

MERIDIAN ENERGY LIMITED
ELEVENTH ANNUAL SHAREHOLDER MEETING MINUTES
Held at Meridian offices, 98 Customhouse Quay, Wellington
on Tuesday, 15 October 2024
commencing at 9.30am

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

Also present: Approximately 32 members and others in person and up to 106 online (online attendance varied over the course of the meeting).

1. Opening of Meeting

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

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

2. Agenda of Meeting

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

3. Chair’s Address

The Chair delivered the Chair’s address.

4. Chief Executive’s Address

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

5. Questions

The meeting was opened for questions about the business.

The Chair first took questions from the floor and then from those attending online.

1. Vaughan Crimmins asked about plant outages and also what happened when a wind turbine had to be serviced - were turbine blades recycled?

The Chair said Meridian had a well-developed planned outage schedule and in addition managed unscheduled outages such as those occurring with Manapouri transformers recently. The Chair noted the Board had approved replacements for the transformers. Meridian's outages were submitted to Transpower who managed the whole outage system across the industry. It worked well with the aim being to maximise the availability of plant.

The Chief Executive added with respect to recycling of wind turbine blades that this issue would come up when Meridian decommissioned the turbines at its windfarms. The first windfarm where this would happen would be Te Apiti. It hadn't happened yet. The blades would be either recycled or disposed of in an environmentally-friendly way. They were not recyclable at this point in time.

2. Sean Woods asked if Meridian was taking on new customers for gas supply.

The Chair said Meridian didn't offer gas either now and nor would it in future.

3. Peter Milne commented that hydro storage balanced solar and wind. He asked at what point the market would be saturated with solar and wind and what would happen at that point from a balancing perspective.

The Chair said that over time hydro would be used more in a balancing role so that the system could absorb more intermittent renewables such as solar and wind. The Chief Executive added that solar and wind were used in distributed locations and this diversity provided greater reliability to the system as a whole.

4. Adrian Turner asked for the Meridian position on Onslow.

The Chair commented that pumped hydro had its place but there were potentially better locations for it to be located than in the deep south, as this raised issues on how the electricity would be transported to load centres in the North Island. It might also be better for pumped hydro to be of a smaller scale. The Chair added that the Ruakaka battery energy storage system that would be completed shortly and Meridian's existing lakes were large sources of energy storage in their own right.

5. Vaughan Crimmins asked if Meridian's recent improved retail performance derived from increases in customer numbers or increases in price.

The Chair said it was a mixture of both. As a generator and retailer Meridian's sold and purchased electricity from the wholesale market and in addition made a small margin off its retail base.

The Chief Executive added that over the last 7 years Meridian had increased its retail base by 60%. There had been price increases on the way but these had been below the level of CPI and were modest.

6. Sean Woods asked how many more businesses Meridian thought might go under due to the high energy prices seen recently.

The Chair said Meridian was aware that for a number of large industrials electricity costs were a key determinant of their cost base. Those businesses were required to make decisions on the extent to which they took exposure to the wholesale market. The Chief Executive added that more than 99% of Meridian customers were not exposed to the wholesale market and were instead on fixed prices. Over time exposure to the spot market would likely deliver cheaper prices on average but at times it meant being exposed to significant price spikes.

7. Vaughan Crimmins asked in relation to hydrogen whether Meridian thought growth in that sector was likely - he noted Germany had just completed a hydrogen powered train.

The Chair said yes Meridian did think growth was likely in future. However, in terms of the economics Meridian was currently seeing, customers were not willing to pay the prices necessary to support hydrogen development.

8. Gillian King asked about the implications of Meridian buying gas for electricity generation for Meridian's greenhouse gas emissions reduction plan and also why was Meridian buying gas for electricity generation instead of pursuing other options for quick supply like batteries.

The Chair said Meridian's purchase of gas backed insurance products was a necessary and short-term step during the energy transition when Meridian experienced low hydro inflows. While it added scope 3 emissions to Meridian's business it provided a lower carbon footprint than New Zealand having to burn more coal. At the same time Meridian was looking at alternatives like renewable build, greater hydro storage, customer demand response and batteries.

9. Elizabeth Hill asked was it necessary to pay \$180M to Ngai Tahu and the Department of Conservation to get resource consent for the Waitaki Scheme.

The Chair said it was relatively common and efficient to make such payments to the stakeholders for major consent applications under the Resource Management Act. The Chair stressed he was not confirming any of the figures included by Ms. Hill in her question as those were confidential. Meridian was comfortable with the payments made and it was important to have good relationships with stakeholders. The Chief Executive

added there were significant environmental and cultural costs from damming river systems and the proposed new consent would be in place for 35 years. Meridian was comfortable it was doing the right thing by the stakeholders in the region which was fundamentally important to the New Zealand power system.

10. Stephen Mayne referenced activity on the ASX recently and asked, given that the ASX was in the middle of unprecedented takeover activity resulting in the number of listed entities falling significantly, was there mispricing between public and private markets. He asked why public markets were not valuing ASX and NZX listed companies more highly and what special protections did we need to avoid public companies being taken over, and if AGL, Origin Energy or Woodside bid for Meridian, what regulatory or legislative approvals would be required?

The Chair agreed that vibrant capital markets was essential to the economy. He noted our job was to create a strategy that investors supported and believed in. He noted that Meridian couldn't be taken over as the Crown had a minimum 51% shareholding written into legislation but regardless Meridian operated on the basis that it was its job to maximise returns every day.

The Chief Executive remarked that last time he had checked Meridian was larger than Origin or AGL so a takeover might go the other way. He added that for the avoidance of doubt, Meridian was not contemplating such a bid.

11. Gilian King commented that while it was pleasing to see Meridian's ambition to halve its emissions by FY30 why was the time ambition for stopping the other half of its emissions so slow (20 years) given that we were already in an unfolding and accelerating climate emergency.

The Chair said the net zero by 2050 target was a natural extension of Meridian's half by 30 target. Meridian would like to go faster but the bulk of emissions were scope 3 emissions i.e. the emissions of Meridian's suppliers. They would be harder to reduce and all companies were experiencing this. Meridian was committed to making a difference as we cared about our children and our grandchildren too.

12. Peter Moosberger asked what proportion of the total energy generated by Meridian in the past year was attributed to gas?

The Chair confirmed that Meridian did not generate anything other than renewable electricity. In order to satisfy Meridian's consumer base at particular times, like recently, Meridian had to buy electricity from the wholesale market and that could be from other sources - at times like we've just experienced there can be droughts with no wind blowing and no sun shining, and its not hard to imagine that the generation at such times is from gas fired plants.

13. Peter Moosberger queried whether Meridian's contracts at such times effectively provided Meridian with energy which had been generated by others using gas?

The Chief Executive confirmed yes, using whatever fuel is available. Meridian had financial hedge arrangements at such times. The important thing was the electricity system over the last 10-15 years had gone from around 75% renewable to around 90% renewable today. So there would be the odd year with drought when less hydro energy was available in the system and more gas and coal would be burnt but on the whole the trend was heading towards an even more renewable system. We would be at around 95% renewable by 2030. The interesting thing about gas was it was necessary as a backup for when the hydro fuel doesn't turn up, but less and less would it be used as a base load fuel in this country although when we needed it, we really needed it. By having that flexible gas available it allowed build of more renewables, kept the price at a reasonable level, made the whole system more reliable and fostered a more renewable system.

14. Liam Ryan asked what were the physical responses that ensured the system remained secure and moderated wholesale price spikes?

The Chair responded that it was principally the demand response from the smelter. The Chief Executive concurred and said the other physical response was that Contact and Genesis had bought gas from Methanex, so they brought additional supply to the system. Then the most important thing was of course, that it rained so the lakes had got largely back to where they should be at this time of year.

15. Stephen Mayne asked whether Meridian would voluntarily move to annual election of all Directors at the 2025 AGM particularly given there was only 1 item on the agenda today which made a thin agenda to say the least.

The Chair replied Meridian had no plan to move to annual elections of all Directors. The current 3 year terms meant each year there was regular rotation and re-election of Directors in respect of which shareholder approval was sought.

16. David Pearce asked about the challenges of electrifying New Zealand and in particular the need to build a lot of solar farms.

The Chief Executive there would be a need to build a lot of all kinds of renewables and this would be a challenge. However most other countries didn't have the level of New Zealand's renewable resources.

The Chair commented that the Government understood the challenge and this was positive. They had taken steps to accelerate consent processing without trampling on the ability of stakeholders to participate in the consenting process.

17. Stephen Mayne asked which of the main proxy advisors had produced reports in respect of Meridian and would Meridian put its remuneration report up for an advisory vote at next year's AGM.

The Chair replied that Glass Lewis and ISS wrote proxy reports which supported Tania Simpson's re-election as did the NZSA. Meridian did not intend to put the remuneration report up for an advisory vote. What Meridian was doing was to be transparent and to

continue to deepen the information in its remuneration report to improve transparency on Executive pay.

18. David Biegel asked whether in the light of recent comments by Government Ministers Meridian would work to improve its relationship with its 51% shareholder. Mr. Biegel also asked about Meridian's relationship with the Electricity Authority.

The Chair said he would not respond to comments about individual Ministers. Meridian regularly met with Ministers including its shareholding Ministers and enjoyed good relationships with them. Meridian also had good relationships with all political parties. With respect to the Electricity Authority Meridian had good relationships at a number of levels including at Board level. Meridian would participate fully in the Energy Competition Taskforce and a number of Meridian people were involved in the Electricity Authority's workstreams.

19. Gillian King asked about the implications of Meridian buying gas for electricity generation for Meridian's greenhouse gas emissions reduction plan.

The Chair said he thought he had answered this and Meridian purchased this when needed for use during periods of drought and managed this within the context of aiming to be net zero by 2050 so there would be fluctuations during this transition.

20. Eva Quiding asked why part of the unallocated pool of Director fees wasn't allocated to the Cyber Security Committee and what work had the Committee done without any funding allocation.

The Chair answered that the Committee was only recently established. Cyber risks prior to that point had been addressed by the whole Board. However the growing complexity and frequency of cyber events meant Meridian had now moved to establish a separate Board Committee.

21. Neville Watkin said North American electricity consumption in summer had increased as a result of increased use of air conditioning. If that trend was seen in New Zealand would it prevent the hydro lakes being refilled over the summer months as they had been traditionally?

The Chief Executive said Meridian regularly consulted with climate scientists. There was no discernible change in New Zealand to the pattern of seasonal electricity consumption and New Zealand's consumption was still winter weighted. Further Meridian was not seeing any increase in demand as yet. When it did the electricity system would evolve in response to demand.

22. Liam Ryan asked why battery storage appeared to be only a small component to Meridian's future strategy. Why was this?

The Chair said that Meridian had its first grid scale battery under construction at Ruakaka and a number of other battery options in its pipeline. In addition Meridian had

what was effectively a huge battery in Lake Pukaki and was focused on, where appropriate, increasing use of the storage in that lake.

23. Stephen Mayne asked given that Meridian received \$1.42B from AGL in November 2005 in respect of the sale of Southern Hydro whether AGL had overpaid. He asked if AGL Director Graham Cockroft could provide an AGL perspective on the matter.

The Chair said he wouldn't ask Graham to comment in that capacity as it was not appropriate. In relation to Southern Hydro specifically it was before his time and also the Chief Executive's so they wouldn't comment on that piece of history.

The Chief Executive added that more recently Meridian had sold its Australian operations for \$750M which was a fair price and that Meridian had been reasonably successful in Australia.

24. Stephen Mayne asked if the change of Government had been good for Meridian's business and whether it was good to have a former CEO as the Prime Minister. Mr. Mayne noted that the Australian opposition was pushing for Australia to develop a nuclear power industry and asked about that as an option in New Zealand.

The Chair said Meridian had a good relationship with the current Government as it did with the last. In relation to nuclear power it was not needed in New Zealand and the typical scale of nuclear was disproportionate to New Zealand's power needs. The Chief Executive added it was cheaper and safer to develop smaller scale renewable options such as solar and wind and given the long duration of Meridian's investments it was important that it had good relationships with all sides of the political spectrum.

25. Stephen Mayne asked whether Meridian would commit to holding a hybrid meeting in future to maximise participation, and also what the split was between Australian and New Zealand shareholders and how many voted by proxy. Mr. Mayne also asked about low retail shareholder participation, how many shareholders voted for and against each item.

The Chair said that the number of shareholders participating online would be available in due course. He said that Meridian's Investor Relations Manager advised that 7% of Meridian's free float was held by Australian investors. Mr. Mayne's other points would be taken on board and considered.

26. Oliver Krollmann and Hildegard Krollmann asked if there was an opportunity to add pumped hydro to the Waitaki scheme.

The Chair responded no but Meridian was looking at potential to increase capacity of the Waitaki scheme lakes which drove the same outcome and was cheaper.

6. Formal Resolutions

The Chair outlined the voting procedures. The Chair then introduced and moved the resolutions. The directors seeking election and re-election spoke to the resolutions. The

Confirmed Document

resolutions were opened for discussion. The Chair put the resolutions with voting by way of poll.

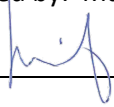
Resolution 1: Re-election of Tania Simpson:

The Chair introduced and moved that Tania Simpson, who retired by rotation and was eligible for re-election be re-elected as a Director of the Company. Tania spoke to the resolution.

The resolution was passed with 2,041,418,348 votes for and 35,956,666 against.

7. Closing

The Chair thanked those attending and closed the meeting at 11.04am.

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| Minutes confirmed Signed by: Mark Verbiest  Date: <u>4</u> / <u>12</u> / 2024 |
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