrastructure and goodwill.
 - Around \$2.9 million in development costs and services.
- Prior to the SIA, NZ Windfarms expected to raise capital to fund the balance of its contribution to the JV, either by issuing new shares in NZ Windfarms, or by selling an interest in the TRH SPV (the entity with the interest in the JV).

TRH LP and Meridian have agreed a 15-year PPA, to begin following FID. The agreement requires Meridian to purchase 100% of the generation volume from the repowered windfarm. The pricing will be based on market prices, subject to a floor and ceiling mechanism with inflation indexing.

The intention is to achieve FID by June 2025, following which the existing TRH turbines will be decommissioned and construction on the Project would commence.



It is expected to take 31 months to complete the construction; however, the new turbines will be stood up sequentially, meaning TRH LP will earn revenue over part of the construction phase (pre-completion revenue).

Meridian has recently completed the development of the Harapaki windfarm. It is anticipated that by partnering with Meridian, key learnings from the development and construction of Harapaki will be incorporated into the TRH repower and extension project.

4.3 Hau Nui

Hau Nui was acquired by NZ Windfarms from Genesis Energy Limited (**Genesis**) in November 2024.

The Hau Nui site is a fifteen-turbine windfarm located south-east of Martinborough.

The windfarm (the first in New Zealand) was originally built in two stages. The first stage was completed in 1996 and comprised seven 550KW Enercon turbines. The second stage was completed in 2004, when eight additional 600KW turbines were added. Five of the stage one turbines are not currently operating and two are operating at reduced capacity and are at end of their useful life. NZ Windfarms is planning to refurbish the eight stage two turbines which is estimated to provide a remaining useful life of 8 years. The stage two turbines have a combined 4.8 MW capacity⁶.

NZ Windfarms' stated strategic reasons for acquiring Hau Nui are:⁷

- It is a Class 1 wind resource with a number of options for repowering.
- It provides revenue diversity and provides a revenue stream while the TRH windfarm is decommissioned and repowered.
- The annual output from Hau Nui is expected to be between 12 and 15 GWh, which is around 12% to 14% of TRH's current output.
- It provides an opportunity to align ongoing maintenance, operation and repowering activities at Hau Nui with those at TRH, and to use the experience gained from TRH to achieve economies of scale and positive economic outcomes.

NZ Windfarms' intention is to operate the stage two turbines while undertaking necessary refurbishment and explore repowering options.

4.4 Development assets

NZ Windfarms has a Memorandum of Understanding (MOU) signed with a significant development partner in relation to two major wind farm projects.

- **Motorimu:** One site is the previously consented but unbuilt 'Motorimu' site. This is a 'Class 1' wind site located in the Tararua, just south of the Turitea wind farm (owned and operated by Mercury Energy). NZ Windfarms roughly plans to have Motorimu operating within 10 years. If completed, Motorimu would have a broadly comparable capacity to a repowered TRH.
- **Confidential:** The other site identified by NZ Windfarms is confidential. It is at an earlier stage of progress and hence less certain. If completed, NZ Windfarms expects this site would have a capacity at roughly twice the size of a repowered TRH.

There cannot be certainty with projects that are a substantial time in the future. However, if they were to progress, these projects would substantially increase the generating capacity of NZ Windfarms.

⁶ The current capacity excludes the 7 turbines which are at end of their life

⁷ NZX announcement to the market on 25 October 2024



4.5 Revenue drivers

NZ Windfarms' revenue is derived from:

- The sale of wholesale electricity (98.9% of revenue)
- The sale of renewable electricity certificates (1.1% of revenue)

Wholesale electricity (specific to wind energy)

Generally, the industry displays high levels of unhedged revenue volatility. Revenue in the wholesale market is typically determined by total generation output and demand.

For wind generators, wholesale prices are adjusted for intermittency as well as the nodal location (i.e. where the generator connects to the grid).

To manage wholesale price risk, NZ Windfarms largely sells electricity through PPAs. TRH has historically sold some electricity on the spot market.

- **Existing TRH windfarm generation:** Generation between 1 October 2024 and 31 March 2025 is being sold at a fixed price related to the TRH injection node (TWC2201). All of the TRH generation is covered through to the earlier of:
 - when all the FID requirements are achieved for the repowering project, and
 - 30 September 2025.
- **TRH repower and extension:** 100% output from the Project is agreed to be sold to Meridian at market price under a 15-year PPA. For the first ten years of the PPA Term, the price is subject to floor and ceiling prices with inflation indexing. For the remaining 5 years, the price is only subject to a floor and no ceiling.
- **Hau Nui:** 100% of the generation between 1 January 2025 and 31 December 2027 will be sold at a fixed price related to the Hau Nui injection node (GWT0331) to Genesis.

Renewable electricity certificates

Renewable electricity certificates (RECs) are instruments to track and certify the generation and consumption of renewable electricity. They are used by corporates to substantiate claims in respect of supporting renewable energy. They are issued for each MWh of electricity produced and exported to the grid from the asset.

RECs represent a reasonably small proportion of NZ Windfarms' revenue, at \$0.16 million (1.1%) in FY24.



4.6 Share ownership

NZ Windfarms has 363,900,692 shares on issue and more than 2,900 registered shareholders. Table 2 shows the top 20 shareholders as at 10 April 2025.

Table 2: Share register as at 10 April 2025

Shareholder	Shares	Percentage
1 Meridian Energy Limited	72,743,748	19.99%
2 Robert Alexander Stone	41,000,000	11.27%
3 New Zealand Central Securities Depository (Includes Salt Funds Management Shares)	40,846,415	11.22%
4 New Zealand Depository Nominee	39,677,970	10.90%
5 Hsu-Cheng Yang	14,520,000	3.99%
6 Custodial Services Limited	10,231,735	2.81%
7 Craig Earl Gregory Bowler	3,059,056	0.84%
8 Wilhelm Wolfgang Rehfus	3,000,000	0.82%
9 T & D Anselmi Family A/C	2,566,667	0.71%
10 Fnz Custodians Limited	2,466,701	0.68%
11 Angela Crafer & Kw Crafer Trust Company Limited	2,150,000	0.59%
12 Forsyth Barr Custodians	1,883,871	0.52%
13 Sheng-Fei Wang	1,850,000	0.51%
14 Michael Andrew Neil	1,800,000	0.49%
15 Trevor Ernest Palin & Katherine Marina Palin	1,700,000	0.47%
16 Michael Gervai	1,567,500	0.43%
17 Michael Joseph Connor & Constance Kathleen Connor	1,500,000	0.41%
18 Frederick Kilner Stone	1,500,000	0.41%
19 Sarah Caroline Laurenson	1,411,962	0.39%
20 Andrew Robert Taggart & Elizabeth Clare Ledgerwood	1,359,458	0.37%
Top 20 shareholders	246,835,083	67.83%
Remaining shareholders	117,065,609	32.17%
Total	363,900,692	100.00%

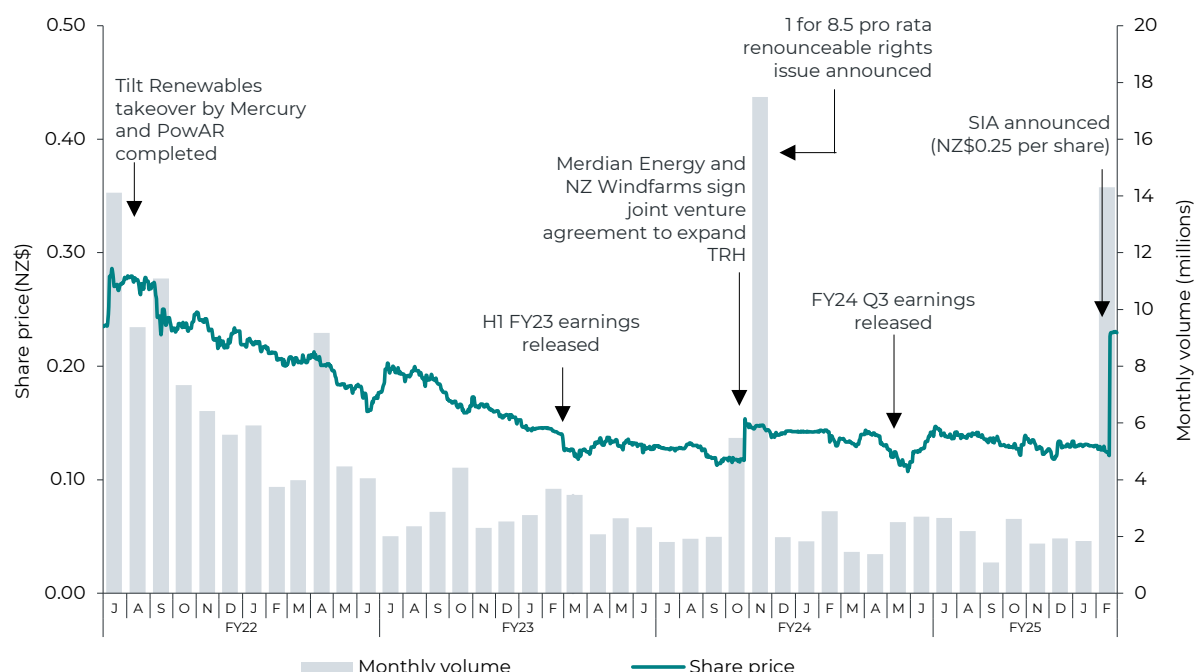
Source: NZ Windfarms



4.7 Share price performance

Figure 7 illustrates the prices and volumes of shares traded in NZ Windfarms since July 2021.

Figure 7: Share price and volume



Source: S&P Capital IQ and NZX announcements

NZ Windfarm's share price increased substantially during the period of the Tilt Renewables takeover by the Mercury and PowAR consortium which completed in August 2021. Subsequently the share price generally trended downwards from September 2021 until the joint venture arrangement with Meridian was announced. The announcement was followed by an increase in the share price of around 36%.

Over the period, NZ Windfarms' profitability contracted due to a decrease in generation (lower average wind speeds and decommissioning of 1 turbine) and a decline in wholesale market prices, when compared to FY22.

Between 25 October 2023 (when the joint venture was announced) and 18 February 2025 (prior to the SIA being announced) NZ Windfarms' shares have traded between 10.6 and 15.8 cents per share.

Following the announcement of the SIA, NZ Windfarms' share price increased to 23 cents per share.

Table 3: Share price and volume traded in the period to 18 February 2025 (pre-SIA announcement)

	Share price (cents)			Volume (million)	Proportion of issued capital
	Low	High	VWAP		
30 Days	12.10	13.30	12.82	2.1	0.59%
90 Days	11.70	13.50	12.77	5.6	1.53%
Six months	11.70	14.30	12.99	9.6	2.65%

Source: S&P Capital IQ and Calibre Partners analysis

Note: The high and low share prices are based on highest/lowest trading price on the day in the relevant period



Approximately 9.6 million shares traded in the six months immediately prior to the announcement of the SIA, at prices between \$0.117 and \$0.143 per share. The proposed consideration of \$0.25 per share represents:

- A premium of 107% to the closing share price of \$0.1210 on 18 February 2025.
- A premium of 95% to the VWAP of \$0.1282 for 30 days ended 18 February 2025.
- A premium of 96% to the VWAP of \$0.1277 for 90 days ended 18 February 2025.
- A premium of 93% to the VWAP of \$0.1299 in the six months ended 18 February 2025.

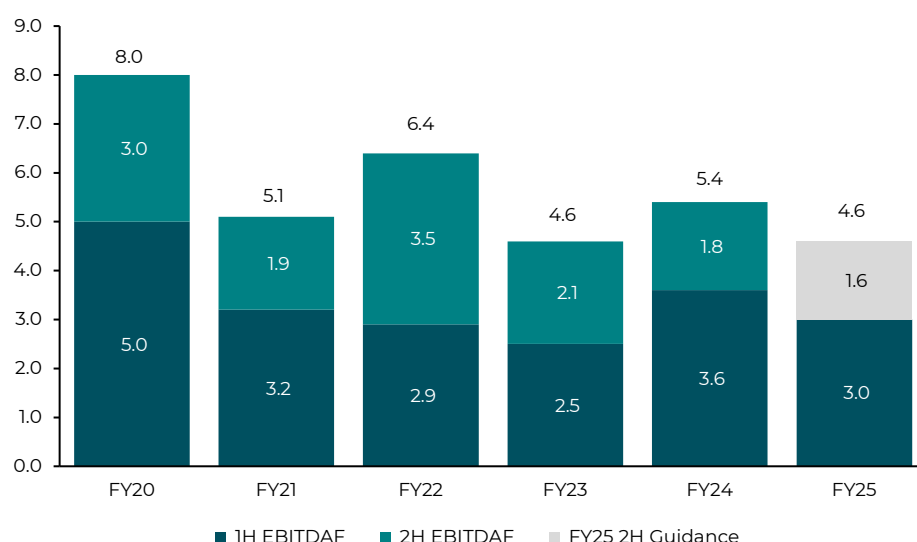


5. Financial Overview

5.1 Financial performance

Figure 8 shows the EBITDAF⁸ of NZ Windfarms for FY20 to 1H FY25 (actuals) and the mid-point of the guidance for the full year FY25.

Figure 8: EBITDAF (\$ millions)



Source: NZ Windfarms' annual reports and interim reports

Figure 8 shows EBITDAF is generally more heavily weighted to the first half of the year. FY25 guidance was revised downwards (from a mid-point of \$5.25 million to a revised mid-point of \$4.6 million) following challenging meteorological conditions with wind volumes since the start of the financial year being materially lower than the long-run averages.

⁸ EBITDAF means earnings before interest, tax, depreciation, amortisation and fair value movements.



Table 4 summarises NZ Windfarms' earnings for FY22 to FY24 (audited) and H1 FY25 (not audited).

Table 4: Historical financial performance (\$ 000)

	FY22	FY23	FY24	H1 FY25
Electricity sales	10,791	5,497	15,126	5,889
Realised gain/(loss) on derivatives	(54)	4,179	(4,282)	256
Net electricity revenue⁹	10,737	9,676	10,844	6,145
Renewable Energy Certificate	-	-	164	89
Other income	101	29	170	132
Total revenue	10,838	9,706	11,178	6,367
Te Rere Hau Wind Farm	1,244	1,527	1,525	1,019
Hau Nui Wind farm	-	-	-	85
Employment expenses	1,458	1,739	2,013	1,002
Directors' fee	331	402	426	213
Insurance	358	407	432	219
Other operating expenses	1,042	986	1,366	813
EBITDAF	6,405	4,645	5,415	3,016
EBITDAF FY25 Guidance (mid-point)				4,600
Generation (GWh)	100.2	98.2	105.6	56.9
Net electricity price (GWAP¹⁰ \$MWh)	107.11	98.51	102.67	107.99
EBITDAF margin	59.7%	48.0%	49.9%	49.1%

Source: NZ Windfarms annual and interim reports

Electricity sales have been supported by high net electricity prices over the past five years. However, since FY21, wind conditions and generation volumes have been below the long run expected average.

In 2019 NZ Windfarms commissioned DNV to provide an independent assessment of the TRH windfarm's generation capacity. DNV assessed a 50th percentile (P50) generation capacity of 116.7 GWh (for the current 91 turbines). The actual wind generation in recent years has been below this estimate, primarily due to lower than average wind resource. FY22 to FY24 were three of the four least windy years in the last sixteen years.

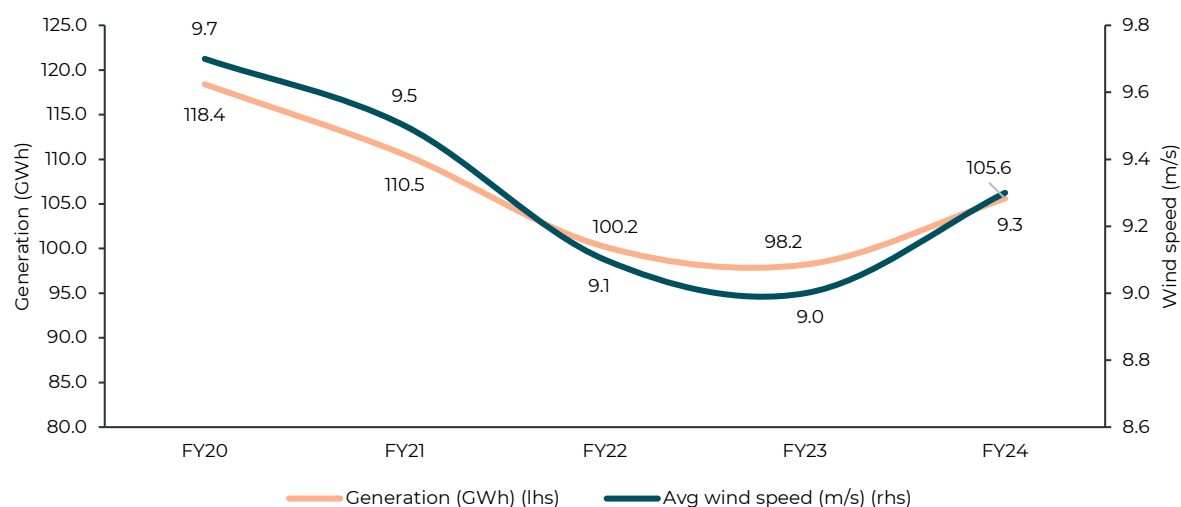
These conditions have contributed to the decrease in revenue and EBITDAF over the subsequent periods. Also impacting on profits, albeit to a lesser extent, is that a turbine was decommissioned in FY23.

⁹ Net electricity revenue = wholesale revenue less realised hedging losses plus realised hedging gains.

¹⁰ GWAP = Generation Weighted Average Price.



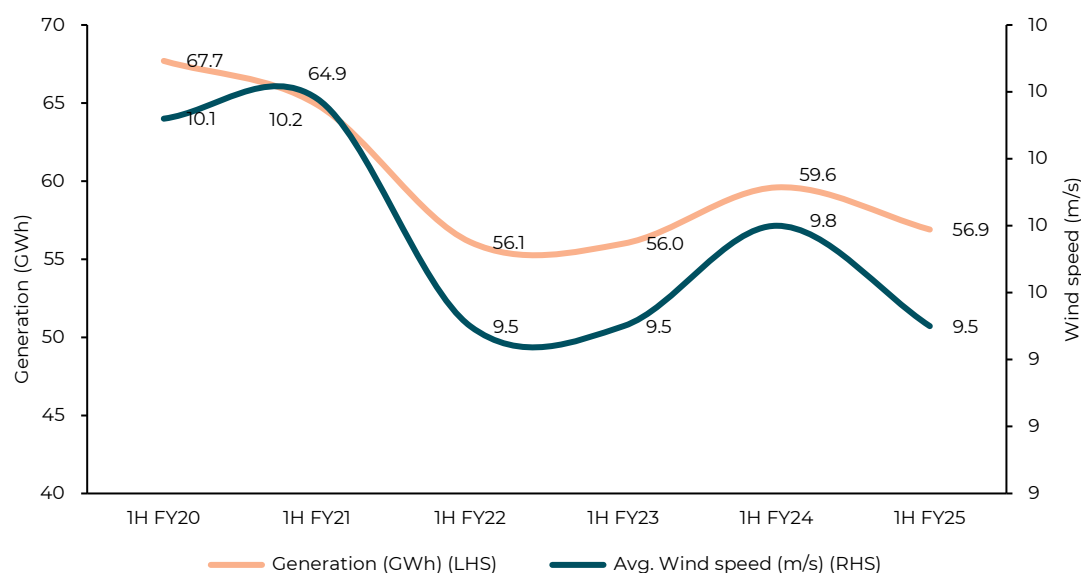
Figure 9: Historical average wind speed (m/s) and generation volumes (GWh) (full year)



Source: NZ Windfarms

In comparison to the same period in FY24, 1H FY25 wind generation decreased to 56.9 GWh (average wind speed of 9.5 m/s) from 59.6 GWh (average wind speed of 9.8 m/s). This is the equal-lowest level over the past five interim periods.

Figure 10: Historical half yearly average wind speed (m/s) and generation volumes (GWh)

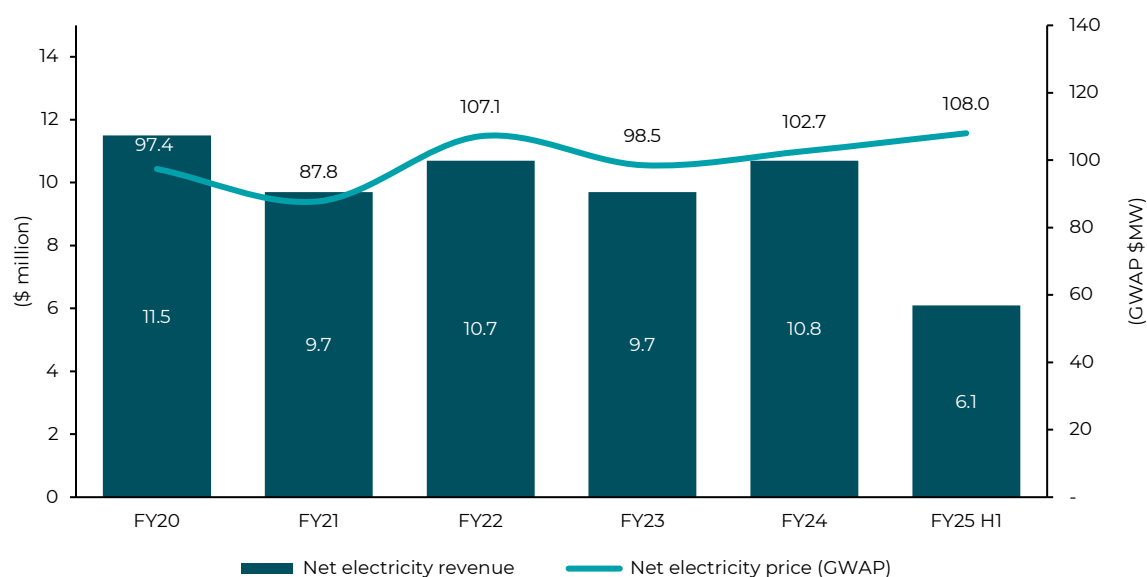


Source: NZ Windfarms

In more recent years, net electricity revenue has remained relatively stable, ranging from \$9.7 million to \$10.8 million between FY22 and FY24. FY24 electricity sales increased off the back of the combined improved generation volumes and favourable net electricity prices. In the year-to-date, prices have been favourable; however, generation is lagging.



Figure 11: Historical net electricity revenue (\$ millions) and net electricity price (GWAP \$MWh)



Source: NZ Windfarms

Operating expenses include:

- **TRH Windfarm operating expenses:** Largely include turbine expenses, the right to operate costs and grid connection costs. The TRH windfarm costs have increased by around 23% between FY22 and FY24, predominately due to increasing turbine maintenance expenses, as the fleet ages, and general inflationary pressures.
- **Employment expenses:** Have increased from \$1.5 million to \$2.0 million between FY22 and FY24 (38%), largely due to additional contract staff hired for planning and consulting on development projects and the TRH repower. These employment expenses are expected to reduce considerably once repowered TRH is complete.
- **Other operating expenses:** Includes listing and compliance costs, consultants' fees and general admin and overhead costs.



5.2 Financial position

Table 5 shows NZ Windfarms' financial position as at 30 June 2022, 2023, and 2024 and as at 31 December 2024.

Table 5: Historical financial position (\$ 000)

	Jun 22	Jun 23	Jun 24	Dec 24
Cash and cash equivalents	1,680	1,580	723	1,550
Investments	-	-	5,797	5,364
Trade and other receivables	1,357	1,195	5,370	5,618
Inventories	911	910	960	843
Income tax receivable	-	-	18	19
Current assets	3,949	3,685	12,868	13,394
Property, plant and equipment	45,585	37,027	38,477	37,032
Intangible assets	4,536	4,895	2,368	2,300
Right-of-use assets	135	163	112	711
Deferred tax asset	630	1,934	1,694	645
Other non-current assets	-	-	-	2
Non-current assets	50,886	44,019	42,651	40,691
Total Assets	54,835	47,704	55,519	54,084
Trade, other payables and accruals	1,070	988	1,725	1,000
Derivative liabilities	4,192	1,587	5,011	371
Income received in advance	-	-	11	-
Lease liabilities	13	52	28	76
Term loan	1,206	1,219	-	-
Current liabilities	6,481	3,846	6,775	1,447
Derivative liabilities	-	752	-	688
Term loan	7,087	6,355	-	-
Lease liabilities	170	167	139	677
Non-current liabilities	7,256	7,275	139	1,365
Total Liabilities	13,737	11,120	6,914	2,812
Net Assets	41,098	36,583	48,605	51,272
Share capital	107,005	107,005	118,760	118,760
Accumulated losses	(67,202)	(73,366)	(73,158)	(70,491)
Revaluation reserves	1,295	2,944	3,004	3,004
Total equity	41,098	36,583	48,605	51,272

Source: NZ Windfarms' annual and interim reports

Key points to consider when reviewing NZ Windfarms' balance sheet include:

- NZ Windfarms had cash on hand of \$1.6 million and investments of \$5.4 million as at 31 December 2024. Investments include short term deposits with a maturity of less than 3 months.
- Trade and other receivables increased significantly during FY24 as NZ Windfarms transferred \$2.9 million in development and consent costs, and \$0.4 million in assets to the joint venture (TRH LP).
- Property, plant and equipment (PPE) is the most significant asset, and it includes NZ Windfarms' generation assets. This is comprised of:



Table 6: Property, plant and equipment (\$ 000)

Asset category	Cost	Current Book value Dec-24	Measurement base
Land	5,254	5,254	Fair value
Roading	4,198	3,678	Fair value
Buildings	590	561	Fair value
Office equipment	510	7	Cost
Plant & Equipment	1,289	504	Cost
Motor vehicles	609	162	Cost
Foundations	4,448	1,457	Cost
Electrical	21,097	9,890	Cost
Wind turbines	77,565	15,519	Cost
Total	115,560	37,032	

Source: NZ Windfarms interim report

- With the exception of land, buildings and roading, assets are recorded at cost less depreciation. Land, buildings and roading are revalued to fair value. NZ Windfarms carries out impairment testing on an annual basis. This resulted in a \$7.8 million impairment being recognised in FY23 in the turbines and electrical asset categories. This was partially reversed by \$5.3 million in FY24.
- In FY23, a significant portion of intangible assets was Capital WIP; however, during FY24, \$3.3 million Capital WIP (largely consenting application costs) was transferred to the TRH LP. A summary of the current composition of intangible assets is shown in table 6.
- The Grid Connection intangible asset represents the right for NZ Windfarms to access the grid via a commercial agreement with Mercury using its substation. This agreement continues until FY31.

Table 7: Intangible assets (\$ 000)

	Cost	Current Book value Dec-24
Land use consent and wind rights	1,737	1,125
Grid connection (Mercury NZ)	5,522	974
Capital WIP	201	201
Total	7,460	2,300

Source: NZ Windfarms interim report

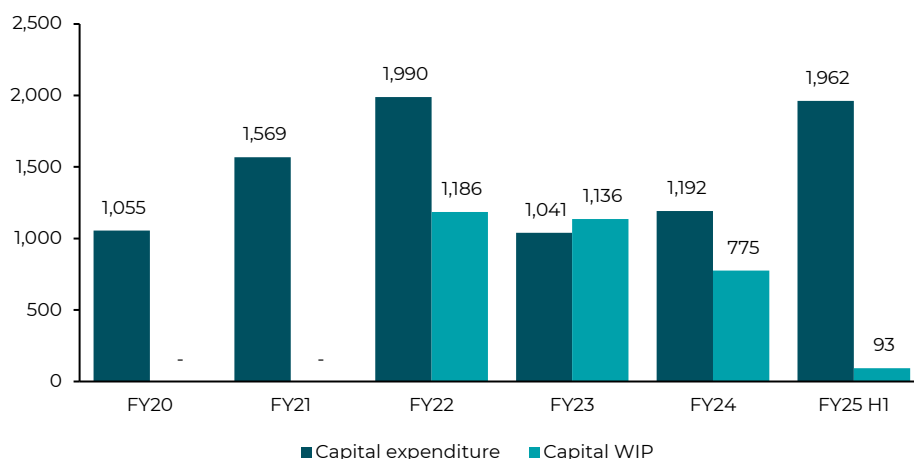
- Derivative financial instruments are used to manage financial risks associated with interest rates and electricity prices and volumes. These financial instruments are measured at fair value.
- As at 31 December 2024, NZ Windfarms had accumulated tax losses of \$13 million. These are potentially utilisable under new ownership provided the IRD business continuity requirements are met. The ability to utilise tax losses will depend on the probability and timing of future taxable income.
- Share capital increased by almost \$11.8 million in FY24 following the issue of new shares to Meridian and following the rights issue.



5.3 Capital expenditure

Figure 12 shows NZ Windfarms' capital expenditure between FY20 and H1 FY25. In general, except where there is capital WIP relating to a major repowering or development, capital expenditure is largely the replacement of component parts of the turbines.

Figure 12: Capital expenditure (\$ 000)

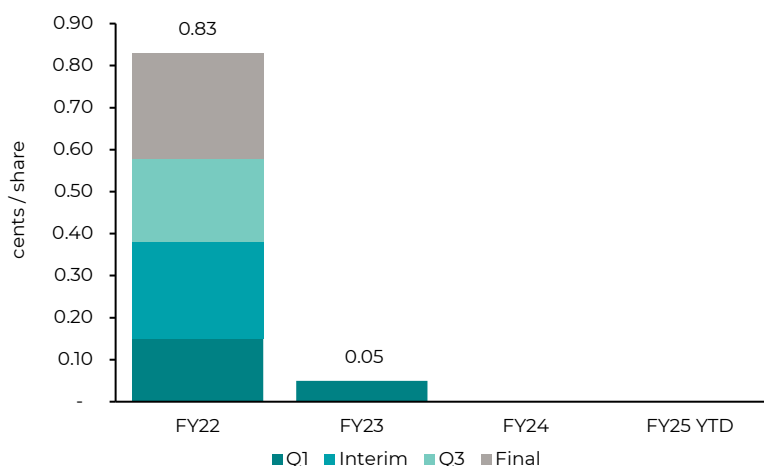


Source: NZ Windfarms annual reports

5.4 Dividends

Figure 13 shows NZ Windfarms' dividend payments between FY22 and H1 FY25.

Figure 13: Dividends (cents per share)



Source: NZ Windfarms annual and interim reports

NZ Windfarms declared total dividends of \$0.0083 per share (or 0.83 cents per share) in FY22 and \$0.0005 per share (or 0.05 cents per share) in FY23.

Dividends are currently paused as the Group assesses future capital requirements to transition from solely managing a single windfarm to developing a broader range of renewable energy projects.



6. Valuation

6.1 Valuation approach

Standard of value

We have estimated the 'fair market value' of NZ Windfarms. Fair market value is the price that would be negotiated in an open and unrestricted market between a knowledgeable, willing but not anxious buyer and a knowledgeable, willing but not anxious seller, both acting at arm's length.

Business interest being valued

Our valuation is based on the acquisition of the whole of NZ Windfarms and accordingly incorporates a premium for control.

All else being equal, a controlling interest in shares is typically more valuable than an interest without control. This is because a non-controlling interest has limited influence over important business decisions, such as declaring dividends and determining the investment strategy. Accordingly, the value we have assessed exceeds the level at which, under normal market conditions, we would generally expect shares in NZ Windfarms to trade on the share market.

Common valuation techniques

There are four valuation methodologies that are commonly used for valuing businesses:

- Discounted cash flow (DCF) analysis
- Capitalisation of earnings
- Estimate of proceeds from an orderly realisation of assets
- Industry rules of thumb.

Each of these methodologies is appropriate in different circumstances. A key factor in determining which methodology is appropriate is the actual practice commonly adopted by purchasers of the type of business involved. These valuation methodologies are explained in more detail at Appendix 3.

Valuation techniques to be employed

We have separately valued the various parts of NZ Windfarms and then aggregated the component parts to determine the value of the whole business. This is commonly referred to as a sum-of-the-parts valuation.

TRH LP

We have adopted the DCF methodology to estimate the fair market value of TRH LP (the repower and extension project). We consider this approach is appropriate because:

- The DCF methodology is suited to valuing businesses where current earnings are not representative of expected future earnings. The DCF methodology allows the variable nature of key factors such as future generation output and electricity prices to be specifically addressed.
- The DCF methodology requires long-term financial forecasts. NZ Windfarms has prepared long-term financial forecasts for the TRH repower and extension (**the Forecasts**). The Forecasts were prepared in December 2024 and represent NZ Windfarms' best estimate of the future financial performance of TRH LP. The Forecasts include projections of wholesale electricity prices that were sourced from independent third-party consultants.
- The DCF methodology is commonly used by participants in the electricity industry. One of the key reasons for this is that most fixed assets in the industry have a limited life, following which significant capital expenditure is required to renew assets. The DCF methodology is able to account for asset life and the age of assets.



Hau Nui

The fair market value of Hau Nui is based on the recent cost of acquiring the wind farm (in November 2024), as well as considering an uplift to the acquisition cost, based on the site representing additional value for NZ Windfarms, as a refurbishment or repowering opportunity. The site has a Class 1 wind resource and while the current plant is at or near end of life, it still represents an operating site that has some advantages over a greenfield site.

Development pipeline

We have valued NZ Windfarms' future development opportunities based on value estimates per MW. We consider 'value per MW' estimates are appropriate for early-stage development projects because:

- As the projects have not reached the stage where construction can begin, it is difficult to know the exact metrics on which they would proceed.
- The key elements of information known about the development projects are how progressed they are and the relative size of the projects. This means we can ascribe the projects a value, based on their relative size when measured in MW.
- When ascribing a value per MW to the development projects, we can take account of the likely time before the projects can begin construction, the costs that NZ Windfarms would need to incur to progress the projects, as well as the risks associated with the projects not proceeding.

Valuation date

We have adopted a valuation date of 31 December 2024 which is the date of the most recent balance sheet available at the time of this Report.

Our valuation was finalised on 15 April 2025. When preparing the valuation, we considered and factored in events that occurred up to this date. However, our valuation does not take into account unforeseen events that occur after 15 April 2025. Therefore, when deciding on whether to vote to approve or reject the Scheme, shareholders may want to also consider events that occur after 15 April 2025, such as movements in the prices of other listed generation companies, and changes to interest rates.



6.2 Valuation summary

We estimate the value of NZ Windfarms' equity at between \$0.190 and \$0.229 per share, as summarised in Table 8. Our assessed value range is below the offer price of \$0.25 per share.

Table 8: Valuation assessment (\$ millions, unless specified)

	Low	High
Value of NZ Windfarms' interest Te Rere Hau (repower project and remaining term of existing windfarm)		
Value of NZ Windfarms' equity interest in TRH LP	54.0	57.0
Reimbursement due to NZ Windfarms for pre-FID equipment	2.6	2.6
Reimbursement due to NZ Windfarms for project cost recovery	0.8	0.8
Costs not reflected in the JV cash flows	(3.1)	(3.1)
Existing TRH (Jan to Financial close, post-tax EBITDAF)	0.9	1.7
Existing TRH (Jan to Financial close, expected capex pre-FID)	(2.1)	(2.1)
Total TRH value	53.1	56.9
Other developments		
Hau Nui	3.5	5.5
Forecast development pipeline	5.3	13.5
Total other developments	8.7	19.0
Adjustments		
Less: Professional fees and employee incentive schemes	(1.7)	(1.7)
Add: cash balance as at 31 December 2024	6.9	6.9
Less: Derivative positions, after tax	(0.8)	(0.8)
Present value of tax effect of assessed losses	2.9	2.9
Total equity value	69.1	83.3
Total outstanding shares (million)	363.9	363.9
Per share value (\$)	0.190	0.229

We assess the equity value of NZ Windfarms at between \$69.1 million and \$83.3 million, the majority of which we ascribe to the value associated with the TRH repower and extension. Our assessment of the component parts of NZ Windfarms is described in more detail in the sections that follow.

Our valuation is for 100% of NZ Windfarms and therefore includes a premium for control. The value exceeds the price at which, based on current market conditions, we would expect NZ Windfarms' shares to trade in the absence of a takeover offer or transaction similar in nature to the Scheme.

We have also compared the TRH LP value to the value implied by the \$9.8 million underwrite price that Meridian is willing to pay NZ Windfarms for a 25% interest, should the Scheme not proceed. This implies a pre-funding value of around \$39 million (100%), of which NZ Windfarms holds 50%. NZ Windfarms would be required to fund in the region of a further \$50 million as a 50% shareholder. This implies a current value of around \$70 million for NZ Windfarms' interest in TRH LP. Using this as a data point for the value of TRH LP results in an equity value range of NZ Windfarms between \$0.234 and \$0.265 per share. The Meridian offer of \$0.25 is within this range.



6.3 TRH LP

We have valued NZ Windfarms' interest in TRH LP and the remaining life of the existing TRH Windfarm.

The joint venture and the Forecasts have two distinct phases; the development and construction phase, followed by the commercial operations phase which commences around February 2028. Given these distinct phases and risk associated with each, we have valued the interest in the joint venture as follows:

- **Calculate the enterprise value of the operating windfarm at 31 January 2028:** The enterprise value is determined as at 31 January 2028, when commercial operations are expected to commence. This value is based on the future expected cashflows from that point, discounted at a nominal post-tax weighted average cost of capital (WACC). The cashflow assumptions are described below.
- **Calculate the equity value of the operating windfarm at 31 January 2028:** The expected debt at 31 January 2028 is deducted from the enterprise value to calculate the equity value of the operating wind farm at that date. The expected debt is equivalent to 70% of the projected construction and development capital expenditure up to that point.
- **Calculate the equity value of the operating windfarm as at 31 December 2024:** The equity value of the operating wind farm at 31 January 2028 is discounted to the Valuation Date (31 December 2024) using a cost of equity which reflects the risk over the construction period. This is influenced by the high level of gearing over the construction period which, all else being equal increases the equity beta and cost of equity.
- **Calculate the present value of NZ Windfarms' equity contributions required to deliver the value of an operating windfarm:** The equity participants, including NZ Windfarms will be required to fund 30% of the development and construction capex to deliver an operating windfarm. NZ Windfarms will contribute around \$50 million in assets and goodwill. In a scenario where NZ Windfarms retains 50%, it will be required to contribute equity in addition to this amount.

Principal assumptions and valuation parameters

Forecast cash flows: The DCF valuation is based on the Forecasts, which were prepared by NZ Windfarms as part of the equity raise process with input from the JV project teams. The Forecasts were prepared in December 2024. The principal assumptions that underpin the Forecasts include:

- Cashflow projections commence on 1 July 2025, coinciding with FID.
- The development and construction phase continues for approximately 2.5 years to January 2028. During this period equity and debt are drawn down to fund the development and construction. 70% of the capital expenditure is funded by debt and the remaining 30% using equity.
- Commercial operations commence from 1 February 2028 and continue for 25 years to 31 January 2053. The 25 year period aligns with the design life of the turbines; however, these may be operated beyond this period.
- The Forecasts assume a 'P50' energy yield for the repowered TRH. This means that the expectation is there is a 50% probability in any given year that electricity production will be at least at the forecast level.
- Annual generation output is forecast to remain constant over the design life of the turbines once the windfarm is fully commissioned.
- The pricing received for electricity generated is based on wholesale market price forecasts prepared by Energy Link, as at October 2024. These include adjustments for intermittency and the nodal location. The prices are subject to a floor (15 years) and ceiling (10 years) with inflation indexing, in terms of the PPA with Meridian, but the forecast market prices are within these bounds so are not ultimately impacted in the Forecast. After the PPA ends (beyond 15 years), the output is assumed to be sold at forecast nominal market prices.



- Turbine operating and maintenance costs are based on the JV partners' market view, considering their recent projects and operational expertise. We understand these services will be provided to TRH LP through a service contract with the supplier of the turbines. The forecasts assume the turbine costs remain flat in real terms; however, we understand that the service contract cost typically steps up as the turbines age beyond their design life. We have considered the effect of increasing turbine operating and maintenance costs as a sensitivity.
- All costs are assumed to increase with inflation over the forecast period.
- Annual Consumer Price Index (CPI) inflation rates are based on the forecasts prepared by The Treasury. The most recent forecasts were prepared at 31 January 2025 and CPI ranges between 1.94% and 1.98% over the forecast period.¹¹
- The cost of the new turbines is currently being negotiated with suppliers. Our base case turbine cost assumption is based on the most recent negotiations.
- No further capital expenditure is required to sustain the repowered TRH windfarm post commissioning. The cost of replacement of all component parts is covered by the turbine services agreement with the chosen supplier.
- We have assumed a corporate tax rate of 28%.

Discount rate: We have estimated the nominal post-tax cost of equity and nominal post tax weighted average cost of capital (WACC) relevant to the construction and development phase and the commercial operations phase, respectively. Our discount rate assessment is detailed at Appendix 4. We have applied different rates to each year's cash flows, based on their timing. Our approach is equivalent to applying a single WACC discount rate of 7.68%.

Terminal value assumptions: Wind turbines have a typical design life of 25 years. At the end of the turbines' design life, the operator must decide whether to decommission the site, extend the asset's life or 'repower' the asset by incurring capital expenditure to replace the existing turbines and enhance site infrastructure (as is the case currently). The ultimate decision will depend on numerous factors and may vary for different sites.

For valuation purposes, we have assumed that the TRH wind farm, and extension, continues to generate electricity for five years beyond the end of its design life, and contributes positive net cash flows during this period. We have taken this approach rather than assess salvage value, potential decommissioning costs beyond this extension, or repowering at this point. As such, our base case valuation captures 30 years of cashflows.

Enterprise value

We have first assessed the enterprise value of the TRH LP, based on the above assumptions at the completion of the construction of the repowering project (once substantial capital expenditure has been incurred and the windfarm begins operations). We assess a 'base case' enterprise value of \$814 million at this point in time.

In addition to estimating the value of TRH LP using the above 'base case' assumptions, we have also considered the impacts on value of making the following standalone adjustments (keeping all else equal):

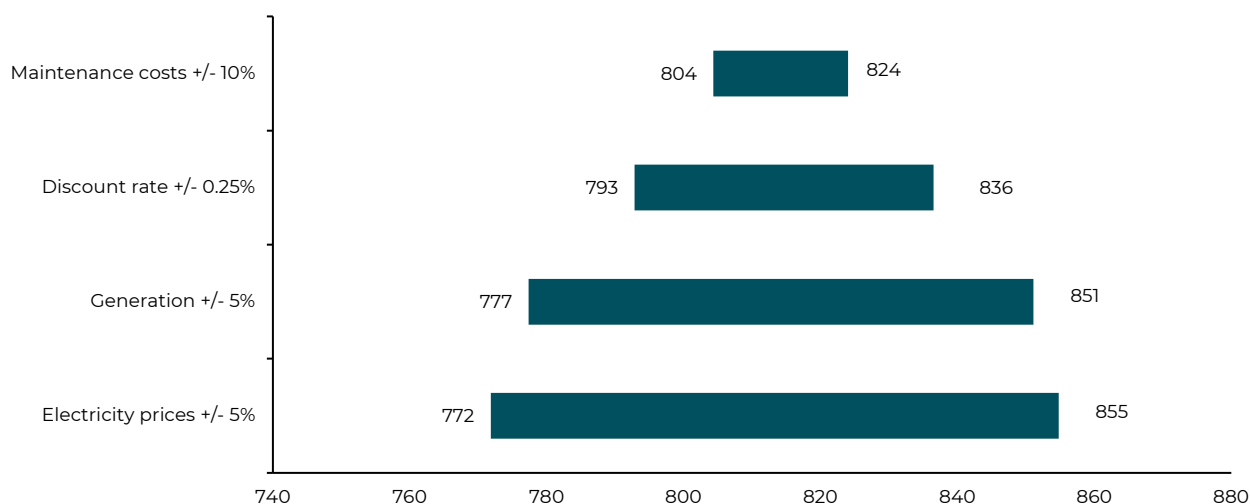
- **Generation +/- 5%:** We have considered the impact of electricity production being 5% higher or lower over the assumed 30 year generation period.
- **Electricity prices +/- 5%:** We have considered the impact of Forecast electricity prices being 5% higher or lower over the assumed 30 year generation period.

¹¹ <https://www.treasury.govt.nz/information-and-services/public-sector-leadership/guidance/reporting-financial/discount-rates/discount-rates-and-cpi-assumptions-accounting-valuation-purposes>



- **Maintenance costs +/- 10%:** We have considered the impact of TRH LP's maintenance expenditure being 10% higher or lower than the base case forecast in all future years.
- **Discount rate +/- 0.25%:** Our discount rate approach is equivalent to applying a single WACC discount rate of 7.68%. We have considered the impact of applying a single WACC discount rate that is lower or higher by 25 basis points.

Figure 14: Estimated enterprise value of the operating windfarm at completion (31 December 2024) (\$ million)



Selected range

We have selected an enterprise value range of between \$790 million and \$850 million for TRH LP, as at 31 January 2028, being the point in time when the construction of the repowering project is expected to be completed. This range considers the sensitivities set out above.

From the enterprise value range we deduct forecast net debt, to estimate equity value at that point in time. The net debt is forecast to be \$540 million, although this could be impacted by the final cost of the Project. We have therefore set the net debt to be between \$520 million and \$560 million, to reflect the current uncertainty associated with construction costs.

Using this approach, we estimate the value of 100% of the TRH LP equity at between \$270 million and \$290 million as at 31 January 2028. We then discount this equity value at a cost of equity of 14.8%, to determine a current equity value of between \$177 million and \$190 million, as shown in Table 9.

Table 9: Equity value of 100% of TRH LP (\$ millions)

	Low	High
Estimated enterprise value as at 31 January 2028	790.0	850.0
Net debt as at 31 January 2028	(520.0)	(560.0)
Equity value as at 31 January 2028	270.0	290.0
Cost of equity	14.79%	14.79%
Discount period (years)	3.08	3.08
Implied current equity value at 31 December 2024 (before taking account cost to acquire)	177.0	190.0

The above range is before taking account of the proportion NZ Windfarms will own, or the capital NZ Windfarms will need to invest (assets and cash), commensurate with its interest in TRH LP.



We have calculated the value of NZ Windfarm's equity interest in the joint venture considering two scenarios:

- **Scenario 1 (The Scheme does not proceed, and NZ Windfarms retains a 50% interest in TRH LP):** In this scenario NZ Windfarms will be required to provide its share of equity funding in excess of the \$50 million of initial assets to be transferred to the joint venture. In present value terms this additional contribution amounts to \$49.7 million. This scenario could occur in the event that the Scheme does not proceed, and the status quo remains.
- **Scenario 2 (The Scheme does not proceed, and NZ Windfarms retains a 25% interest in TRH LP):** In this scenario, NZ Windfarms will not be required to provide material funding in excess of the initial assets to be transferred. Further, it will receive a payment of \$9.8 million from Meridian in exchange for a 25% interest in the joint venture. This scenario would occur in the event that the Scheme does not proceed, and the Meridian underwrite offer as described in Section 2.1 is accepted.

Table 10 summarises our calculation of the value of the joint venture to NZ Windfarms under the two scenarios described, based on our estimated ranges for enterprise value and equity value.

Table 10: Value of the TRH LP joint venture arrangement to NZ Windfarms (\$ millions)

	Scenario 1 (50%)		Scenario 2 (25%)	
	Low	High	Low	High
Implied equity value at 31 December 2024	177.0	190.0	177.0	190.0
NZ Windfarms proportional interest in relevant scenario	50%	50%	25%	25%
NZ Windfarms' share of equity	88.5	95.0	44.3	47.5
Equity contribution required to fund development and construction				
Total expected equity contribution	211.5	211.5	211.5	211.5
Present value of NZ Windfarms' required contribution	98.7	98.7	49.4	49.4
Less: present value of asset transfers to the joint venture	(49.0)	(49.0)	(49.0)	(49.0)
Required additional funding by NZ Windfarms	49.7	49.7	0.4	0.4
NZ Windfarms' share of equity	88.5	95.0	44.3	47.5
Less: contribution required for development and construction	(49.7)	(49.7)	(0.4)	(0.4)
Add: Meridian proceeds from acquiring further 25% in Scenario 2	–	–	9.8	9.8
Equity value of NZ Windfarms' interest in the TRHLP	38.8	45.3	53.7	56.9
\$ per share	0.107	0.124	0.148	0.156

For the purposes of our valuation, we have assumed a value range for NZ Windfarms' interest in TRH LP of \$54 million to \$57 million based on the range derived under Scenario 2 in the table above.

Comparison to Meridian offer to acquire further interest if the Scheme fails

As a crosscheck to the value set out above, Meridian is willing to fund its share of the capital costs to acquire an interest in TRH LP and has also offered (as part of the SIA) to acquire a further 25% from NZ Windfarms for \$9.8 million, should the Scheme not proceed.

This implies a current (pre-funding) value of the TRH LP at around \$39 million, of which NZ Windfarms holds 50%. In addition, NZ Windfarms will make capital contributions of around \$50 million, that are not otherwise captured in our valuation.

On that basis, the offer by Meridian under the SIA underwrite implies a current value of just under \$70 million for NZ Windfarms interest in TRH LP (19.2 cents per NZ Windfarms share). We have also



considered the impact this would have on our assessed value range for NZ Windfarms when assessing the offer price of \$0.25 per share in Section 6.2.

Additional TRH value considerations

The following additional valuation considerations are included:

Reimbursement of NZ Windfarms' costs: This includes reimbursement for pre-FID equipment and reimbursement to NZ Windfarms for JV project cost, as agreed between the joint venture partners. These items have either been incurred or are expected to be incurred by NZ Windfarms prior to FID and will be reimbursed as an equity contribution at financial close.

The existing TRH windfarm and turbines: These will continue to operate until 1 July 2025 when the Project commences. We have considered the expected earnings relevant to operating the existing turbines over this period, adjusted for tax and additional forecast pre-FID capex (which will be reimbursed and included in the reimbursement costs).

Management and substation costs: An estimate of certain costs that will persist with the JV which are not captured in the cash flows and value assessment of TRH LP, but the benefits are. We have assessed that the annual ongoing cost (or incremental cost that an acquirer would assume in addition to their corporate cost base) is between \$0.3 million and \$0.4 million per annum for the economic life of the repowered windfarm.

6.4 Hau Nui windfarm

This includes the valuation of the Hau Nui windfarm, which is 100% owned by NZ Windfarms.

We have valued the Hau Nui windfarm by reference to the price paid to Genesis to acquire the windfarm in November 2024, as well as considering the potential development opportunities the site offers under NZ Windfarms' ownership. This includes an option to repower the site and further greenfield expansion. We have considered separate transaction multiples to value the potential to repower the site and the possible greenfield expansion. The transaction evidence we have considered is included in Appendix 6. We estimate a value for Hau Nui of between \$3.5 million and \$5.5 million.

6.5 Other development projects

NZ Windfarms has an agreement in principle with a development partner to explore two further windfarms.

The development opportunities are early stage, meaning the sites are being assessed and consents and wind rights are being sought, or are yet to be sought. Considering the transaction evidence in Appendix 6, we estimate a value of between \$5 million and \$13.5 million for the development pipeline.

We consider the multiples applied to the valuation of the future development opportunities reflect and include the expectation of future development costs that would be incurred between now and FID of the various projects.

6.6 Other adjustments relevant to the equity value of NZ Windfarms

Advisory fees and employee scheme: These are due regardless of whether or not the Scheme proceeds and would be incurred in the event of a 100% acquisition of NZ Windfarms.

Present value of the tax effect of assessed losses: This value reflects the utilisation of the accumulated tax losses over a period of time in the future and discounted to the present value.

NZ Windfarms' corporate and overhead costs: Our assessment is a fair market value assessment for a 100% shareholding in NZ Windfarms. This means we exclude those corporate costs that are already reflected in the value of the underlying assets and those that would not persist under a 100% ownership, where the natural acquirer is likely to be an energy operator, developer and/or retailer. This recognises the value of cost savings available to all market participants, but not buyer specific synergies. This reduces



corporate and overhead costs substantially below the level of cost NZ Windfarms will need to incur as a standalone listed entity, which means our assessment of value is unlikely to reflect the level at which NZ Windfarms shares would trade in a listed market, absent an offer like the Scheme.

6.7 Potential synergies

We have considered potential cost savings in our assessment of 'NZ Windfarms' corporate and operating costs' (section 6.6). We consider it may be likely that operational, strategic and financial synergies exist between Meridian and NZ Windfarms, in addition to the cost savings reflected in our analysis. These could be further cost or revenue opportunities. We have not been provided with sufficient information on buyer specific synergies and therefore have not made an assessment of the potential value that could be realised from synergies.



7. Merits of the Scheme

The Code requires the independent adviser to form an opinion as to the merits of the proposed transaction and, in doing so, to take into consideration issues wider than just a valuation.

The term 'merits' has no definition in either the Code or in any statute dealing with securities or commercial law in New Zealand. Although the Code does not prescribe a meaning of the term 'merits', the Panel has interpreted the word to include both positives and negatives in respect of a transaction. We have adopted that approach in preparing this Report.

7.1 NZ Windfarms' operations and development opportunities

Until recently, NZ Windfarms operated a single ageing asset. Its EBITDAF increased in FY24 due to favourable wind conditions (in comparison to FY23) as well as higher electricity prices. However, while prices have continued to increase in 1H25, poorer wind conditions at the TRH site means that the full year EBITDAF guidance has been revised downwards. Also impacting EBITDAF is increasing operating costs, in particular turbine costs, which continue to increase as the existing fleet ages.

Meridian and NZ Windfarms are already party to the 50-50 joint venture arrangement to repower the TRH windfarm, and for Meridian to purchase 100% of the generation output from that asset. This will provide NZ Windfarms with a degree of long term cash flow certainty due to the highly contracted nature of the PPA. This is in contrast to the existing TRH windfarm which is subject to predominantly short-term pricing and the risk of reduced availability as the turbine fleet ages without OEM support.

While the offtake agreement provides cash flow certainty once the windfarm is operational, the repowering requires a period of approximately 2.5 years of construction. During this time NZ Windfarms' only revenue will be from Hau Nui. The generation capacity of Hau Nui is approximately 12% of NZ Windfarms' current total capacity.

NZ Windfarms has a MOU with a significant development partner for the potential development of two wind farms, which combined could add a further 450 MW. However, these are at early stages of development, with uncertainty around the future timing and costs to complete.

7.2 Valuation of NZ Windfarms

We estimate the value of NZ Windfarms at between \$0.190 and \$0.229 per share, with a midpoint of \$0.210 per share.

Our valuation is for 100% of NZ Windfarms and therefore includes a premium for control. The value exceeds the price at which, based on current market conditions, we would expect NZ Windfarms' shares to trade in the absence of a takeover offer or transaction similar in nature to the Scheme.

Our assessment was finalised on 15 April 2025 and assumes a valuation date of 31 December 2024.

Assuming the Scheme is approved and implemented, shareholders will not receive consideration until an expected indicative settlement date in July 2025. Based on currently known and forecast events between 31 December 2024, we project a value range of between \$0.198 and \$0.239 per share as at the settlement date. This is based on our assessed range of \$0.190 and \$0.229 per share plus 4.3% to allow for a cost of equity return over 6 months. This estimate assumes no material unexpected events impact on NZ Windfarms between 15 April 2025 and July.

Our valuation of NZ Windfarms is set out in greater detail at Section 6 of this Report.

7.3 Proposed consideration

The proposed consideration is \$0.25 per share, payable in cash to all shareholders.

The proposed consideration represents a premium of 107% to the closing share price of \$0.121 on 18 February 2025, which was the last trading day before the SIA was announced.



The proposed consideration is above our assessed valuation range as at 31 December 2024, and our projected value range of \$0.198 and \$0.239 per share as at the settlement date.

The offer price may include synergies or other value accretive options available under Meridian ownership. For example, it may have access to different financing structures and options for funding the TRH Project, which could potentially lower the costs that will need to be incurred to fund construction.

7.4 Voting on the Scheme

For the Scheme to proceed, it is necessary that both of two voting thresholds are met, being:

1. At least 75% of the votes cast in each interest class (entitled to vote and voting) must be in favour of the Scheme.
2. More than 50% of the NZ Windfarms shares on issue must be voted in favour of the Scheme.

Meridian will vote in its own interest class and has entered into a deed poll to vote its entire shareholding in favour of the Scheme.

Meridian owns 19.99% of the NZ Windfarms shares on issue and will vote in favour of the Scheme.

Robert Stone, Salt Funds Management, Aspiring Asset Management, Michael Andrew Neil and Frederick Kilner Stone who together own 16.96% of NZ Windfarms, are supportive of the transaction and have entered into voting deeds to vote their shares in favour of the Scheme.

NZ Windfarms' directors unanimously recommend that shareholders vote in favour of the Scheme, in the absence of a 'Superior Proposal' as defined in the SIA. The Scheme will be put to shareholders vote irrespective of the concluded valuation of NZ Windfarms in this report.

7.5 Alternatives to the Scheme

NZ Windfarms' shareholders could choose to vote against the Scheme, either on the basis that they prefer to remain shareholders of NZ Windfarms or in the expectation that they might realise superior value through an alternative transaction in the future.

In addition, for the Scheme to be implemented, among other conditions it will require the approval of the High Court in accordance with the Companies Act, no prescribed occurrences and no Material Adverse Changes, as defined in Schedule One of the SIA, occurring and not being waived.

If shareholders do not approve the Scheme, or the Scheme does not proceed for other reasons, NZ Windfarms would remain a listed company with its shares quoted on the NZX Main Board. In the absence of any other factors, we consider there is a real prospect that NZ Windfarms' share price could recede from current levels.

If the Scheme is not implemented and the TRH LP project proceeds, NZ Windfarms has the right to require Meridian to buy half of NZ Windfarms' 50% equity interest in the JV for \$9.8 million. If NZ Windfarms exercises this right, it would retain a non-controlling 25% equity interest in the TRH repower project. Alternatively, NZ Windfarms could raise additional equity capital to fund its further equity contribution to TRH LP, which would allow it to retain its current 50% equity interest in the TRH repower project. However, this will dilute the existing shareholders. In either case, its main operating asset will be at least partially held by Meridian.

NZ Windfarms will also experience a period of substantially reduced earnings while the Project is being constructed.

The long-term consequences of a decision to reject the Scheme are less clear. It is possible that NZ Windfarms' shareholders may be able to realise greater value through an alternative transaction in the future. However, it would be presumptive to assume an alternative transaction would eventuate.



No competing proposal has emerged since NZ Windfarms' announcement, on 19 February 2025, that it entered the SIA. However, there is nothing to prevent another party from announcing its interest in acquiring NZ Windfarms at some time before a special meeting of shareholders is held to vote on the Scheme. An alternative acquirer could also purchase a blocking interest in NZ Windfarms on market, potentially at prices above the proposed consideration of the Scheme. However, we consider there are practical limitations to this given Meridian's existing shareholding and Robert Stone, Salt Funds Management, Aspiring Asset Management, Michael Andrew Neil and Frederick Kilner Stone's voting commitments. In the absence of such an offer, NZ Windfarms' shareholders could have some confidence that there are no superior alternative transactions involving a currently unknown third party, in the near term at least.

We also note that if a competing proposal emerges, Meridian has a right to match the competing proposal.

If the Scheme is successful, shareholders that wish to maintain an exposure to NZ Windfarms' assets, or the wider electricity industry, would be able to invest the proceeds into the shares of Meridian or other listed companies in the sector.

7.6 Likelihood of an increase to the proposed consideration

Unless a Superior Proposal is forthcoming, we consider it unlikely that Meridian will increase the proposed consideration being offered, in circumstances where:

- NZ Windfarms' directors unanimously recommend that shareholders vote in favour of the Scheme.
- The proposed consideration sits above our assessed valuation range.
- Robert Stone, Salt Funds Management, Aspiring Asset Management, Michael Andrew Neil and Frederick Kilner Stone who together own 16.96% of NZ Windfarms, are supportive of the transaction and have entered into voting deeds to vote their shares in favour of the Scheme.

Meridian may increase the proposed consideration if it thought the Scheme were otherwise likely to be rejected, although there is no assurance that this would happen.

As the shareholder vote approaches, there will be more certainty as to whether a competing proposal is likely to emerge.



Appendix 1: Sources of information

Documents relied upon

Key information sources we have used and relied on, without independent verification, in preparing this Report include the following:

- The Scheme of Implementation Agreement for the acquisition of NZ Windfarms
- NZ Windfarms annual reports
- NZ Windfarms interim reports
- NZ Windfarms investor presentations
- NZ Windfarms asset impairment model
- NZ Windfarms Limited NZX announcements
- The Project forecast model.
- Hau Nui forecast model
- Motorimu Memorandum of Understanding
- The Electricity Authority, Te Mana Hiko. (<https://www.ea.govt.nz/>)
- The energy efficiency and conservation authority, Te Tari Tiaki Pungao (<https://www.eeca.govt.nz/>)
- Energy Link
- Ministry of Business, Innovation and Employment
- IBIS World. Geothermal, Wind and other electricity generation in New Zealand.
- The Boston Consulting Group, 'The future is electric. A decarbonisation roadmap for New Zealand's electricity sector, October 2022.'
- Reserve Bank of New Zealand
- New Zealand Treasury
- S&P Capital IQ
- Other publicly available information

Reliance upon information

In forming our opinion, we have relied upon and assumed, without independent verification, the accuracy and completeness of all information that was available from public sources and all information that was furnished to us by NZ Windfarms and its advisers. We have no reason to believe any material facts have been withheld.

We have evaluated that information through analysis, enquiry and examination for the purposes of forming our opinion, but we have not verified the accuracy or completeness of any such information. We have not carried out any form of due diligence or audit on the accounting or other records of NZ Windfarms. We do not warrant that our enquiries would reveal any matter that an audit, due diligence review or extensive examination might disclose.



Appendix 2: Qualifications and declarations

Qualifications

Calibre Partners is an independent New Zealand Chartered Accounting practice. The firm has established its reputation nationally through the provision of professional financial consultancy services with a corporate advisory and insolvency emphasis, and because we have no audit or tax divisions, we avoid potential conflicts of interest that may otherwise arise. This allows Calibre Partners to regularly act as an independent adviser and prepare independent reports.

The persons responsible for preparing and issuing this Report are Grant Graham (BCom, CA), Shaun Hayward (BCom, BProp, CFA) and Gillian Andrews (BCom, CA, CFA). All have significant experience in providing corporate finance advice on mergers, acquisitions and divestments, advising on the value of shares and undertaking financial investigations.

Disclaimers

This Report should not be used or relied upon for any purpose other than as an expression of Calibre Partners' opinion as to merits of the proposed transaction. Calibre Partners expressly disclaims any liability to any NZ Windfarms securityholder that relies, or purports to rely, on this Report for any other purpose and to any other party who relies, or purports to rely, on the Report for any purpose.

This Report has been prepared by Calibre Partners with care and diligence, and the statements and opinions given by Calibre Partners in this Report are given in good faith and in the belief, on reasonable grounds, that such statements and opinions are correct and not misleading. However, no responsibility is accepted by Calibre Partners or any of its officers or employees for errors or omissions however arising (including as a result of negligence) in the preparation of the Report, provided that this shall not absolve Calibre Partners from liability arising from an opinion expressed recklessly or in bad faith.

Indemnity

NZ Windfarms has agreed that, to the extent permitted by law, it will indemnify Calibre Partners and its partners, employees and officers in respect of any liability suffered or incurred as a result of, or in connection with, the preparation of the Report. This indemnity does not apply in respect of any negligence, misconduct or breach of law. NZ Windfarms has also agreed to indemnify Calibre Partners and its partners, employees and officers for time incurred and any costs in relation to any inquiry or proceeding initiated by any person, except where Calibre Partners or its partners, employees and officers are guilty of negligence, misconduct or breach of law, in which case Calibre Partners shall reimburse such costs.

Independence

Calibre Partners and the persons responsible for the preparation of this Report do not have at the date of this Report, and have not had, any shareholding in, or other relationship, or conflict of interest with NZ Windfarms that could affect their ability to provide an unbiased opinion in relation to this transaction. Calibre Partners will receive a fee for the preparation of this Report. This fee is not contingent on the success or implementation of the proposed transaction or any transaction complementary to it. Calibre Partners and the persons responsible for the preparation of this Report have no direct or indirect pecuniary interest or other interest in this transaction. We note for completeness that a draft of this Report was provided to NZ Windfarms and its advisers, solely for the purpose of verifying the factual matters contained in this Report. While minor changes were made to the drafting, no material alteration to any part of the substance of this Report, including the methodology or conclusions, were made as a result of issuing the draft.

Consent

Calibre Partners consents to the issuing of the Report, in the form and context in which it is included, in the information to be sent to NZ Windfarms' shareholders. Neither the whole nor any part of the Report, nor any reference thereto, may be included in any other document without the prior written consent of Calibre Partners as to the form and context in which it appears.



Appendix 3: Valuation methodologies

There are four methodologies commonly used for valuing businesses:

1. Discounted cash flow (DCF) analysis
2. Capitalisation of earnings
3. Estimate of proceeds from an orderly realisation of assets
4. Industry rules of thumb.

Each of these valuation methodologies is appropriate in different circumstances. A key factor in determining which methodology is appropriate is the actual practice commonly adopted by purchasers of the type of business involved.

Discounted cash flow

It is a fundamental principle that the value of an asset or business is represented by its expected future cash flows, discounted to present value at a rate that reflects the risks inherent in those cash flows. This approach, referred to as the DCF methodology, is particularly suited to situations where a business is in a growth phase or requires significant additional investment to achieve its projected earnings.

The DCF methodology requires considerable judgement in estimating future cash flows and the valuer generally places significant reliance on medium to long-term projections prepared by management. The DCF valuation methodology can also be very sensitive to changes in underlying assumptions. Notwithstanding these limitations, DCF valuations are appropriate where current earnings are not representative of reasonable expectations of future earnings.

Capitalisation of earnings

The capitalisation of earnings methodology requires an assessment of the maintainable earnings of the business and the selection of an appropriate capitalisation rate, or earnings multiple. This methodology is most appropriate where there is a long history of relatively stable returns and capital expenditure requirements are neither large nor irregular. In practice, it is often difficult to obtain accurate forecasts of future cash flows and therefore the capitalisation of earnings methodology is often used as a surrogate for the DCF methodology.

Realisation of assets

The realisation of assets approach is based on an estimate of the proceeds from an orderly sale of assets. This methodology is more commonly applied to businesses that are not going concerns. The valuation result reflects liquidation values and typically attributes no value to any goodwill associated with ongoing trading.

Industry rules of thumb

In some industries, businesses are valued using well established 'rules of thumb'. Generally, these rules of thumb are used as a cross-check for other valuation methodologies.



Appendix 4: Discount rates

We have determined the discount rates that we apply to TRH LP (during the construction phase and the operating phase) and NZ Windfarms based on an assessment of its post-tax, nominal weighted average cost of capital (WACC).

We have assessed and applied different discount rates for TRH LP and NZ Windfarms, based on the different levels of gearing at the entity level.

We have also applied different discount rates to each year's cash flows, based on their timing.

It is a commonly accepted practice to determine WACC using the following formula:

$$WACC = R_d(1 - T_c)\frac{D}{D + E} + R_e\frac{E}{D + E}$$

Where:

E = the market value of equity capital

D = the market value of debt capital

R_d = the required rate of return on debt capital (cost of debt)

R_e = the required rate of return on equity capital (cost of equity)

T_c = the statutory corporate tax rate

Leverage

When estimating TRH LP's cost of capital, we have assumed leverage of 70% during the construction phase, consistent with the level assumed for financing the Project.

For TRH LP's operating phase and NZ Windfarms we have assumed a gearing ratio of 20% to 30%.

For NZ Windfarms we have also assumed a target gearing ratio of 20% to 30% which is higher than NZ Windfarms' actual gearing ratio (which is 0%).

For completeness, an assessment of WACC is generally not significantly affected by leverage.

Cost of debt

For TRH LP we have assumed a credit margin of 175 basis points above the risk free rate over the construction phase and 100 basis points above the risk free rate during the operating phase. For NZ Windfarms we have assumed a credit margin of 100 basis points above the risk free rate.



Cost of equity

The Capital Asset Pricing Model (**CAPM**) is typically used to determine a cost of equity.

It is common practice in New Zealand to use a version of CAPM that has been modified to recognise the New Zealand tax regime, and its favourable tax treatment of equity returns. The specification most commonly adopted is the Simplified Brennan-Lally CAPM. This model is applicable to post-corporate tax, but pre-investor tax cash flows. It uses the following formula:

$$R_e = R_f(1 - T_i) + \beta_e[R_m - R_f(1 - T_i)] + SCRP$$

Where:

T_i = investors' effective tax rate on interest, dividends and capital gains

R_f = the risk-free rate of return

β_e = the equity beta for the entity being valued

R_m = the expected return on the market portfolio

SCRP = Specific company risk premium

The terms [$R_m - R_f(1 - T_i)$] are generally grouped into a single tax-adjusted market risk premium (**TAMRP**).

Investors' effective tax rate (T_i)

For the purpose of the New Zealand cost of equity, we have adopted an effective investors' tax rate on interest, dividends and capital gains of 28%. This is the rate commonly used by valuers in New Zealand.

Risk-free rate (R_f)

NZ Windfarms has provided us with cash-flow projections for 30 years that covers the estimated life of TRH LP.

We have assessed and applied different discount rates to the cash flows that occur in each year of the Forecasts, based on the timing of those cash flows. The key difference between the discount rates we have determined for each period is the risk-free rate adopted, and the equity beta discussed in the next section (summarised in Table 4.2).

For TRH LP, we have adopted the risk-free interest rates specified by the New Zealand Treasury for use by government entities for certain accounting valuation purposes.¹² These risk-free interest rates are measured as at 31 January 2025 and were determined with reference to the overnight cash rate, Treasury bills, government bond yields and long-term expectations.

We have calculated a single point estimate WACC for NZ Windfarms, adopting a risk-free rate of 4.53% based on the yield on long-term government bonds as summarised in Table 4.3.

Equity beta (β_e)

An equity beta is a measure of an investment's volatility. The beta of the market portfolio is 1.0. A beta above 1.0 indicates that an investment is more volatile than the market and has higher systematic (market-related) risk. A beta below 1.0 indicates that an investment has a lower level of systematic risk. An equity beta factors in the leveraging effect of debt in a company's capital structure.

To determine an asset beta for TRH LP, we have considered the asset betas of comparable listed companies in the electricity industry. Table 4.1 summarises our analysis.

¹² <https://treasury.govt.nz/information-and-services/state-sector-leadership/guidance/reporting-financial/discount-rates/discount-rates-and-cpi-assumptions-accounting-valuation-purposes>



Table 4.1: Asset betas

Company	Country	Activity	Primary generation	Gearing	Asset beta 2-year- weekly	Asset beta 5-year- monthly
Meridian Energy	NZ	Gentailer	Hydro/Wind	10%	1.18	1.12
Mercury	NZ	Gentailer	Hydro/Geothermal	22%	1.04	0.84
Contact Energy	NZ	Gentailer	Hydro/Geothermal	22%	0.70	0.68
Genesis Energy	NZ	Gentailer	Thermal/Hydro	38%	0.45	0.70
Northland Power	Canada	Generator	Wind	62%	0.31	0.19
Innergex	Canada	Generator	Hydro/Wind	81%	0.21	0.07
Boralex	Canada	Generator	Wind	59%	0.31	0.16
Min					0.31	0.16
Max					1.18	1.12
Median					0.57	0.69

Source: S&P Capital IQ, company announcements and financial statements and Calibre Partners analysis

We adopt an asset beta of 0.50 for the purpose of valuing TRH LP and 0.50 – 0.60 for NZ Windfarms.

The Brennan-Lally CAPM applies the following formula:

$$\beta_e = \beta_a[1 + D/E]$$

We estimate an equity beta range of 0.63 to 0.71 for our TRH LP discount rate when operating as a windfarm (year 4 onwards) and a higher equity beta of 1.67 during the construction period (years 1 to 3). An equity beta of 0.71 to 0.75 is calculated for NZ Windfarms' existing operations. This has been calculated using the above formula by inputting our estimates of asset beta and leverage.

Market risk premium

A market risk premium is the excess expected return on the market portfolio of risky equity assets (share market returns) over the return on risk-free assets (government bond returns).

A TAMRP is used in the Brennan-Lally CAPM, which is the market risk premium adjusted for tax considerations. We have determined an appropriate TAMRP of 7.25% after considering:

- Valuation professionals typically use a TAMRP between 7.0% and 8.0% when valuing New Zealand companies. We consider a rate that is above the low end of this typical range is appropriate in the current economic environment.
- The New Zealand Treasury's guidance on discount rates suggests a market risk premium of around 7.5% is appropriate.
- The Commerce Commission suggests a TAMRP of 7.0% in its recent cost of capital input methodologies papers.

Specific company risk premium (SCRp)

We have not included an extra risk premium in our assessed discount rates.



Discount rate adopted

The discount rates adopted in our DCF valuations of TRH and NZ Windfarms is summarised at key dates in Table 4.2.

Table 4.2: Discount rates | TRH LP

Cash flow year	Forward risk-free rates adopted	Equity beta (midpoint)	TAMRP	Cost of equity (mid-point)	Leverage (mid-point)	Post-tax cost of debt	WACC (midpoint)
Year 1	3.73%	1.67	7.25%	14.77%	70.0%	3.95%	7.19%
Year 2	3.66%	1.67	7.25%	14.72%	70.0%	3.90%	7.14%
Year 3	3.76%	1.67	7.25%	14.79%	70.0%	3.97%	7.21%
Year 4	4.33%	0.67	7.25%	7.97%	25.0%	3.84%	6.92%
Year 5	4.66%	0.67	7.25%	8.21%	25.0%	4.08%	7.16%
Year 10	5.70%	0.67	7.25%	8.96%	25.0%	4.82%	7.91%
Year 15	5.78%	0.67	7.25%	9.02%	25.0%	4.88%	7.97%
Year 20	5.78%	0.67	7.25%	9.02%	25.0%	4.88%	7.97%
Year 25	5.78%	0.67	7.25%	9.02%	25.0%	4.88%	7.97%
Year 30	5.73%	0.67	7.25%	8.98%	25.0%	4.85%	7.93%

Source: New Zealand Treasury and Calibre Partners analysis

Table 4.3: Discount rate | NZ Windfarms

Forward risk-free rates adopted	Equity beta (midpoint)	TAMRP	Cost of equity (mid-point)	Leverage (mid-point)	Post-tax cost of debt	WACC (midpoint)
4.53%	0.73	7.25%	8.57%	25%	3.98%	7.54%

Source: RBNZ and Calibre Partners analysis



Appendix 5: Comparable listed companies

Descriptions of the comparable companies follow the table

Meridian Energy

Meridian Energy is a generator and retailer of electricity and gas in New Zealand and Australia. It generates electricity from hydroelectric power stations and wind farms located in these countries, and from a solar farm in the Pacific Islands. Meridian Energy sells its electricity to residential, business and industrial customers under the Meridian and Powershop brands.

Mercury

Mercury is a generator and retailer of electricity in New Zealand. It operates nine hydroelectric power stations on the Waikato River, five operating wind farms and five geothermal generation stations in the central North Island. Mercury sells electricity to residential, commercial, industrial and spot market customers under the GLOBUG and Mercury brands.

Contact Energy

Contact Energy is a generator and retailer of electricity and natural gas in New Zealand. It produces and sells electricity to commercial and industrial customers, and also sells electricity, natural gas, broadband and other products and services to retail customers. Contact Energy operates two hydroelectric power stations, six geothermal power stations and two thermal power stations.

Genesis Energy

Genesis Energy is a generator and retailer of electricity in New Zealand and also owns a 46% interest in the Kupe oil and gas field that lies in the offshore Taranaki basin. Genesis Energy produces electricity from thermal, hydroelectric and wind sources. It sells its electricity to residential, business and industrial customers under the Genesis Energy and Energy Online brands.

Northland Power

Northland Power is a renewable electricity generator with assets located across North America, Europe, Latin America and Asia. It currently has 3.2 GW of installed capacity, comprising a mix of wind assets (69%), natural gas assets (25%) and solar assets (6%).

Innergex

Innergex is a renewable energy producer with operations in Canada, the United States, France and Chile. It owns, develops and operates hydroelectric power stations, wind and solar farms, and energy storage facilities. Innergex currently owns and more than 90 generation facilities with a total capacity of 4,663 MW.

Boralex

Boralex is a developer and manager of renewable energy assets across Canada, France, and the United States. As of December 31, 2024, the company operated 103 wind farms; 13 solar energy facilities; 15 hydroelectric power stations; and 2 storage units with an installed capacity of 1,819 megawatts (MW) in North America; 1,085 MW in Canada; 734 MW in the United States; and 1,343 MW in Europe.



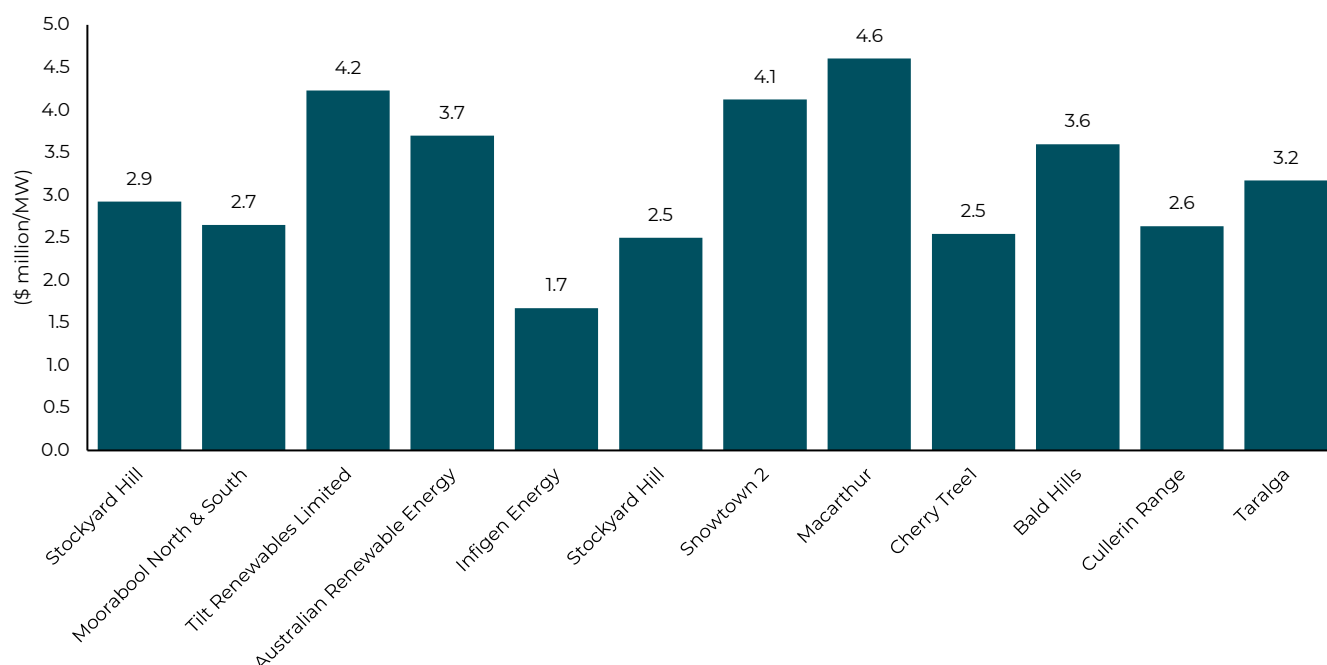
Appendix 6: Comparable transactions

Table 6.1: Operating wind farm transactions

Date	Target	Acquirer	% Acquired	Implied EV (\$ million)	Capacity (MW)	Implied Price (\$ million per MW)
Dec-22	Stockyard Hill	Palisade Investment Partners	49	1,543	528	2.9
Sep-22	Moorabool North & South	Nebras Power	49	827	312	2.7
Mar-21	Tilt Renewables Limited	Powering Australian Renewables	100	3,414	807	4.2
Oct-20	Australian Renewable Energy	Infrastructure Capital Group	75	440	119	3.7
Jun-20	Infigen Energy	Iberdrola	100	1,552	928	1.7
Jan-20	Stockyard Hill	Nebras Power	49	1,317	527	2.5
Dec-19	Snowtown 2	Palisade Investment Partners / First State Super	100	1,114	270	4.1
Oct-19	Macarthur	AMP Capital	50	1,934	420	4.6
Dec-18	Cherry Tree ¹	John Laing Group PLC	100	145	57	2.5
Feb-17	Bald Hills	Infrastructure Capital Group	100	385	107	3.6
Jun-16	Cullerin Range	DUET Group	100	79	30	2.6
Mar-16	Taralga	State Power Investment Corp.	100	339	107	3.2
Median						3.0

Source: S&P Capital IQ, company announcements and financial statements and Calibre Partners analysis

Figure 6.1: Operating wind farm transactions



Source: S&P Capital IQ, company announcements and financial statements and Calibre Partners analysis

Notes: 1. The enterprise value of Cherry Tree has been adjusted to assume the capital expenditure required to complete construction of the wind farm had been incurred.



Table 6.2: Pre-construction wind farm transactions

Date	Target	Acquirer	% Acquired	Implied EV (\$ million)	Capacity (MW)	Implied Price (\$ million per MW)
Apr-24	Yanco Delta	Origin Energy	100	330	1,500	0.22
May-23	Spark Renewables ¹	Tenaga Nasional	100	170	3,665	0.05
Dec-22	CWP renewables ¹	Squadron	100	1096	20,000	0.05
Dec-21	Epuron ¹	Ark Energy	100	321	9,000	0.04
Mar-21	Tilt renewables - development pipeline	Mercury and PowAR	100	44	1,870	0.02
Mar-21	Tilt renewables - Mid-stage	P Mercury and PowAR	100	63	450	0.14
Dec-18	Cherry Tree	John Laing Group PLC	100	8	57	0.14
May-17	Stockyard Hill	Goldwind	100	120	527	0.23
Jun-16	Mt Emerald	RATCH	100	22	181	0.12
Median						0.12

Source: S&P Capital IQ, company announcements and financial statements and Calibre Partners analysis

Note 1: EV and Implied price are estimated based on contribution of value to purchase price of development projects

Early-stage development projects



Appendix 7: Glossary of key terms

Term	Definition
CAPM	Capital Asset Pricing Model
Code	New Zealand Takeovers Code
Companies Act	Companies Act 1993
CPI	Consumer Price Index
DCF	Discounted cash flow
EBITDA	Earnings before interest, tax, depreciation and amortisation
EBITDAF	Earnings before interest, tax, depreciation, amortisation and fair value movements
EOI	Expression of interest
FID	Final Investment Decision
Forecasts	Long-term financial forecasts for TRH LP
FY	Financial year ended 30 June
GW	Gigawatts
GWh	Gigawatt hours
High Court	High Court of New Zealand
IFRS	International Financial Reporting Standard
JV	Te Rere Hau Limited Partnership
MBIE	Ministry of Business, Innovation and Employment
Meridian	Meridian Energy Limited
MoU	Memorandum of Understanding
MW	Megawatts
MWh	Megawatt hours
NEM	National Electricity Market
\$	New Zealand Dollars, unless specified otherwise
NZX	New Zealand Stock Exchange or NZX Limited
OEM	Original equipment manufacturer
O&M	Operating and maintenance
Panel	New Zealand Takeovers Panel
PPA	Power purchase agreement
PPE	Property, plant and equipment
Project	The project to repower and expand the TRH wind farm
Report	Independent Adviser's Report, in relation to the proposed scheme of arrangement
REC	Renewable energy certificate
Scheme	Proposed scheme of arrangement between NZ Windfarms and Meridian
SIA	Scheme Implementation Agreement to affect the sale of all shares in NZ Windfarms
TAMRP	Tax-adjusted market risk premium
TRH	Te Rere Hau
TRH LP	Te Rere Hau Limited Partnership
JV	Joint venture agreement between NZ Windfarms and Meridian
VVFPA	Variable Volume Fixed Price Agreement
WACC	Weighted average cost of capital

Annexure B:

Scheme Plan

PARTIES

NZ Windfarms Limited

("Company")

Meridian Energy Limited

("Meridian")

Each person (other than Meridian) who is registered in the Register as the holder of one or more Scheme Shares as at the Record Date (together the "**Scheme Shareholders**")

1. DEFINITIONS AND INTERPRETATION

1.1. **Definitions:** In this Scheme Plan, unless the context otherwise requires:

"**Conditions**" means:

- (a) the conditions precedent set out in the first column of the table in clause 3.1 of the Scheme Implementation Agreement; and
- (b) such other conditions made or required by the Court under section 236(1) or section 237(1) of the Companies Act and approved in writing by the Company and Meridian in accordance with clause 3.2 of the Scheme Implementation Agreement.

"**Deed Poll**" means the Deed Poll entered into by Meridian in favour of the Scheme Shareholders dated 8 May 2025.

"**MUFG**" means MUFG Pension & Market Services (NZ) Limited.

"**Registered Address**" means, in relation to a Shareholder, the address shown in the Register as at the Record Date.

"**Scheme**" means this scheme of arrangement, subject to any alterations or conditions made or required by the Court under Part 15 of the Companies Act and approved by the Company and Meridian in writing.

"**Trust Account**" has the meaning given in clause 3.1 of this Scheme Plan.

"**Unconditional**" means all of the Conditions having been satisfied or, if capable of waiver in accordance with the Scheme Implementation Agreement, waived.

1.2. **Interpretation:** In this Scheme Plan, unless the context otherwise requires:

- (a) headings are to be ignored in construing this document;
- (b) the singular includes the plural and vice versa;
- (c) a reference to a statute or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them (whether before or after this date of this agreement);
- (d) reference to any document includes reference to that document (and, where applicable, any of its provisions) as amended, novated, supplemented, or replaced from time to time;
- (e) reference to a party, person or entity includes:
 - (i) an individual, partnership, firm, company, body corporate, corporation, association, trust, estate, state, government or any agency thereof, municipal or local authority and any other entity, whether incorporated or not (in each case whether or not having a separate legal personality); and
 - (ii) an employee, sub-contractor, agent, successor, assign, executor, administrator and other representative of such party, person or entity;

- (f) “**written**” and “**in writing**” include any means of reproducing words, figures or symbols in a tangible and visible form;
 - (g) the words “including” or “includes” do not imply any limitation;
 - (h) a reference to any time is a reference to that time in New Zealand; and
 - (i) references to money are to New Zealand dollars.
- 1.3. **Business Day:** Where the day on, or by which, any thing is to be done is not a Business Day, that thing must be done on or by the next Business Day, unless otherwise indicated.
- 1.4. **No contra proferentem:** No term or condition of this Scheme Plan will be construed adversely to a party solely because that party was responsible for the preparation of this Scheme Plan or a provision of it.
- 1.5. **Defined terms:** Capitalised terms which are used but not otherwise defined in this Scheme Plan have the meanings given to them in the Scheme Implementation Agreement.

2. CONDITIONS

The implementation of the Scheme is conditional in all respects on:

- (a) all of the Conditions having been satisfied or waived in accordance with the terms of the Scheme Implementation Agreement by:
 - (i) the End Date, in the case of any Condition in clauses 3.1(a) to 3.1(c); and
 - (ii) 8:00am on the Implementation Date, in the case of any Condition in clauses 3.1(d) to 3.1(f);
- (b) such other Conditions made or required by the Court under section 236(1) and 237(1) of the Companies Act and agreed to in writing by the Company and Meridian having been satisfied or, if capable of waiver, waived before 8:00am on the Implementation Date; and
- (c) neither the Scheme Implementation Agreement nor the Deed Poll having been terminated in accordance with its terms before 8:00am on the Implementation Date.

3. CONSIDERATION INTO TRUST ACCOUNT

- 3.1. **Obligation to pay Consideration into Trust Account:** Subject to:

- (a) the Scheme Implementation Agreement not having been terminated; and
- (b) the Scheme having become Unconditional (except for the Conditions set out in clauses 3.1(e) and 3.1(f) of the Scheme Implementation Agreement),

Meridian must, by no later than 5:00pm on the Business Day before the Implementation Date, deposit (or procure the deposit of) in immediately available cleared funds an amount equal to the aggregate amount of the Consideration payable to Scheme Shareholders in a New Zealand dollar denominated trust account operated by MUFG and notified by MUFG to Meridian no later than 5:00pm on the Business Day falling 10 Business Days before the Implementation Date (that account being, the “Trust Account”) to be held and dealt with by MUFG in accordance with this Scheme Plan.

- 3.2. **Details of Trust Account:**

- (a) Subject to clauses 3.2(b), 5.4, 5.5 and 5.6, the Trust Account will be held and operated by MUFG on the basis that the funds are held on trust for Meridian and to its order, such that only Meridian may direct how the funds will be paid from the Trust Account.
- (b) Clause 3.2(a) is subject to a standing written direction from Meridian to the Company and MUFG to make payment of the Scheme Consideration to the Scheme Shareholders upon transfer of the Scheme Shares to Meridian under clause 4(d).

- (c) The details of the Trust Account will be provided to Meridian by (or on behalf of) MUFG not less than [10] Business Days before the Implementation Date.
- 3.3. **Interest:** Any interest earned on the amount deposited in the Trust Account will be payable to Meridian by MUFG as directed by Meridian in writing (less bank fees and other third party charges relating to the account).
- 3.4. **Scheme not implemented:** Should the implementation of the Scheme not occur by 5:00pm on the Implementation Date for any reason or the Scheme becomes void under clause 7.5, MUFG will immediately repay all amounts in the Trust Account, less any bank fees or other third party costs or withholdings or deductions required by law, to Meridian in accordance with Meridian's written instructions to MUFG.

4. IMPLEMENTATION SEQUENCE

Implementation: Subject to:

- (a) any amendments or variations as may be required by the Court;
- (b) Meridian and the Company providing MUFG with written notice that the Scheme is Unconditional after 8:00am and prior to 9:00am on the Implementation Date; and
- (c) the Consideration having been deposited into the Trust Account in accordance with clause 3.1 and MUFG confirming in writing to Meridian and the Company that this has occurred, commencing at 9:00am on the Implementation Date, the following steps will occur sequentially:
- (d) without any further act or formality, all the Scheme Shares, together with all rights and entitlements attaching to them as at the Implementation Date, will be transferred to Meridian, and the Company must enter, or procure the entry of, the name of Meridian in the Register in respect of all of the Scheme Shares; and
- (e) in accordance with the direction set out in clause 3.2(b) subject to compliance in full with clause 4(d), Meridian is deemed to have irrevocably authorised and instructed MUFG to pay or procure the payment from Trust Account of the Scheme Consideration to each Scheme Shareholder based on the number of Scheme Shares held by such Scheme Shareholder as set out in the Register on the Record Date in accordance with clause 5.

5. PAYMENT OF THE SCHEME CONSIDERATION

- 5.1. **Method of payment:** The payment under clause 4(e) will be satisfied by:
 - (a) where a Scheme Shareholder has, prior to the Record Date, provided bank account details to enable MUFG and the Company to make payments of New Zealand dollars by electronic funds transfer, MUFG must pay the Consideration in New Zealand dollars to the Scheme Shareholder by electronic funds transfer of the relevant amount to the bank account nominated by that Scheme Shareholder;
 - (b) where a Scheme Shareholder that has an address outside of New Zealand has, prior to the Record Date, provided sufficient written instructions (to MUFG's satisfaction) to enable MUFG to make payment in foreign currency (and MUFG is able to make payment in that currency), MUFG must pay that Consideration (less any applicable costs, exchange rate spread and fees) to such Scheme Shareholder in the currency nominated by such Scheme Shareholder (at such exchange rate that MUFG may determine to convert the New Zealand dollar amount of Consideration to that foreign currency); or
 - (c) where a Scheme Shareholder has not provided the information and/or taken the steps contemplated by clauses 5.1(a) and 5.1(b) to enable payment to be made to such Scheme Shareholder in a manner contemplated by one of those clauses (or if an electronic payment to such Scheme Shareholder is rejected by the recipient bank), MUFG must

retain the Consideration owed to that Scheme Shareholder in the Trust Account to be claimed by the Scheme Shareholder in accordance with clause 5.5.

If a Shareholder has given more than one payment direction, then the later direction in time of receipt will be followed.

5.2. **Joint holders:** In the case of Scheme Shares held in joint names:

- (a) the Consideration is payable to the bank account nominated by the joint holders or, at the sole discretion of the Company, nominated by the holder whose name appears first in the Register as at the Record Date; and
- (b) any other document required to be sent under this Scheme Plan, will be forwarded to either, at the sole discretion of the Company, the holder whose name appears first in the Register as at the Record Date or to the joint holders.

5.3. **Surplus in Trust Account:** To the extent that, following satisfaction of the obligations under clause 4(e), there is a surplus in the Trust Account that surplus (less any amount retained under clause 5.6(b)) shall be promptly paid to Meridian as directed by Meridian in writing.

5.4. **Holding on Trust:** The Company must, in respect of any monies retained by MUFG pursuant to clause 5.1(c) or clause 5.6(b), instruct MUFG to hold such monies in the Trust Account on trust for the relevant Scheme Shareholders for a period of two years and thereafter, subject to clause 5.6, to pay any remaining money in the Trust Account to the Company.

5.5. **Unclaimed monies:** During the period of two years commencing on the Implementation Date, on request in writing from a Scheme Shareholder that has not received payment of the Consideration in accordance with clause 5.1(a) or 5.1(b), MUFG must, if such Scheme Shareholder has taken the necessary steps required to effect payment to such Scheme Shareholder in a manner contemplated by clause 5.1(a) or 5.1(b), pay to that Scheme Shareholder the Consideration held on trust for that Scheme Shareholder in a manner contemplated by clause 5.1(a) or 5.1(b) (or in any other manner approved by MUFG and agreed to by that Scheme Shareholder).

5.6. **Orders of a court or Government Agency:** Notwithstanding any other provision, if written notice is given to the Company on or prior to the Record Date of an order or direction made by a court of competent jurisdiction or a Government Agency that:

- (a) requires consideration to be provided to a third party in respect of Scheme Shares held by a particular Scheme Shareholder, which would otherwise be payable to that Scheme Shareholder in accordance with clause 4(e), the Company will be entitled to procure, and Meridian will be deemed to have instructed MUFG to ensure, that provision of that Consideration is made in accordance with that order or direction; or
- (b) prevents the Consideration from being provided to any particular Scheme Shareholder in accordance with clause 4(e), or the payment of such Consideration is otherwise prohibited by applicable law, the payment (equal to the number of Scheme Shares held by that Scheme Shareholder multiplied by the Consideration) will be retained in the Trust Account until such time as provision of the Consideration to the Scheme Shareholder in accordance with clause 4(e) is permitted by that order or direction or otherwise by law,

and such provision or retention (as the case may be) will constitute the full discharge of Meridian's and the Company's obligations under clause 4(e) with respect to the amount so provided or retained.

5.7. **Exchange Rate:** If a Scheme Shareholder elects to be paid in a foreign currency as contemplated by clause 5.1(b), the conversion of the Consideration into such foreign currency will be undertaken in a manner and at an exchange rate determined by MUFG, and neither the Company nor Meridian will be responsible for (or have any liability in connection with) any such conversion (including for the exchange rate at which the relevant conversion occurs).

6. DEALINGS AND REGISTER:

6.1. Trading Halt:

- (a) Following the granting of the Final Orders, the Company must:
 - (i) release a copy of the sealed Final Order through the NZX market announcement platform, once the sealed Final Orders are received;
 - (ii) once known, release through the NZX market announcement platform the Trading Halt Date and Record Date; and
 - (iii) use its reasonable endeavours to procure that the NZX suspends trading in the Shares from the close of trading on the Trading Halt Date.
- (b) The Company must not accept for registration, nor recognise for any purpose (except a transfer to Meridian pursuant to this Scheme Plan), any subsequent transfer or transmission application or other request received after 5:00pm on the Record Date, or received prior to such times but not in registrable or actionable forms.

6.2. Register:

- (a) The Company must register registrable transmission applications or registrable transfers of Shares received prior to the Trading Halt Date before 5:00pm on the Record Date provided that, for the avoidance of doubt, nothing in this clause 6.2(a) requires the Company to register a transfer that relates to a transfer of Shares on which the Company has a lien.
- (b) A holder of Scheme Shares (and any person claiming through that holder) must not dispose of, or purport or agree to dispose of, any Scheme Shares or any interest in them, after close of trading on the Trading Halt Date otherwise than pursuant to this Scheme Plan, and any attempt to do so will have no effect and the Company and Meridian shall be entitled to disregard any such disposal.
- (c) For the purposes of determining entitlements to the Consideration, but subject to the requirements of the NZX Listing Rules, the Company must maintain the Register in accordance with the provisions of this clause 6 until the Consideration has been paid to the Scheme Shareholders. The Register in this form will solely determine entitlements to the Consideration.
- (d) From 5:00pm on the Record Date, each entry that is current on the Register will cease to have effect except as evidence of entitlement to the Scheme Consideration in respect of Shares relating to that entry. This clause 6.2(d) does not apply to entries on the Register in respect of Meridian.
- (e) As soon as possible on the first Business Day after the Record Date and in any event by 5:00pm on that day, the Company must make available to Meridian in the form Meridian reasonably requires, details of the names, Registered Addresses and holdings of Shares for each Scheme Shareholder as shown in the Register on the Record Date.

7. GENERAL PROVISIONS

- 7.1. Amendments to Consideration:** Meridian may increase the Consideration by written notice at any time to the Company prior to the Scheme Meeting, provided that the Scheme Implementation Agreement has not been terminated in accordance with its terms prior to the receipt of such notice by the Company.

7.2. Title to and rights in Scheme Shares:

- (a) To the extent permitted by law, the Scheme Shares (including all rights and entitlements attaching to the Scheme Shares) transferred under this Scheme Plan to Meridian will, at the time of transfer to Meridian, vest in Meridian free from all Encumbrances, and free from any restrictions on transfer of any kind.

- (b) Each Scheme Shareholder is taken to have warranted to Meridian on the Implementation Date that all their Scheme Shares (including any rights and entitlements attaching to those shares) which are transferred under this Scheme Plan will, at the time of transfer, be fully paid and free from all Encumbrances and restrictions on transfer of any kind, whether legal or otherwise, and restrictions on transfer of any kind, and that they have full power and capacity to transfer their Shares to Meridian together with any rights and entitlements attaching to those shares.

7.3. **Authority given to the Company:** Each Scheme Shareholder, without the need for any further act:

- (a) on the Final Orders Date, irrevocably appoints the Company as its attorney and agent for the purpose of enforcing the Deed Poll against Meridian (but without limiting each Scheme Shareholder's right to itself enforce the Deed Poll); and
- (b) on the Implementation Date, irrevocably appoints the Company as its attorney and agent for the purpose of executing any document or doing or taking any other act necessary, desirable or expedient to give effect to the Scheme and the transactions contemplated by it,

and the Company accepts each such appointment. Each such attorney and agent, may sub-delegate its actions, authorities or powers under this clause 7.3 to one or more of the Company's directors or officers.

7.4. **Binding effect of Scheme:**

- (a) The Scheme binds:
 - (i) the Company;
 - (ii) Meridian; and
 - (iii) all of the Scheme Shareholders (including those who did not attend the Scheme Meeting to vote on this Scheme, did not vote at the Scheme Meeting, or voted against this Scheme at the Scheme Meeting).
- (b) In the event of any inconsistency, this Scheme Plan overrides the Company's constitution.

7.5. **End Date:** If the Scheme has not become Unconditional on or before the End Date, or if the Scheme Implementation Agreement is terminated in accordance with its terms at any time, this Scheme Plan is immediately void and of no further force or effect (other than any provision of the Scheme or this Scheme Plan relating to the repayment to Meridian of any funds deposited in accordance with clause 3 and the interest thereon (less bank fees and other third party charges directly in connection with the account)).

7.6. **No liability when acting in good faith:** Each Scheme Shareholder agrees that none of the directors, officers or employees of the Company or Meridian, will be liable for anything done or omitted to be done in the performance of the Scheme in good faith.

7.7. **Governing law:** This Scheme Plan is governed by and must be construed in accordance with the laws of New Zealand. The parties submit to the non-exclusive jurisdiction of the courts of New Zealand in respect of all matters arising out of or relating to this Scheme Plan, its performance or subject matter. The parties irrevocably submit to the non-exclusive jurisdiction of the courts having jurisdiction in New Zealand.

7.8. **Successor obligations:** To the extent that any provision of the Scheme or this Scheme Plan imposes any obligation on Meridian or the Company that continues or arises after the implementation of the Scheme, such obligation may instead be performed by any successor or related company of Meridian or the Company (as applicable) in which case the obligation will be satisfied as if performed by Meridian or the Company (as applicable).

Annexure C:

Deed Poll

This **Deed Poll** is made on 8 May 2025

BY

Meridian Energy Limited

(NZBN 9429037696863), a company incorporated in New Zealand, with its registered office at Level 2, 98 Customhouse Quay, Wellington Central, Wellington, 6011, New Zealand
("**Meridian**")

IN FAVOUR OF

Each registered holder (other than Meridian) of one or more Scheme Shares on issue as at the Record Date ("**Scheme Shareholders**")

BACKGROUND

- A. NZ Windfarms Limited ("**Company**") and Meridian have entered into the Scheme Implementation Agreement.
- B. The Company has agreed under the Scheme Implementation Agreement to propose a scheme of arrangement between the Company, Meridian and the Scheme Shareholders, the effect of which will be that all Scheme Shares will be transferred to Meridian and Meridian will provide or procure the provision of the Consideration to the Scheme Shareholders.
- C. On 18 February 2025, Meridian executed a deed poll ("**Original Deed Poll**") pursuant to which Meridian has undertaken in favour of each Scheme Shareholder to pay each Scheme Shareholder the Consideration to which they are entitled under the Scheme, subject to the Scheme becoming Effective.
- D. On May 2025, Meridian and the Company entered into a side letter relating to the Scheme Implementation Agreement ("**Side Letter**"). The purpose of the Side Letter was to amend the definition of "Scheme Shareholders" under the Scheme Implementation Agreement to exclude Meridian from that definition as follows:
- "Scheme Shareholders" means a person (other than Meridian) who is registered in the Register as the holder of one or more Shares on the Record Date.*
- E. The Side Letter constituted written agreement to vary the Original Deed Poll for the purposes of clause 7.3(b) of that Original Deed Poll. Therefore, in accordance with clause 7.3(b) of the Original Deed Poll, and as contemplated by the Side Letter, Meridian has executed this Deed Poll which shall supersede the Original Deed Poll.
- F. Meridian is entering into this Deed Poll for the purpose of undertaking in favour of the Scheme Shareholders to pay the Consideration to Scheme Shareholders in accordance with the terms of the Scheme Plan. Except as set out in paragraphs D and E above (and this paragraph F), no other amendments have been made to the terms of the Original Deed Poll.

IT IS DECLARED:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions: In this Deed Poll, unless the context otherwise requires:

"Effective" means, when used in relation to the Scheme, the coming into effect under section 236(3) of the Companies Act of the order of the Court made under section 236(1) of the Companies Act in relation to the Scheme and all of the Conditions having been satisfied or waived (where capable of being waived) in accordance with the Scheme.

"Final Orders" means, on application of the Company, orders that the Scheme will be binding on the Company, Meridian, the Scheme Shareholders and/or such other persons or class of persons as the Court may specify, in accordance with section 236(1) (and section 237, if applicable) of the Companies Act;

"Scheme Implementation Agreement" means the scheme implementation agreement entered into between the Company and Meridian dated 18 February 2025;

"Scheme Plan" means the scheme plan attached as Schedule 5 to the Scheme Implementation Agreement, subject to any alterations or conditions approved by Meridian and the Company in writing and which are disclosed to the Court prior to the Court making the Final Orders.

1.2 Interpretation:

- (a) Clauses 1.2 and 1.3 of the Scheme Plan apply to the interpretation of this Deed Poll, except that references to "this Scheme Plan" are to be read as reference to "this Deed Poll".
- (b) Words defined in the Scheme Plan which are not separately defined in this Deed Poll have the same meaning when used in this Deed Poll.

2. NATURE OF THIS DEED POLL

2.1 Third party rights and appointment of an attorney: Meridian acknowledges that:

- (a) this Deed Poll is intended to confer a benefit upon, and therefore be relied upon and enforced by, any Scheme Shareholder in accordance with its terms under Part 2, Subpart 1 of the Contract and Commercial Law Act 2017 (but not otherwise) even though the Scheme Shareholders are not party to it; and
- (b) under the Scheme Plan, each Scheme Shareholder irrevocably appoints the Company as its agent and attorney to enforce this Deed Poll against the Company on and from the date prescribed for such appointment in connection with the Scheme (but without limiting each Scheme Shareholder's right to itself enforce this Deed Poll).

Notwithstanding the foregoing, this Deed Poll may be varied in accordance with clause 7.3 without the approval of any Scheme Shareholder.

2.2 Continuing obligations: This Deed Poll is irrevocable and, subject to clause 3, remains in full force and effect until either:

- (a) Meridian has fully performed its obligations under this Deed Poll; or
- (b) this Deed Poll is terminated under clause 3.2.

3. CONDITIONS TO OBLIGATIONS

- 3.1 **Conditions:** This Deed Poll, and the obligations of Meridian under this Deed Poll, are conditional in all respects on the Scheme becoming Effective.
- 3.2 **Termination:** The obligations of Meridian under this Deed Poll will automatically terminate, and the terms of this Deed Poll will be of no force or effect, if:
 - (a) the Scheme Implementation Agreement is terminated in accordance with its terms before the Scheme becomes Effective; or
 - (b) the Scheme is not Effective on or before the End Date,
 unless Meridian and the Company otherwise agree in writing.
- 3.3 **Consequences of termination:** If this Deed Poll terminates under clause 3.2 then Meridian is released from its obligations to further perform this Deed Poll.

4. SCHEME CONSIDERATION

Subject to the Scheme Implementation Agreement not being terminated and the Scheme having become Unconditional (except for the Conditions set out in clauses 3.1(d) to 3.1(f) of the Scheme Implementation Agreement), Meridian:

- (a) undertakes in favour of each Scheme Shareholder to deposit, or procure the deposit of, in immediately available cleared funds, by no later than 5.00pm on the Business Day before the Implementation Date, an amount equal to the aggregate amount of the Consideration payable to all Scheme Shareholders as set out in the Scheme Plan, such deposit to be made into the Trust Account to be held and dealt with by Link in accordance with the Scheme Plan; and
- (b) subject to clause 3, irrevocably acknowledges and agrees that, subject to compliance in full by the Company with its obligations under clause 4.1(d) of the Scheme Plan, the Scheme Consideration deposited into the Trust Account referred to in clause 4(a) above must be applied to the Scheme Shareholders in satisfaction of their respective entitlements to receive Consideration under the Scheme in accordance with the Scheme Plan.

5. WARRANTIES

Meridian represents and warrants in favour of each Scheme Shareholder that:

- (a) it is a company validly existing under the laws of New Zealand;
- (b) it has the corporate power to enter into and perform its obligations under this Deed Poll and to carry out the transactions contemplated by this Deed Poll;

- (c) it has taken all necessary corporate action to authorise its entry into this Deed Poll and has taken or will take all necessary corporate action to authorise the performance of this Deed Poll and to carry out the transactions contemplated by this Deed Poll;
- (d) this Deed Poll is valid and binding on it and enforceable against it in accordance with its terms; and
- (e) this Deed Poll does not conflict with, or result in the breach of or default under, any provision of its constitution, or any writ, order or injunction, judgment, law, rule or regulation to which it is a party or subject or by which it is bound.

6. LIABILITY:

- (a) Nothing in this Deed Poll precludes Scheme Shareholders from suing Meridian for specific performance if it does not comply with its obligations under clause 4.
- (b) Subject to clause 6(a), the maximum aggregate liability of Meridian to all Scheme Shareholders under this Deed Poll and the Scheme Implementation Agreement or at law (including negligence), under any statute of regulation, in equity or otherwise, in respect of any or all breaches of this Deed Poll and/or the Scheme Implementation Agreement by Meridian, will not exceed, in aggregate, the amount of the Reverse Break Fee (inclusive of GST, if any) less any damages paid to the Company for any or all breaches of the Scheme Implementation Agreement by Meridian.
- (c) In no event will Scheme Shareholders be entitled to receive both specific performance resulting in implementation of the Scheme and payment of any damages.

7. GENERAL

7.1 **Notice:** Any notice or other communication to be given under this Deed Poll must be given in accordance with clause 20 of the Scheme Implementation Agreement (which will apply with all necessary modifications).

7.2 Waiver:

- (a) Meridian may not rely on the words or conduct of any Scheme Shareholder as a waiver of any right unless the waiver is in writing and signed by the Scheme Shareholder granting the waiver.
- (b) For the purposes of clause 7.2(a):
 - (i) **"conduct"** includes delay in the exercise of a right;
 - (ii) **"right"** means any right arising under or in connection with this Deed Poll and includes the right to rely on this clause; and
 - (iii) **"waiver"** includes an election between rights and remedies, and conduct which might otherwise give rise to an estoppel.

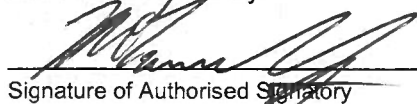
7.3 Variation:

- (a) Subject to clauses 7.3(b) and 7.3(c), this Deed Poll may not be varied.

- (b) Before the date on which the Final Orders are made, this Deed Poll may be varied by agreement in writing between Meridian and the Company, in which event Meridian and the Company will enter into a further Deed Poll in favour of the Scheme Shareholders giving effect to the variation.
 - (c) If the Court orders that it is a condition of the Scheme that Meridian enter into a new Deed Poll which has the effect of reversing any variation under clause 7.3(b), then, if Meridian so agrees, Meridian must promptly enter into a further Deed Poll in favour of the Scheme Shareholders to give effect to the reversal of that variation.
- 7.4 **Cumulative rights:** The rights, powers and remedies of Meridian and the Scheme Shareholders under this Deed Poll are cumulative and do not exclude any other rights, powers or remedies provided by law independently of this Deed Poll.
- 7.5 **Assignment:** The rights and obligations of Meridian and each Scheme Shareholder under this Deed Poll are personal. They cannot be assigned, charged or otherwise dealt with at law or in equity. Any purported dealing in contravention of this clause 7.5 is invalid.
- 7.6 **Governing law and jurisdiction:**
 - (a) This Deed Poll and any non-contractual obligations arising out of or in connection with it is governed by the law applying in New Zealand.
 - (b) The courts having jurisdiction in New Zealand have non-exclusive jurisdiction to settle any dispute arising out of or in connection with this Deed Poll (including a dispute relating to any non-contractual obligations arising out of or in connection with this Deed Poll) and Meridian irrevocably submits to the non-exclusive jurisdiction of the courts having jurisdiction in New Zealand.

EXECUTED AS A DEED POLL

SIGNED on behalf of MERIDIAN
ENERGY LIMITED by:

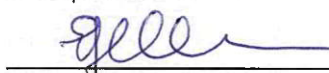


Signature of Authorised Signatory

Neal Barclay

Name of Authorised Signatory

In the presence of:



Signature of witness

ELIZABETH CLELAND

Name of witness

EXECUTIVE ASSISTANT

Occupation

WELLINGTON

City/town of residence

Directory

Directors of NZ Windfarms

Craig Hamilton Stobo (Chairman and Independent Director)

Christine Elizabeth Spring (Independent Director)

Patrick Edward Brockie (Independent Director)

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and Jono.Morton@wynnwilliams.co.nz

Independent Advisor to NZ Windfarms

Calibre Partners

Financial Advisor to NZ Windfarms

Mafic Partners

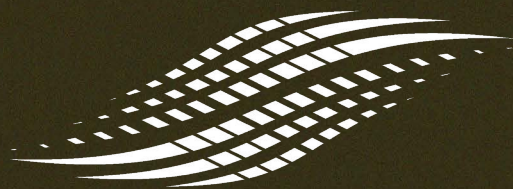
Share Registrar

MUFG Corporate Markets
c/- MUFG Pension & Market Services
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NZ Windfarms Ltd
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