16 September 2026

Chair's Address to Annual Shareholder Meeting

Kia ora koutou,

On behalf of the Contact Energy Board of Directors, I would like to begin by thanking our people, our customers, and you our shareholders, for what has been a very strong year for Contact.

It has been one defined by bold decisions, accelerated investment and continued growth.

When I joined the Board, Contact was already an important part of New Zealand's energy sector. Today, it is a fundamentally different company.

We have transformed our generation portfolio, reshaped our strategy, and established ourselves as a leader in New Zealand's renewable energy future. Most importantly, we have demonstrated an ability to turn this ambition into delivery.

Strategic update and highlights of the year

Five years ago, we launched Contact 26; our strategy to be a leader in the decarbonisation of New Zealand.

Major investments in geothermal, solar and battery storage have strengthened Contact's portfolio and positioned us to meet New Zealand's growing demand for clean energy.

The successful integration of Manawa Energy has also strengthened Contact's position.

It has expanded the scale and diversity of our renewable portfolio, and I am pleased to report that the benefits of this acquisition have exceeded our expectations.

Together, the combined portfolio of Contact and Manawa, provides greater flexibility, resilience and opportunities for further growth.

Contact31+, our new strategy, to lead New Zealand's renewable energy future, was unveiled last November.

It will create more long-term value for our customers, our communities and our shareholders.

Mike will talk more about Contact31+ in his speech.

Standing here today, is a time of personal reflection. After more than a decade as director, and eight years as Chair, the time has come for me to step down.

Back to the beginning

To understand Contact today, we need to understand the past.

Contact was born 30 years ago with the rump of the assets of the old Electricity Corporation of New Zealand. It was supposed to fail. It was a collection of leftovers, some said; the worst of an old system.

There was summer-weighted hydro generation on the Clutha, and the Wairakei geothermal power station had been built in the post-world war economy. Slowly over the first two decades Contact acquired and built more geothermal and thermal generation assets as well as added a retail business.

I am pleased to have been part of this journey over the last decade, where Contact has built a world-class geothermal operation, new solar and battery farms, and acquired a diverse set of hydro dams across New Zealand to complement our portfolio.

From assets once described as second-best, Contact has built one of the best-positioned energy portfolios for the transition - and opportunity - ahead.

It did not happen by accident.

It happened because people over the decades across this company made bold decisions, stuck with hard projects, and had the courage to keep moving forward.

Investing at pace for New Zealand

Too often, I hear claims from detractors that the industry is not investing enough.

The trouble with that is if people of profile say such things, others believe it to be true.

It is not.

Here's the reality.

The industry has never been spending, or building, more than now. We are investing more than ever in the history of New Zealand.

It puts Think Big in the shade.

On a per-capita basis, it is more than the United States, China, UK and Australia.

As a sector, 4TWh of new renewable energy projects have come online in the last five years. A further 3TWh is either committed, or under construction, and expected online by 2027.

It is important that this path remains clear and allows the sector to build out New Zealand's renewable energy future; it is this way we will move towards energy independence as a nation.

The solution to stabilising our country's energy prices, and ensuring New Zealand's electricity is reliable, and renewable, is more energy capacity, and that comes from more investment.

Good policy eats ideology for breakfast

It's in this context I offer another insight.

Good policy eats ideology for breakfast.

The oil and gas ban in 2018, in my view, is characterised as an ideology that triggered a loss of investment confidence and industry capability leading to an acceleration of the decline of existing fields. It led to a number of unintended consequences. Higher gas and electricity prices. Gas shortages. Industry closures.

Ironically, it's the electricity industry, particularly the main players, that have launched into solving the consequences.

There has been much discussion and political rhetoric about structural separation of retail businesses from gentailers.

Let me give you some personal observations.

The businesses, following the Electricity Authority's latest rules, are indeed structurally separated.

To separate further will create additional costs; costs that would ultimately be borne by consumers. By the everyday people of New Zealand.

Again, ideology over good policy has the potential to damage the investment climate for the industry as a whole.

It is time for the non-gentailer retailers to step up and use the hedging products now available.

On the back of record levels of generation investment, the wholesale market has gone through a significant transition this year.

Wholesale prices have reduced by around 30 per cent, bringing the market back into balance. The market has been allowed to function as it was designed, and the government has resisted unfounded calls to fundamentally alter investment conditions.

Analysis done for the government by *Sense Partners* shows that electricity prices at this level will bring a $10 billion boost to the country's GDP by 2030.

This outcome matters not only for the sector, but for New Zealand's wider economic resilience, competitiveness and long-term prosperity.

In respect of retail prices, the wholesale price component of the retail bills are now in line with long term market pricing. Unfortunately, the material increases in line and transmission prices has, and will continue, to contribute to price increases.

I encourage the government to review the economic regulation of natural monopolies across the economy.

Data centres – a new export industry

There is another opportunity we should not shrink from: data centres and compute security.

New Zealand has a chance to build sovereign digital capability, attract new investment, create skilled jobs and use new renewable generation to support it.

If we choose to be knockers and blockers, New Zealand risks becoming a backwater in an AI-driven world.

If we choose to be builders, we can create a new export industry powered by renewable energy.

We should say this plainly: data centres do not steal power from New Zealand.

Properly structured, they bring new energy demand that underwrites new energy supply. They can turn renewable electricity into a modern export; in the same way this country exports aluminium, steel and dairy to the world.

Leading New Zealand's renewable energy future

Today, I leave Contact excited as well as grateful. Sad, yes, because these are extraordinary times. But confident, because Contact is well placed to create value for shareholders while helping lead New Zealand into the next phase of its energy transition.

I also want to reflect briefly on the role of the Board. Boards can be cautious by nature. Sometimes that caution is necessary.

But a Board should not be a handbrake on ambition. Its role is to set the guardrails, test the strategy, appoint the right Chief Executive, and then give management the confidence to get on with the job.

The most important decision any Board makes is appointing the Chief Executive. No strategy can compensate for the wrong leader.

Mike Fuge joined at a time when Contact needed pace, conviction and a more forward-leaning posture.

Under his leadership, and with the strength of the leadership team around him, Contact has matured into an industry-leading company with a clear strategy and real delivery capability.

When I joined the Board, the company was still finding its strategic voice.

Today, the conversations are sharper, the choices are clearer, and the ambition is matched by capability.

Contact is no longer drifting toward a distant third place. It is a strong number two with momentum. But this is not really about rankings. It is about the difference between leaning into growth or standing still. Contact has chosen growth.

As I reflect on my time as Chair, I am proud that Contact came out of its shell. We leaned forward. We strengthened the brand. We became more confident in retail.

We showed character through initiatives such as our partnership with the Women's Refuge and The Good Initiative. And we demonstrated that a great company is measured not only by what it earns, but by what it stands for.

To the Board, thank you for the debates, the discussions and, yes, the disagreements.

Good decisions are rarely made by everyone nodding politely. They are made when capable people test the issues honestly and then unite behind the decision.

Most of all, I leave with confidence.

Confidence in the strength of the business.

Confidence in the people who lead it.

And confidence in New Zealand's renewable energy future.

It has been a privilege to serve as your Chair.

Finally, I want to acknowledge my fellow directors past and present, and warmly welcome Jon Macdonald, who will lead the Board into its next chapter. I know the company will be in capable hands.

To our shareholders, thank you for your trust, your support and your belief in this company.

Kia Kaha, Kia Maia, Kia Manawanui.

Rob McDonald.

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