



KIA ORA, WELCOME

WELCOME TO THIS THE SECOND SHAREHOLDER'S ANNUAL GENERAL MEETING OF TILT RENEWABLES LIMITED.

AS YOU ARE AWARE THE COMPANY HAS RECEIVED A NOTICE OF 'INTENTION TO MAKE A TAKEOVER OFFER' FROM AN INFRATIL/MERCURY JOINT VENTURE ENTITY. THIS INTENTION, SHOULD IT RESULT IN A TAKEOVER OFFER, IS A VOTE OF SUPPORT FOR THE COMPANY'S STRATEGIES AND REFLECTS CONFIDENCE FROM THE MAJOR SHAREHOLDERS IN THE CAPABILITY OF MANAGEMENT AND THE QUALITY OF THE BUSINESS. THE DOCUMENTATION PROVIDED INDICATES A FULL TAKEOVER WOULD, IF SUCCESSFUL, SEE TILT RENEWABLES DELISTED (TO BECOME A PRIVATE COMPANY), HOWEVER UNDER A PARTIAL OUTCOME THE COMPANY WOULD REMAIN LISTED.

OUR OBLIGATION IS NOW TO ENSURE SHAREHOLDERS ARE WELL INFORMED THROUGH THE PROVISION OF INDEPENDENT EXPERT VALUATIONS AND ADVICE, IN ORDER TO CONSIDER HOW TO RESPOND TO THE OFFER.

OUR RESPONSE TO THE NOTICE OF INTENT AND OUR MANAGEMENT OF ANY SUBSEQUENT TAKEOVER PROCESS HAS BEEN DELEGATED TO THE INDEPENDENT DIRECTORS COMMITTEE. THIS COMMITTEE, CHAIRED BY FIONA OLIVER, IS FULLY EMPOWERED AND EFFECTIVE IN ENSURING THE CONFLICTED INFRATIL RELATED DIRECTORS HAVE NO ROLE OR INFLUENCE IN THE PROCESS .

AT THE COMPLETION OF MY ADDRESS, AND THE CEO'S ADDRESS, WE WILL PROVIDE SPECIFIC OPPORTUNITY FOR QUESTIONS TO THE INDEPENDENT DIRECTORS COMMITTEE, WITH FIONA OLIVER TAKING QUESTIONS FOR THAT PURPOSE.

TO RETURN TO THE COMPANY'S BUSINESS.

WE HAVE MADE GOOD PROGRESS – OUR OPERATING ASSETS ARE PERFORMING WELL AND WE HAVE SUCCESSFULLY COMMISSIONED SALT CREEK WIND FARM. STRATEGICALLY, WE ARE BRINGING OUR BEST PROJECTS TOWARD SHOVEL READY STATUS.

WE ARE INCREASINGLY CONFIDENT IN THE VALUE OF THE LATE STAGE PROJECTS IN OUR DEVELOPMENT PIPELINE AND I WILL COMMENT ON THIS FURTHER LATER.

BUT, FIRSTLY LET ME INTRODUCE MYSELF AND YOUR DIRECTORS.

I AM BRUCE HARKER, AN ELECTRICAL ENGINEER WHO HAS BEEN A CENTRAL POWER PLANNER, HIGH VOLTAGE TRANSMISSION PLANNER AND SYSTEM CONTROL ENGINEER PRIOR TO THERE BEING PRIVATISED POWER MARKETS. I HAVE WORKED ON THE SETTING UP OF POWER MARKETS IN BOTH NEW ZEALAND AND AUSTRALIA AND THE UK.

FINALLY, THIS EVOLVED OVER THE LAST TWENTY YEARS TO INVESTMENT MANAGEMENT, GOVERNANCE AND STRATEGY IN ELECTRICITY MARKETS INCLUDING, AS CHAIR OF TRUSTPOWER, CHAIR OF STARTUP RETAILER LUMO ENERGY, AND DEPUTY CHAIR OF ASX LISTED ENERGY DEVELOPMENTS. I HAVE BEEN ASSOCIATED WITH INFRATIL SINCE 1994.

I WILL NOW INTRODUCE YOUR DIRECTORS. THREE OF WHOM - ANNE URLWIN, PHILLIP STRACHAN AND VIMAL VALLABH ARE STANDING FOR ELECTION OR RE-ELECTION AND THEY WILL ADDRESS THE MEETING MORE FULLY AT THAT TIME.

IN ALPHABETICAL ORDER, I INTRODUCE - PAUL NEWFIELD, FIONA OLIVER, GEOFF SWIER, PHILLIP STRACHAN, ANNE URLWIN AND VIMAL VALLABH.

OUR STRATEGY IS NOT COMPLICATED – BUT IT IS RELENTLESS – WE INVEST IN EARLY AND MID STAGE DEVELOPMENT OF POTENTIAL WIND AND SOLAR SITES AND IDENTIFY THE BEST ONES TO ADVANCE THROUGH THE PLANNING STAGES TO ‘SHOVEL READY’ STATUS AND FOR INVESTMENT CONSIDERATION.

FIRMING INTERMITTENT GENERATION IN OUR OWN PORTFOLIO WOULD BRING STRONG RESILIENCE TO OUR POSITIONING, AND MORE CHOICES FOR SELLING OUR RENEWABLE PRODUCTION – TO THIS END WE ARE CONTINUING TO PURSUE EARLY STAGE PUMPED STORAGE PROJECTS AND INVESTIGATE BATTERY OPTIONS.

WE HAVE BEEN SUCCESSFUL IN SECURING A FOOTPRINT OVER SOME OF THE BEST SITES IN AUSTRALIA AND NEW ZEALAND.

THE PROJECTS WE TAKE THROUGH TO SHOVEL READY STATUS ARE TOP RANKING IN RESPECT TO COSTS AND YIELD. OUR CAPABILITY AND TRACK RECORD REST ON TWENTY YEARS OF EXPERIENCE AND WE HAVE DEEP INDUSTRY AND SUPPLIER RELATIONSHIPS THAT HELP US SUCCEED AND OPTIMISE PROJECT OUTCOMES.

IT IS ALSO NOT AN ACCIDENT THAT OUR FOCUS, FOR SOMETIME, HAS BEEN ON OPTIONS IN THE STATES WITH THE MOST CAPABILITY TO ABSORB HIGHER LEVELS OF INTERMITTENT GENERATION.

WE ARE INCREASINGLY CONFIDENT THAT WE HAVE THIS QUALITY MIX IN OUR LATE STAGE PIPELINE, WITH THE DUNDONNELL, WAVERLEY AND RYE PARK WIND PROJECTS BEING OUR KEY NEAR TERM FOCUS.

WE KNOW THAT THIS IS A VERY COMPETITIVE FIELD BUT WE ALSO KNOW THAT THE BEST 'SHOVEL READY' OPTIONS WITH COMPETITIVE COSTS, AND ABILITY TO UTILISE THE LATEST TECHNOLOGIES ARE VALUABLE BOTH NOW AND OVER THE LONGER TERM.

REALISING THIS VALUE REQUIRES AN ABILITY TO FLEXIBLY RESPOND WITH EXECUTION INTENT TO MARKET OPPORTUNITY.

YOU SEE THIS IN OUR SALT CREEK EXECUTION AND IN OUR RESPONSE TO OFFER DUNDONNELL INTO THE VICTORIAN GOVERNMENT TENDER PROCESS.

TURNING TO OUR MARKETS.

AS WE SPEAK THE 'NATIONAL ENERGY GUARANTEE' OR "NEG", THE PROPOSED FRAMEWORK FOR AUSTRALIA TO MANAGE THE TRANSITION TO A LOWER CARBON POWER SECTOR, IS 'ON HOLD', LACKING SUPPORT TO BE PASSED INTO FEDERAL LEGISLATION.

ADDITIONALLY, WE HAVE THE ACCC ISSUING A VERY COMPREHENSIVE REPORT ON THE POWER SECTOR AND ASSESSING THE FULL SUPPLY CHAIN OF COSTS THAT LEAD TO CONSUMER BILLS.

THERE ARE MANY RECOMMENDATIONS IN THAT REPORT INCLUDING IMPROVING GENERATION COMPETITION AND ENCOURAGING MORE INDEPENDENT GENERATION. FOR GENERATION AND WHOLESAL, THE ACCC'S RECOMMENDATIONS ARE TO ASSIST THE MARKET TO WORK MORE COMPETITIVELY – THE MARKET STRUCTURE, WHERE PRICES REFLECT ECONOMIC COST, IS NOT IN ITSELF CONTENTIOUS.

THE ACCC INVESTIGATION RESULTED FROM THE RECENT SIGNIFICANT INCREASE IN CONSUMER BILLS. AS THE ACCC REPORT SHOWS THAT MAJORITY OF THE RETAIL PRICE INCREASES WERE CAUSED BY OTHER PARTS OF THE ELECTRICITY VALUE

CHAIN. THE ACCC RECOMMENDATIONS HERE WOULD FURTHER ASSIST THE EASING OF PRICE PRESSURES ON END USERS BEYOND THAT ALREADY NOW EVIDENT FROM COMPETITIVE RESPONSES IN THE WHOLESALE MARKET.

ON DECARBONISATION, WE BELIEVE AUSTRALIA NEEDS ITS ELECTRICITY SECTOR TO DO SOME OF THE HEAVY LIFTING TO MEETING AUSTRALIA'S PARIS COMMITMENTS – LOWER COST CARBON ABATEMENTS ARE AVAILABLE IN ELECTRICITY COMPARED TO OTHER SECTORS. DESPITE RECENT TURMOIL, PUBLIC SUPPORT FOR TAKING ACTION ON CLIMATE CHANGE REMAINS SOLID.

WHILE THE NEG MAY HAVE BEEN SCRAMBLED, DECARBONISATION HAS NOT BEEN.

THE EXISTING RENEWABLE ENERGY TARGET HAS BEEN REACHED AND THAT SCHEME WILL NOT DRIVE FURTHER RENEWABLE INVESTMENTS. THE SCHEME'S INFLUENCE IS DECLINING RAPIDLY AND THE SCHEME WILL SOON BE A 'WALKING DEAD ZOMBIE SCHEME' AND AN ONGOING NIGGLY NEGATIVE ON INVESTOR SECTOR CONFIDENCE, IF IT IS NOT PUT TO REST WITH DIGNITY.

HOWEVER, WIND AND SOLAR TOGETHER WITH FIRING OPTIONS MENTIONED PREVIOUSLY HAVE DECLINED IN COST TO THE POINT WHERE THE BEST SITES ARE BECOMING COMPETITIVE.

AS A RESULT, ELECTRICITY PROCUREMENT STRATEGIES FOR RETAILERS AND INCREASINGLY, INDUSTRIAL AND COMMERCIAL CUSTOMERS, INVOLVE CONTRACTING FOR RENEWABLES.

IN THE ABSENCE OF THE NEG WE CONTINUE TO EXPECT THAT THE MARKET ITSELF WILL ADD RENEWABLES AND STATE BASED INITIATIVES MAY ALSO PROVIDE OPPORTUNITY, BUT OVERALL PERHAPS AT A LESS HECTIC PACE.

IN THE ABSENCE OF THE NEG, WE WOULD ANTICIPATE THE EXISTING REGULATORY ARRANGEMENTS FOR MONITORING ELECTRICITY SYSTEM RELIABILITY TO CONTINUE WITH MODIFICATIONS IF REQUIRED.

WE BELIEVE THIS WILL BE WORKABLE AS ALREADY WE SEE THE LARGE VERTICALLY INTEGRATED GENTAILERS MOVING TO ENSURE THAT THEY COMMISSION FIRING BACKUP ALONGSIDE THEIR PURCHASING OF RENEWABLES, AS AGL HAVE ARTICULATED IN THEIR APPROACH TO REPLACING THEIR AGING COAL PLANTS. IT IS A PART OF THEIR PRICE RISK MANAGEMENT AND ALSO PART OF THEIR SOCIAL LICENCE TO OPERATE.

WHILE PARTS OF THE AUSTRALIAN MARKET HAVE BEEN TESTED BY THE RAPID INCREASE IN INTERMITTENT GENERATION, DRIVEN BY AN IMPERFECT RENEWABLE ENERGY TARGET SCHEME, THE TOTAL MARKET HAS ACTUALLY MANAGED THAT RELATIVELY WELL AND THE NEXT STAGES OF DECARBONISATION SHOULD BE ABLE TO BE MANAGED WITHIN THE MARKET FRAMEWORKS THAT ALREADY EXIST. THE MARKET OPERATOR, AEMO, IS ALSO ADAPTING TO THESE CHANGES. FOR TILT RENEWABLES WE REMAIN CONFIDENT OF OPPORTUNITY AND WE WILL SUCCEED TO SECURE VALUE WHERE OUR PROJECT OPTIONS ARE HIGHLY COMPETITIVE AND POSITIONED TO PARTICPATE IN A TIMELY MANNER.

IN NEW ZEALAND, WE SEE POSITIVE EMISSIONS TRADING SCHEME POLICY DEVELOPMENTS, AND, WITH THE UPCOMING CLOSURE OF THE AGING HUNTLY STEAM UNITS, WE SEE NEAR TERM OPPORTUNITY FOR EFFICIENT 'RIGHT SIZED' NORTH ISLAND WIND PROJECTS.

NEW ZEALAND IS FORTUNATE WITH ITS FLEXIBLE HYDRO PEAKING THAT BEAUTIFULLY COMPLEMENTS ITS EXCELLENT WIND RESOURCES - FOR US WE CAN OFFER 'RIGHT SIZED' COMPETITIVE WIND GENERATION TO THE NZ PORTFOLIO GENERATORS, AND WE ARE THE ONLY INDEPENDENT WIND DEVELOPER OF SCALE WITH 'SHOVEL READY' OPTIONS.

MANAGING MERCHANT AND FLEXIBLE APPROACHES TO FORWARD CONTRACTING ARE BECOMING THE NEW NORM IN OUR MARKETS AND WE ARE COMFORTABLE WITH THAT. WE ARE ALSO SEEING THAT OUR EQUITY RETURNS FROM TOP PROJECTS CAN BE ADEQUATE IN THE PRESENCE OF THESE MARKET REVENUE RISKS. DEION WILL ADDRESS THIS MORE SPECIFICALLY IN CONNECTION WITH THE DUNDONELL WIND FARM PROJECT.

I WILL HOWEVER COMMENT ON OUR BALANCE SHEET AND DIVIDEND POLICY. OUR BALANCE SHEET IS FULLY PUT TO WORK WITH SALT CREEK WIND FARM INVESTMENT AND OUR PROPOSED EQUITY RAISE ASSOCIATED WITH THE DUNDONELL WIND FARM IS RIGHT SIZED. ANY ADDITIONAL OWNED PROJECTS, PRIOR TO DDWF CASH FLOWS COMING ON STREAM, WOULD REQUIRE ADDITIONAL BALANCE SHEET INITIATIVES.

OUR FORECASTS COVERING THE CONSTRUCTION AND COMMISSIONING OF THE PROPOSED DUNDONELL WIND FARM ARE COMPATIBLE WITH THE EXISITNG DIVIDEND POLICY FRAMEWORK.

I HAVE SPOKEN A LOT ON OUR DEVELOPMENT BUSINESS BUT OF COURSE THE OPERATIONAL PERFORMANCE OF OUR ASSETS IS AS IMPORTANT. YOUR CEO DEION CAMPBELL WILL COVER THAT IN SOME DETAIL.

YOUR BOARD IS ALSO DETERMINED TO SEE HEALTH AND SAFETY LEADERSHIP EMPOWERMENT AT ALL LEVELS IN THE BUSINESS, AND THIS IS OUR FIRST ITEM AT EVERY BOARD MEETING.

AS YOU WILL SEE REFLECTED IN OUR ANNUAL REPORT, WE KNOW OUR LICENCE TO OPERATE RESTS ON BEING A STRONGLY POSITIVE CONTRIBUTOR TO OUR COMMUNITIES AND WE HAVE EMPOWERED OUR HEALTH AND SAFETY COMMITTEE TO HELP US FOCUS ON COMMUNITY AND ENVIRONMENT ASPECTS. WE KNOW WE TAKE OUR REPUTATION WITH US WHENEVER WE ENGAGE WITH A LANDOWNER OR NEIGHBOUR OR LOCAL COUNCIL.

SIMILARLY, WE ARE REINFORCING OUR SUPPORT FOR OUR PEOPLE, WITH INITIATIVES FOR HEALTH AND WELLBEING AND WE ARE STRIVING FOR A DEEP CULTURE WHERE DIVERSITY AND FLEXIBILITY IS THE NORM.

THIS BACKGROUND ON WHAT WE THINK MATTERS, ON OUR MARKETS AND ON OUR STRATEGY UNDERPINS WHAT IS 'FIT FOR PURPOSE' FOR US IN RESPECT TO GOVERNANCE LEADERSHIP AND DIRECTOR EXPERIENCE.

WITH MANAGEMENT REMUNERATION WE HAVE RECOGNISED THAT WE NEED TO REWARD THE SUCCESS OF CLOSING PROJECTS BUT ALSO THAT THOSE PROJECTS HAVE TO ADD TO SHAREHOLDER VALUE TO WARRANT THE LABEL 'SUCCESS'.

OUR RESPONSE HERE IS TO EXPECT MANAGEMENT TO ACCUMULATE EQUITY INVESTMENT, AND HOLD THAT, AND 'GO ON THE JOURNEY' WITH SHAREHOLDERS. WE HAVE MOVED OUR STRUCTURES FOR RECOGNISING DEVELOPMENT PIPELINE PROGRESS TO BE BASED ON VALUE GROWTH AND TO BE PAID IN RESTRICTED SHARES. CASH INCENTIVES BASED ON THE DEVELOPMENT PIPELINE PROGRESS HAVE BEEN REMOVED.

WE NOW HAVE WHAT WE HAVE LABELLED A 'DEVELOPMENT BUSINESS INCENTIVE'. THIS IS A NEW ELEMENT, OFFSET BY LOWER CASH STI AND LOWER LTI.

FOR THIS INCENTIVE WE ASSESS VALUE ADD FROM OUR DEVELOPMENT SPEND AND MANAGEMENT ARE INCENTIVISED TO MANAGE SPENDING AND ACHIEVE RESULTS.

THERE ARE NO CASH PAYMENTS – OUR DEVELOPMENT BUSINESS INCENTIVES ARE TO BE PAID BY WAY OF RESTRICTED SHARES WITH REQUIREMENTS FOR FOUR YEAR MINIMUM HOLD (OR LONGER UNTIL ACCUMULATION TARGETS MEET).

WE ALSO EXPECT THIS ALIGNMENT WITH SHAREHOLDERS FROM YOUR DIRECTORS. DIRECTORS WITH 'SKIN IN THE GAME'!

YOU WILL SEE IN THE ANNUAL REPORT THE GROWING SHAREHOLDINGS OF YOUR DIRECTORS. THESE DO NOT COME FROM SHARE ISSUES TO DIRECTORS BUT COME FROM ON MARKET PURCHASES BY DIRECTORS INVESTING THEIR OWN MONEY IN TILT RENEWABLES.

WE HAVE MANDATORY, MONTHLY ON MARKET SHARE PURCHASES REQUIRED OF ALL DIRECTORS SET AT 50% OF PRE TAX DIRECTOR BASE FEES, THAT IS 75% OF POST TAX BASE FEES AT A NZ 33% PERSONAL TAX RATE. THIS IS REINVESTED IN TILT RENEWABLES EQUITY EACH MONTH.

THESE SHARES ARE RESTRICTED FROM SALE UNTIL 12 MONTHS POST DIRECTOR RETIREMENT.

DIRECTORS ARE 'ON THE JOURNEY' WITH SHAREHOLDERS AND FULLY EMPOWERED TO CHALLENGE AND PROMOTE RELENTLESS PURSUIT OF SHAREHOLDER VALUE.

I WOULD ALSO LIKE TO COMMENT ON THE PROCESS YOUR BOARD WENT THROUGH IN CONSIDERING THE USE OF THE SEVENTH DIRECTOR SLOT AND THE NEEDS OF TILT RENEWABLES FOR EXPERIENCE, THE APPROPRIATE BOARD SIZE AND THE BALANCE AND ROLE OF INDEPENDENTS.

WE WILL HAVE AN OPPORTUNITY FOR QUESTIONS ON THE FEE POOL AND DIRECTOR FEES WHEN RESOLUTION 2 IS CONSIDERED.

THROUGH OUR NEEDS ASSESSMENT WE IDENTIFIED NEEDS FOR

- DEEP INDUSTRY EXPERIENCE IN BOTH AUSTRALIAN AND NEW ZEALAND MARKETS
- INSIGHT INTO RENEWABLES COSTS AND TECHNOLOGIES AND TRENDS

- GOVERNANCE EXPERIENCE OVER AUSTRALIAN OPERATIONS, AUSTRALIAN HEALTH AND SAFETY AND AUSTRALIAN MAJOR CONSTRUCTION PROJECTS
- GOVERNANCE EXPERIENCE IN AUSTRALIAN EMPLOYMENT AND REMUNERATION GOVERNANCE AS 95% OF OUR STAFF ARE EMPLOYED AT OUR MELBOURNE BASE.

IN ADDITION, WE RECOGNISE THE NEEDS FOR A CAPABLE AND EFFECTIVE NUMBER OF INDEPENDENT DIRECTORS AND THE BENEFITS OF HAVING A MAJORITY OF INDEPENDENT DIRECTORS.

TILT RENEWABLES CONCLUDED THAT A BOARD OF 7 DIRECTORS WAS APPROPRIATE AND WE HAVE MOVED TO THIS AS ENVISIONED IN OUR CONSTITUTION.

WE HAVE THE STRONG AUSTRALIAN EXPERIENCE WE NEED

- TILT RENEWABLES HAS **THREE AUSTRALIAN BASED DIRECTORS**
- OUR AUSTRALIAN BASED INDEPENDENTS ARE HEAVILY RELIED UPON FOR:
  - DEEP AUSTRALIAN ENERGY MARKET INVOLVEMENT
  - AUSTRALIAN MAJOR CONSTRUCTION PROJECT EXPERIENCE
  - NZ & AUSTRALIAN HEALTH, SAFETY, ENVIRONMENT AND COMMUNITY EXPERIENCE
  - AUSTRALIAN REMUNERATION EXPERIENCE AND AUSTRALIAN GOVERNANCE EXPERIENCE.
- WE ALSO HAVE THE NZ INDUSTRY AND GOVERNANCE EXPERIENCE AND DIRECTOR RESIDENCY WE NEED

WE BELIEVE GOOD GOVERNANCE PROCESSES IN THE PRESENCE OF MAJORITY SHAREHOLDERS, COMBINED WITH THE DEEP RELEVANT INDUSTRY KNOWLEDGE AND RELEVANT MARKET EXPERIENCE, IS IMPORTANT AND VALUABLE TO SHAREHOLDERS.

THE ROLE OF THE INDEPENDENT DIRECTORS IS AN IMPORTANT AND EMPOWERING ONE – THE IDC WAS ACTIVE IN SECURING EARLY UNDERWRITE SUPPORT FROM MAJOR SHAREHOLDERS FOR THE DUNDONNELL WIND FARM AND ALSO FOR COMPETITIVELY REPLACING THAT FROM NON RELATED PARTIES. IT IS NOW ACTIVE IN MANAGING THE RESPONSE TO THE INTENDED TAKEOVER OFFER. WE HAVE STRUCTURED OUR FEE POOL TO ACCOMMODATE LUMPINESS IN THE IDC WORKLOAD AND THE DETAILS OF THIS WILL BE ON THE SCREEN WHEN WE CONSIDER THE FEE POOL RESOLUTION.



LADIES AND GENTLEMEN THANK YOU AND I WOULD NOW LIKE TO PASS ON TO DEION FOR THE CEO ADDRESS