

6 October 2025



Meridian Energy Limited (MEL)

The company will hold its Annual Shareholders Meeting at **9.30am Tuesday 21 October 2025**.

The location is **Level 2, 98 Customhouse Quay, Wellington**.

You can also join the meeting [at this link](#).

Company Overview

The company generates around 30% of the country's electricity through eight Windfarms and seven hydro power stations in New Zealand. It retails power under the Meridian and Powershop brands. It has 350,000 customers and over 900 employees.

In May 2025, the company acquired the retail operations of Flick and Z Energy from Ampol and in July 2025 the company completed the acquisition of NZ Windfarms.

Neal Barclay resigned as CEO in June 2025 and Mike Roan the former CFO was appointed CEO.

Current Strategy

The company's purpose is to provide "**Clean Energy for a fairer and healthier world**". The key strategic priorities that support this are well-disclosed and discussed within the Annual Report.

TE KAUPAPA
OUR PURPOSE

TE RAUTAKI
OUR STRATEGY

TE KAUPAPA MATUA
OUR PRIORITIES

TE AROTAHINGA
OUR FOCUS

Clean energy for a fairer and healthier world

Expertly navigate the energy transition for Aotearoa New Zealand

Grow renewable generation and firming capacity

To speed our path to a resilient, net-zero future

Deliver cleaner, cheaper energy

Through innovation that unlocks value for customers

Deliver operational excellence

So everything we do aligns to deliver on our goals

Grow capability and culture

Because how we do the mahi is what makes the real difference

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Key

The following sections calculate an objective rating against criteria contained within NZSA policies.

Colour	Meaning
G	Strong adherence to NZSA policies
A	Part adherence or a lack of disclosure as to adherence with NZSA policies
R	A clear gap in expectations compared with NZSA policies
n/a	Not applicable for the company

Governance

NZSA assessment against its key policy criteria are summarised below.

G Directors Fees: Excellent disclosure.

G Director Share Ownership: Directors are not required to own shares.

G CEO Remuneration: The company discloses its remuneration policy on its website, which includes an overview of the remuneration philosophy applicable to the company. The People Remuneration and Culture Committee are responsible for implementing the policy.

Incentives: The CEO is paid a short-term incentive (STI) in cash and a long-term incentive (LTI) by way of performance share rights.

NZSA encourages fulsome disclosure in relation to any incentive payments made to the CEO, including disclosure of measures (or measure 'groups'), weightings, targets, and the level of achievement versus target for each component associated with any awards. This methodology is supported by the new [NZX Remuneration Reporting Template](#).

The STI is awarded at a target of 60% of base salary with a maximum of 100% of base salary. The measures, weightings, and level of achievement against each component are well-disclosed. No STI was awarded in FY25.

Performance share rights are awarded under the LTI at 40% of base salary. Vesting then occurs after a three-year performance assessment period. NZSA notes that 50% of the award is based on absolute shareholder return, a framework appreciated by NZSA in the context of shareholder alignment. For FY25 the award was 100%.

We note that at maximum the STI comprises 71% of the total incentives. NZSA prefers a weighting towards the LTI to ensure the CEO is aligned with long-term shareholders' interests.

The company is one of very few that discloses both the gender pay gap and the CEO/employee remuneration ratio.

NZSA considers the simplicity and extent of disclosure to be amongst the best for NZX-listed companies.

Golden Parachutes: Again, the company is one of very few that makes a clear and comprehensive disclosure. There are no extraordinary payments made to the CEO or other senior executives by way of termination payments, nor by sign-on bonuses.

G Director Independence: All Directors are independent.

G Board Composition: Meridian has disclosed a comprehensive skills matrix for its Directors in its Corporate Governance Statement providing assurance for shareholders as to the capability of individual directors. This is well cross-referenced in the Annual Report.

The company is one of few NZX participants in the IoD's Future Director programme.

The nature of the company's board indicates a commitment to thought, experiential and social diversity, with relevant experience for Meridian. We note the Board's commitment to retaining a strong representative relationship with Ngāi Tahu, a role currently fulfilled by the inclusion of Tania Te Rangingana Simpson on the Board.

G **Director Tenure:** NZSA looks for evidence of ongoing succession or 'staggered' appointment dates that reduce the risks associated with effective knowledge transfer in the event of succession. We also prefer a term maximum of 9-12 years, unless there are exceptional circumstances that may apply.

Director appointments range from 2017 to 2023. The company has a strong track record of balancing director succession and the retention of institutional knowledge.

G **ASM Format:** Meridian Energy Limited is holding a 'hybrid' meeting, (i.e., physical, and virtual), a format preferred by NZSA as a way of promoting shareholder engagement while maximising participation.

G **Independent Advice for the Board & Risk Management:** NZSA looks for evidence, through disclosures, that a Board has access to appropriate internal and external expertise to support board assurance activities. We also look for evidence that Boards are across their risk management responsibilities.

The [Board Charter](#) notes that *"each Director has the right to seek independent professional advice at Meridian's expense within specified limits, or with the prior approval of the Chairperson."*

We note that Meridian operates a co-sourcing model for internal audit, reporting to the Audit & Risk Committee.

Meridian offers clear disclosure of strategic, business, sustainability, and financial risks in its Annual Report, as well as its ISO-accredited processes that support risk management in the Corporate Governance Statement. The critical nature of the company's asset management functions is discussed transparently in the Annual Report, together with existing risks and future development plans.

The company also discloses a materiality matrix in the Annual Report to focus on longer-term sustainability risks and their mitigations.

Audit

NZSA assessment against its key policy criteria are summarised below.

G **Audit Independence:** Good disclosure.

A **Audit Rotation:** Whilst the company ensures the Lead Audit Partner is rotated at 5 years as required by the NZX Listing Rules, it does not disclose if the Audit Firm is rotated at 10 years. Notwithstanding tenure, NZSA also expects disclosure of the appointment dates of the Lead Audit Partner and Audit Firm to improve transparency for investors.

NZSA notes that under the Public Audit Act 2001, the auditor of Meridian is the New Zealand Controller and Auditor-General. The New Zealand Controller and Auditor-General ultimately makes the decision on Auditor appointments, having previously appointed Deloitte to perform the audit of Meridian on their behalf.

We would expect the Auditor General to provide some guidance (via the company) on policy around Audit Firm rotation and the process to test the market as regards audit fees.

Environmental Sustainability

G Overall approach: Meridian Energy continues to demonstrate leadership in climate and sustainability reporting. Having pioneered Integrated Reporting in New Zealand since 2017 and being the first NZ company to publish Climate-related Disclosures back in 2019, Meridian has again produced a comprehensive FY2025 Climate-related Disclosure fully aligned with the NZ Climate Standards.

Beyond climate obligations, Meridian demonstrates strong performance in broader environmental stewardship. The company has strengthened its biodiversity commitments, with initiatives such as wetland offsets at Ruakākā and Harapaki, elver transfer programmes with Ngāi Tahu, and support for the Kākāpō Recovery Programme. On waste and circular economy, Meridian achieved a 99% diversion rate for construction waste at the Ruakākā battery project, far exceeding its 80% target. In water management, it tracks freshwater use and reports no significant non-compliance incidents in FY2025. These initiatives show Meridian is embedding environmental responsibility across its operations in ways that go beyond regulatory climate requirements. This reaffirms Meridian's status as one of New Zealand's leading companies in climate and environmental transparency.

G Sustainability Governance: Meridian's Board Charter and governance statement describe the skills and expertise of directors, supported by a skills matrix which includes climate risk and sustainability. At least five directors are identified as having the capability in climate risk and opportunity management. Meridian also allocates clear responsibility for climate through its Board committees, particularly the Audit & Risk Committee and the Safety & Sustainability Committee, and through a dedicated GM Corporate Affairs & Sustainability role, ensuring resources are devoted to these issues.

G Strategy and Impact: Meridian continues to implement its Climate Action Plan and has disclosed its long-term climate transition pathway, including a target to invest \$3 billion over five years in new renewable projects, grid-scale batteries, and supporting infrastructure. The company has also set out adaptation goals, including developing site-level climate adaptation plans by FY2030.

G Risk and Opportunity: Meridian's FY2025 disclosures include updated assessments of transition and physical risks, and it has provided graphics such as risk–opportunity tables and scenario pathways.

G Metrics and Targets: Meridian reports a full GHG inventory. The company has science-based targets verified by the SBTi: a 50% reduction in Scope 1, 2, and relevant Scope 3 by 2030, and a 90%

reduction by 2050. Progress against these targets is tracked and disclosed. Meridian also ties climate performance to executive remuneration.

G **Assurance:** Deloitte provided independent assurance over Meridian's FY2025 climate-related disclosures, with Scope 1 and 2 assured to a reasonable level and Scope 3 to a limited level.

Ethical and Social

NZSA assessment against its key policy criteria are summarised below.

G **Whistleblowing:** Good disclosure.

G **Political Donations:** The Annual Report includes an explicit disclosure that political donations are not made.

Financial & Performance

Policy Theme	Assessment
Capital Management	G
Takeover or Scheme	n/a

Meridian's share price fell from \$6.14 to \$5.64 (as of 16th September 2025) over the last 12 months – an 8% decline. This compares unfavourably with the NZX 50 which rose 4% in the same period. The capitalisation of MEL is \$14.8b placing it 2nd out of 115 companies on the NZX by size and makes it a large company.

Metric	2021	2022	2023	2024	2025	Change
Revenue	\$3,963m	\$3,703m	\$3,222m	\$4,856m	\$4,835m	n/c
Operating Expenses	\$3,271m	\$2,994m	\$2,397m	\$4,102m	\$3,636m	-11%
EBITDAF	\$692m	\$709m	\$825m	\$754m	\$1,199	59%
NPAT	\$428m	\$664m	\$95m	\$429m	-\$452m	n/a
EPS ¹	\$0.167	\$0.257	\$0.037	\$0.166	-\$0.173	n/a
PE Ratio	32	29	141	32	n/a	
Capitalisation	\$13.3b	\$13b	\$13.4b	\$15.9b	\$14.8b	-7%
Current Ratio	0.83	1.48	1.04	1.05	0.66	-37%
Debt Equity	0.89	0.70	0.67	0.64	0.68	6%
Operating CF	\$431m	\$461m	\$509m	\$667m	\$318m	-52%
NTA Per Share ¹	\$2.01	\$2.11	\$2.29	\$3.16	\$3.39	7%
Dividend ¹	\$0.169	\$0.174	\$0.179	\$0.21	\$0.21	17%

¹ per share figures based off actual shares at balance date (not weighted average)

Meridian had another mixed year with revenues from continuing operations unchanged at \$4,835m but correspondingly expenses were down 11% to \$3,636m contributing to a large 59% rise in EBITDAF to \$1,199m. This is diametrically opposed to the commentary provided in the [Annual report](#) on page 42 where the company stated they had a very challenging operating environment. This highlights the complexities of reporting for a company such as Meridian and its application of [GAAP](#).

NPAT fell substantially to a loss of **-\$452m**, however as is the case with the Gentailers, NPAT is not a useful measure of the financial viability. The decrease in profit can be attributed to a \$1,247m net decrease in the fair value of energy hedges. These hedges that are used to smooth exposure to the spot market will have a disproportionate impact every year making the NPAT figure rather meaningless.

Operating cashflows are a more useful financial metric for a company such as MEL, and these were down substantially by 52% on the prior year coming in at \$318m. This equates to \$0.12 when measured in cents per share.

MEL operates a financially sound balance sheet and low levels of debt, with debt equity at 0.68. Total interest-bearing debt increased slightly to \$1,569m. Current assets are less than current liabilities however robust operating cashflows are more than sufficient to meet short term commitments when required.

Dividends were stable at 21.0 cps. Dividends are partially imputed, being imputed to 77%. We note the company paid dividends in excess of both EPS and Operating Cashflow. Meridian stated on page 26 of an [investor presentation](#) that balance sheet strength had underwritten the unchanged dividend. NZSA notes that the dividend is well above operating cashflow per share, with the company likely to have elected a “smoothing” approach to dividend payments. In this context, MEL’s FY26 outlook becomes more critical for shareholders when considering dividend sustainability.

NTA per share rose 7% to \$3.39. Shares trade at a hefty 66% premium to NTA.

As is the norm for Meridian, they have not provided substantive guidance for FY 26.

On 11th September, Meridian provided their [monthly operating](#) report for August.

The crown is the largest shareholder, holding a 51.01% controlling stake. Outside of this controlling holding, shares are extremely widely held with a diverse shareholding base.

Resolutions

1. To re-elect Julia Hoare as an Independent Director.

Julia Hoare was appointed to the Board in September 2019. She is currently, Chair of Port of Tauranga and Chair of Auckland International Airport. She is also a member of the Chapter Zero New Zealand Steering Committee. During her executive career, Julia was a partner at PwC for two decades where she gained significant sustainability, financial and tax experience. In addition to

significant commercial and financial experience in both the private and public sectors, Julia's skills also span infrastructure, logistics, utilities, and sustainable business practices.

We will vote undirected proxies **IN FAVOUR** of this resolution.

2. To re-elect Michelle Henderson as an Independent Director.

Michelle Henderson was appointed to the Board in October 2019. She has extensive engineering and industrial expertise, with more than 20 years of experience in the Australasian heavy industry sector. Michelle is currently on the board of Cycling New Zealand Incorporated, South Port NZ Limited, and NZ Post. Michelle is a former executive of Rio Tinto, both in New Zealand and Australia. She previously held the role of Chief Operating Officer of PowerNet, an electricity distribution company. Michelle has experience in health and safety, infrastructure, and risk management. She is currently studying a master's in information governance at the University of Auckland.

We will vote undirected proxies **IN FAVOUR** of this resolution.

3. To re-elect Nagaja Sanatkumar as an Independent Director.

Nagaja Sanatkumar was appointed to the Board in January 2020. She has an international career with a focus on consumer facing digital technology at scale, including senior roles at Amazon and Expedia. She has led digital information technology solutions and customer experience innovation for eCommerce retail, travel, and financial services, including P&L responsibility for revenue, product design, technology and marketing operations, and information security/ customer data privacy compliance. Nagaja led the establishment of the board's Cyber Security Committee, which governs initiatives to prevent, assure, and protect Meridian against the threats of cyber-attacks and loss of critical data.

Nagaja studied Chemical Engineering at IIT Bombay before moving to the US for a consulting role with Deloitte. Nagaja completed her MBA from the University of Washington in 2003 and completed a Masters in Sustainable Development Goals from Massey University in 2023. Nagaja has over 25 years' global executive and leadership experience. She is also a Director for ANZ Bank New Zealand Limited, Southern Cross Healthcare Limited, Southern Cross Medical Care Society and Tuatahi First Fibre Limited.

We will vote undirected proxies **IN FAVOUR** of this resolution.

4. To re-elect Graham Cockroft as an Independent Director.

Graham Cockroft was appointed to the Board in July 2022. He has over 30 years' experience in the international energy industry, with executive roles in the UK, South America, New Zealand, and Asia. His experiences have been across the energy chain and under different political, economic,

and regulatory regimes. He has a strong financial background and experience in strategy and business development. During his executive career Graham served as Group CFO at SGX-listed Sembcorp Industries Limited, Singapore, CFO and COO at Contact Energy Limited, New Zealand, and in various senior executive roles for close to two decades at the UK energy company BG Group (now part of Shell plc), primarily in the UK and South America. Graham is currently a director of ASX-listed AGL Energy Limited and Tuatahi First Fibre Limited.

We will vote undirected proxies **IN FAVOUR** of this resolution.

Proxies

You can vote online or appoint a proxy at <https://www.investorvote.com.au/>

Instructions are on the Proxy/voting paper sent to you.

Voting and proxy appointments close **9.30am Sunday 19 October 2025.**

Please note you can appoint the Association as your proxy. We will have a representative attending the meeting.

The Team at NZSA