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GEARING UP TO MAKE A DIFFERENCE

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

Introduction and important information

Notice is given that a special meeting of shareholders of Tilt Renewables Limited (“Company”) will be held virtually on the “Lumi” virtual meeting platform commencing at 2:30pm (New Zealand time) on 10 June 2020.

The special meeting is called for the shareholders to consider and, if thought fit, to pass the following special resolution:

THAT the scheme of arrangement relating to the return of capital to shareholders, as set out in the Arrangement Document incorporated in the Explanatory Notes in the Notice of Special Meeting, be approved.

By order of the Board:



Steve Symons
Company Secretary
13 May 2020

Virtual meeting date/time:

**10 JUNE 2020,
2:30PM**

Last date for receipt
of proxy forms:

**8 JUNE 2020,
2:30PM**

All times are given in New Zealand time, unless stated otherwise.

A middle-aged man with short grey hair and glasses is smiling. He is wearing a white t-shirt with the text 'PART OF OUR FUTURE LANDSCAPE' printed on it. The word 'FUTURE' is in green, while the other words are in black. The background is a plain, light grey wall.

**PART OF OUR
FUTURE
LANDSCAPE**

CHAIRMAN'S LETTER

13 May 2020

Dear shareholder,

Capital Return

On 8 April 2020, Tilt Renewables Limited (“**Tilt Renewables**” or the “**company**”) announced its intention to return approximately A\$260 million of capital to shareholders.

The return of capital will not alter your proportionate shareholding in the company, or your proportionate voting and distribution rights, and will be by way of a Court and shareholder-approved process.

Why is Tilt Renewables returning this money to me?

The company currently has some A\$535 million of unrestricted cash, that is, over and above the cash needed for the construction of the Dundonnell and the Waipipi wind farms which are already fully funded. This sum is largely made up from the proceeds of the sale by the company of the Snowtown 2 wind farm.

The company has been through an extensive exercise to determine the best use of the sale proceeds, including potential acquisition opportunities. The directors of the company (“**Board**”) do not believe that any suitable opportunities exist at present or are likely in the short to medium term for the full amount of the cash currently held within the company.

After taking into account the company's balance sheet structure, investment opportunities and operating outlook, the Board has determined that approximately A\$260 million of this cash should be returned to shareholders by way of a pro rata return of capital effected by way of a Court approved scheme of arrangement under Part 15 of the Companies Act 1993 (NZ). Following the return the company will still have approximately A\$275 million of cash on hand (plus on-going earnings) to continue to progress its market leading development portfolio.

How will the return of capital actually work and how am I affected?

One (1) in every five (5) of your shares will be cancelled and in return you will receive NZ\$2.91 for each cancelled share. Shareholders with an address on the register in Australia at 7:00pm (New Zealand time) on the record date (being the date for determining those shareholders entitled to participate in the scheme of arrangement) will be paid the NZ\$2.91 converted into Australian dollars at the exchange rate offered by the company's bankers to the company at that time, as determined by the company. If the number of shares you own is not divisible by five (5), then the number will be rounded up or down to the nearest whole number of shares (with 0.5 rounded up).

It is important to note that following the cancellation of shares, you will have the same proportionate shareholding and voting interest as before that cancellation.

The tax consequences of the return of capital are set out in section 3 of the Explanatory Notes to the Notice of Special Meeting. Shareholders are recommended to obtain independent tax advice on the effect of the capital return, based on their individual circumstances.

Process and Approvals for the Return of Capital

Tilt Renewables has now obtained initial orders from the New Zealand High Court which include directions about the holding of a special meeting of shareholders to consider a special resolution to approve the capital return.

Accompanying this letter is:

- a Notice of the Special Meeting. This includes an explanation of the capital return proposal. I recommend you read it carefully;

- a form entitled “Virtual Special Meeting Guide 2020”. Given the Covid-19 restrictions, the meeting is to be held virtually on the “Lumi” virtual meeting platform commencing at 2:30pm (New Zealand time) on 10 June 2020. Details as to how to attend the meeting virtually, as well as how to ask questions and to vote, are set out on that form;
- a proxy form. This form can be used if you do not wish to attend the virtual meeting, or do not wish to vote using the virtual meeting platform “Lumi”. I encourage investors that wish to appoint a proxy to lodge your proxy online using InvestorVote given the potential for delays in the postal system in light of the Covid-19 restrictions; and
- a copy of the company’s application to the Court for final orders sanctioning the return of capital to shareholders (dated 28 April 2020).

What do I need to do?

The capital return requires approval by at least 75% of the votes cast on the resolution at the special meeting and a simple majority of the votes of those shareholders entitled to vote.

If the return of capital is approved by shareholders at the special meeting, Tilt Renewables will then seek final Court approval before completing the return of capital on or about 10 July 2020.

Virtual meeting

Given the restrictions on movement and gatherings currently applying, the special meeting will be held virtually. In summary, this means that the meeting will not be held at a physical location. Instead you will be able to participate electronically, including being able to hear from me as well as being able to submit questions, which I will be able to answer. You will be able to vote electronically. If you cannot participate in the meeting electronically, you can submit a proxy form electronically.

Board’s recommendation

The TLT Board unanimously recommends that you vote in favour of the capital return.

Yours sincerely,



Bruce Harker
Chairman

IMPORTANT INFORMATION

1. The meeting referred to in this Notice of Special Meeting has been convened by an order of the High Court of New Zealand made at Auckland on 5 May 2020.
 2. The scheme of arrangement referred to in the special resolution is recorded in the Arrangement Document incorporated in the Explanatory Notes explaining the special resolution and accompanying this Notice of Special Meeting.
 3. A copy of the Company's application to the Court for final orders sanctioning the scheme of arrangement (dated 28 April 2020) accompanies this Notice of Special Meeting.
 4. The persons who will be entitled to vote at the meeting (including by proxy or representative) are those persons registered as holding shares on the Company's share register at 7:00pm (New Zealand time) on Monday, 8 June 2020.
 5. A shareholder of the Company entitled to attend the special meeting and vote is entitled to appoint a proxy to attend and vote in that shareholder's place. The proxy need not be a shareholder of the Company. A proxy form accompanies this Notice of Special Meeting and Explanatory Notes and, if used, must be deposited with the Company using one of the methods outlined on the proxy form by 2:30pm (New Zealand time) on 8 June 2020 (being 48 hours before the start of the meeting). To appoint a proxy online, shareholders will be required to enter their CSN/Securityholder Number, postcode/country of residence and the secure access Control Number that appears on the front of their proxy form.
 6. The Company Secretary, Steve Symons, is willing to act as proxy for any shareholder who may wish to appoint him for that purpose. In addition, where a shareholder does not name a person as their proxy but otherwise completes the proxy form in full, or where a shareholder's named proxy does not attend the meeting, the Company Secretary will act as that shareholder's proxy and will vote in accordance with that shareholder's express direction. The Company Secretary intends to vote all discretionary proxies, for which he has authority to vote, in favour of the resolution.
 7. Shareholders attending the virtual meeting are able to vote during the meeting via the "Lumi" app. The Company Secretary, Steve Symons, has been authorised by the Board to receive and count votes, including those submitted during the meeting.
 8. The special resolution must be approved by at least 75% of votes of shareholders who are entitled to vote and exercise their right to vote on the resolution and a simple majority of the votes of those shareholders entitled to vote. No shareholder is prohibited on voting on the special resolution and all shareholders will vote together as one class.
 9. This Notice of Special Meeting has been submitted to NZX Limited in accordance with NZX Listing Rule 7.1.1 and NZX has provided written confirmation that it does not object to this Notice of Special Meeting. However, NZX accepts no responsibility for any statement in this Notice of Special Meeting.
- The Board unanimously recommends that you vote in favour of the special resolution to approve the return of capital. The Directors intend to vote their own shares in favour of the return of capital.

Virtual Meeting

In light of recent public health announcements relating to the spread of COVID-19, particularly limiting large gatherings of people, the Company has made the decision to hold the Special Meeting as a virtual meeting. All shareholders will have the opportunity to attend and participate in the meeting online via an internet connection (using a computer, laptop, tablet or smartphone). The meeting will be accessible on both desktop and mobile devices.

In order to participate remotely you will need to either:

- Download Lumi AGM from the App Store or Google Play Stores for free – search for Lumi-AGM; or
- Visit web.lumiagm.com on your desktop or mobile device. Ensure that your browser is compatible – Lumi AGM supports the latest version of Chrome, Safari, Internet Explorer, Edge or Firefox.

IMPORTANT INFORMATION

If you have any questions, or need assistance with the online process, please contact Computershare on +64 9 488 8777 between 8.30am and 5.00pm (New Zealand time) Monday to Friday.

Audio will stream through the selected device, so shareholders will need to ensure that they have the volume control on their headphones or device turned up.

Shareholders will be able to view the presentations, vote on the special resolution to be put to shareholders and ask questions, by using their own computers or mobile devices.

Shareholders will still be able to appoint a proxy to vote for them, as they otherwise would, by following the instructions on the proxy form and this Notice of Special Meeting. Details of how to participate 'virtually' are provided in the accompanying Virtual Meeting Guide 2020, with instructions for accessing the virtual meeting. Shareholders are encouraged to review this guide and download the app prior to the Special Meeting. Shareholders will require the meeting ID – which is 367-864-904 – as well as their CSN/ Securityholder Number, which can be found on their proxy form, for verification purposes.

EXPLANATORY NOTES

1. INTRODUCTION

- 1.1 On 8 April 2020, the board of Directors of the Company ("Board") announced its intention to undertake a capital repayment to shareholders of the Company. The Board proposes to return to shareholders, on a pro rata basis, approximately A\$260 million.
- 1.2 The proposal to return capital will be put to shareholders for approval by a special resolution at a special meeting scheduled for 10 June 2020. The amount to be paid out under the proposed capital reduction will be funded by cash reserves.
- 1.3 The Board has determined that this return of capital should be effected by way of a Court-approved arrangement under Part 15 of the Companies Act 1993 (NZ) ("Scheme"). The Board considers the proposed Scheme to be fair to all shareholders as it achieves a return of capital on a pro rata basis, with the result that the return of capital does not alter the shareholders' relative voting and distribution rights.
- 1.4 On 28 April 2020, the Company applied to the High Court of New Zealand for an order directing the Company to put the Scheme to shareholders. The Court made initial orders on 5 May 2020 which require (amongst other things) the Scheme to be approved by special resolution of shareholders (that is, a resolution passed by a 75% majority of the votes of all shareholders entitled to vote and voting at the meeting) and a simple majority of the votes of those shareholders entitled to vote. If the resolution is passed, the Company will seek final orders from the High Court sanctioning the return of capital. The final orders that are being sought by the Company sanctioning the Scheme are set out in the copy of the Company's application to the Court (dated 28 April 2020), which accompanies this Notice of Special Meeting.
- 1.5 If shareholders do not approve the Scheme, it will not proceed and the Company's application to the High Court will be discontinued. The Company has

received confirmation from Mercury NZ Limited and Infratil 2018 Limited that they intend to vote all of the shares they hold in the Company in favour of the Scheme. If they vote in accordance with those indications, the resolution will pass.

2. THE ARRANGEMENT AND ITS EFFECT

- 2.1 Subject to approval by shareholders, and receipt of final orders from the High Court sanctioning the return of capital, the Scheme will result in:
 - (a) the cancellation of one (1) in every five (5) shares held by each shareholder in the Company (together with all rights attaching to those shares). Fractions of a share will be rounded up or down to the nearest whole number (with 0.5 rounded up); and
 - (b) the payment to each shareholder of NZ\$2.91 for each share cancelled. Shareholders with an address on the register in Australia at 7:00pm (New Zealand time) on the record date for determining the shareholders to participate in the Scheme will be paid the NZ\$2.91 converted into Australian dollars at the exchange rate offered by the Company's bankers to the Company at that time, as determined by the Company.

In this way, the Company will return to shareholders, on a pro rata basis, approximately A\$260 million of capital. On the Record Date (as defined in paragraph 2.3 below), there are expected to be 470,218,875 shares on issue. Based on this number, 94,043,775 ordinary shares will be cancelled (subject to rounding). This will leave the total number of ordinary shares on issue at approximately 376,175,100.

- 2.2 Subject to the approval of shareholders, the final orders from the High Court sanctioning the Scheme are expected to be made on 26 June 2020.
- 2.3 The share register will close at 7:00pm (New Zealand time) on 3 July 2020, or the date five business days after the date on which the final

EXPLANATORY NOTES

orders from the High Court sanctioning the Scheme are made, whichever is the latest (“Record Date”). This will be for the purpose of determining the number of shares to be cancelled and the amount to be returned to those shareholders whose names appear in the share register at that time.

- 2.4 Payment to shareholders will be made by cheque or, in the case of those shareholders who have previously provided bank account details to the Company, by direct credit. Cheques will be posted, or direct credits made, within five business days after the Record Date. At the same time, each shareholder will be issued with a new shareholding statement showing the new number of shares held following the cancellation of shares. Both the payment to shareholders and the provision of a new shareholding statement will be undertaken by the Company’s share registrar.
- 2.5 Shareholders with an address on the register in Australia at 7:00pm (New Zealand time) on the Record Date will be paid NZ\$2.91 converted into Australian dollars at the exchange rate offered by the Company’s bankers to the Company at that time, as determined by the Company.
- 2.6 The timetable for the proposed Scheme is set out in the table below.

Event	Date
Special meeting of shareholders	10 June 2020
Final orders made by High Court*	26 June 2020
Record Date*	3 July 2020
Payment to shareholders*	10 July 2020

* The dates above are indicative only. If the final court orders have not been made by 26 June 2020, the Record Date will be five business days after the date on which the final orders from the High Court sanctioning the Scheme are made. Payment will be made to shareholders within five business days after the Record Date.

3. TAXATION

- 3.1 The following is provided as general guidance as to the tax effect in New Zealand. Shareholders should obtain independent taxation advice on the effect of the Scheme based on their individual circumstances.
- 3.2 The Scheme meets the requirements under the Income Tax Act 2007 (NZ) to be treated as a return of capital and not a dividend.
- 3.3 It is proposed that no more than an amount equal to the Company’s available subscribed capital (of approximately NZ\$273.8 million) will be returned to shareholders. As the amount to be returned to shareholders will be no more than the Company’s available subscribed capital and certain other requirements in the Income Tax Act 2007 (NZ) are satisfied, the amount paid to shareholders will be treated as a return of capital and not as a dividend for New Zealand income tax purposes.
- 3.4 This means the payment will generally not be taxable for New Zealand shareholders unless:
- the shareholder is a share dealer;
 - the shares were acquired for the purpose of resale; or
 - the amount received by a shareholder is derived from a profit-making undertaking or scheme.
- 3.5 As the amount being returned under the Scheme is more than 15% of the value of the Company on the date of announcement of the return of capital, there is no requirement to obtain confirmation of the tax treatment from Inland Revenue. In addition, the Company has not applied for a binding ruling as to the tax treatment of the capital return, but has relied on advice that in the circumstances a binding ruling need not be obtained.

4. RATIONALE FOR THE RETURN OF CAPITAL

- 4.1 The Company currently has some A\$535 million of unrestricted cash, that is, over and above the cash needed for the construction of the Dundonnell and the Waipipi wind farms which are already fully funded. This sum is largely made up from the proceeds of the sale by the Company of the Snowtown 2 wind farm.
- 4.2 The Company has been through an extensive exercise to determine the best use of the sale proceeds, including potential acquisition opportunities. The Board does not believe that any suitable opportunities exist at present or are likely in the short to medium term for the full amount of the cash currently held within the company.
- 4.3 After taking into account the Company's balance sheet structure, investment opportunities and operating outlook, the Board has determined that approximately A\$260 million be returned to shareholders by a pro rata return of capital effected by way of a Court approved scheme of arrangement under Part 15 of the Companies Act 1993. Following the return the company will still have approximately A\$275 million of cash on hand (plus on-going earnings) to continue to progress its market leading development portfolio.
- 4.4 In determining the amount of capital to be returned to shareholders, the Company considered a number of factors, including:
- (a) any potential need for capital expenditure over the next 1 – 2 years;
 - (b) the Company's ability to comfortably meet all of its liabilities;
 - (c) the Company's credit quality;
 - (d) likely future revenues and liabilities; and
 - (e) the solvency position of the Company's subsidiaries.
- 4.5 In determining the preferred form of capital return, the Company sought advice from its external legal advisers, its auditors, and tax advisers. All options

were considered, including the payment of a dividend, both on-market and off-market share buy-back transactions, and the proposed Scheme. After careful consideration by the Board, the preferred method adopted was the Scheme.

- 4.6 In reviewing the options for the return of capital, the Company's objectives included:
- (a) certainty that the return of capital would proceed (with a low level of execution risk);
 - (b) ensuring that the payment made to shareholders is appropriately treated as a return of capital for New Zealand tax purposes (see further information in section 3 under the heading "Taxation");
 - (c) ensuring the return of capital will be made in a timely manner, so that shareholders receive cash in the near term; and
 - (d) adopting a method that ensured all shareholders are treated on the same basis and that the return of capital does not alter any shareholder's proportionate voting or distribution rights.

5. EFFECT ON SHAREHOLDERS

Shareholder value

- 5.1 The Scheme involves the Company's shareholders having one (1) share cancelled for every five (5) shares held, and receiving a cash sum of NZ\$2.91 for each share cancelled. Shareholders with an address on the register in Australia at 7:00pm (New Zealand time) on the Record Date will be paid NZ\$2.91 converted into Australian dollars at the exchange rate offered by the Company's bankers to the Company at that time, as determined by the Company. If the number of shares a shareholder owns is not divisible by five (5), then the number will be rounded up or down to the nearest whole number (with 0.5 rounded up).

Directors' holdings

- 5.2 Directors of the Company and associated persons of Directors who legally and/or beneficially own shares in the Company (including those acquired pursuant to the Company's Fixed Share Trading

EXPLANATORY NOTES

Plan for Directors) will participate in the return of capital in exactly the same way as all other ordinary shareholders of the Company. Directors and/or their associated persons are entitled to vote on the special resolution to approve the return of capital.

6. FURTHER INFORMATION

- 6.1 Shareholders who have any questions about the effect of the Scheme on their investment should consult their financial advisers.
- 6.2 Copies of the Court documents filed in relation to the Scheme and the initial Court orders are available on the following website www.tiltrenewables.com.

7. BOARD RECOMMENDATION

- 7.1 The Board unanimously recommends that shareholders vote in favour of the Scheme.

ARRANGEMENT DOCUMENT

Scheme of Arrangement pursuant to Part 15 of the Companies Act 1993 (NZ)

BETWEEN: Tilt Renewables Limited and the holders of shares in Tilt Renewables Limited.

1. INTERPRETATION

1.1 In this document, unless the context otherwise requires:

“**Business Day**” means a day on which the stock exchanges operated by NZX and ASX are open for trading.

“**Record Date**” means 3 July 2020, or the date five Business Days after the date on which the final order from the High Court of New Zealand is made pursuant to section 236(1) of the Companies Act 1993 sanctioning the arrangement, whichever is the latest.

“**Share**” means an ordinary share in Tilt Renewables.

“**Shareholder**” means each person who is registered in the share register of Tilt Renewables as the holder of a Share at 7:00pm (New Zealand time) on the Record Date.

“**Tilt Renewables**” means Tilt Renewables Limited.

2. ARRANGEMENT

2.1 One (1) Share for every five (5) Shares registered in the name of each Shareholder at 7:00pm (New Zealand time) on the Record Date shall be cancelled (together with all the rights attaching to those Shares). For this purpose, fractions of a Share shall be rounded up or down to the nearest whole Share (with 0.5 rounded up).

2.2 Within five Business Days after the Record Date, Tilt Renewables shall pay to each Shareholder for each Share registered in the name of that Shareholder which has been cancelled in accordance with clause 2.1:

- (a) where that Shareholder has at 7:00pm (New Zealand time) on the Record Date an address on the share register other than Australia, NZ\$2.91;
- (b) where that Shareholder has at 7:00pm (New Zealand time) on the Record Date an address on the share register in Australia, NZ\$2.91 converted into Australian dollars at the exchange rate offered by the Company’s bankers to the Company at that time, as determined by the Company.

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