

NZ WINDFARMS LIMITED

**NOTICE OF ANNUAL MEETING OF
SHAREHOLDERS**

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Notice is hereby given that the Annual Meeting of Shareholders of NZ Windfarms Limited (**Company**) will be held at Hotel Four Points by Sheraton, 110 Mayoral Drive, Auckland, on Wednesday 25 September 2019 at 11:00 am.

The Explanatory Notes which accompany this Notice of Meeting set out the details of the transactions which are the subject of the resolutions and the approval required for each resolution by the shareholders of the Company pursuant to the NZX Main Board Listing Rules (**Listing Rules**), the Companies Act 1993 (**Act**) and the constitution of the Company (**Constitution**).

BUSINESS OF THE MEETING

1. Appointment and remuneration of Auditors

To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

That the Board are authorised to appoint and fix the remuneration of the Company's auditors for the forthcoming financial year ending 30 June 2020.

2. Election of Patrick Brockie as a Director – Ordinary resolution

To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

Mr Patrick Brockie retires in accordance with the provisions of the Constitution of the Company and, being eligible, offers himself for election.

3. Election of Mark Evans as a Director – Ordinary resolution

To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

Mr Mark Evans retires in accordance with the provisions of the Constitution of the Company and, being eligible, offers himself for election.

4. Election of Philip Lennon as a Director – Ordinary resolution

To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

Mr Philip Lennon retires in accordance with the provisions of the Constitution of the Company and, being eligible, offers himself for election.

5. Increase in remuneration of non-executive directors – Ordinary resolution

To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

That the aggregate maximum amount of fees which can be paid to the non-executive Directors be increased from \$199,500 to \$400,000 in respect of each financial year, where such amount (or lesser amount determined by the Directors for a financial year) will be divided among the non-executive Directors in such proportion and in such manner as they may agree.

NOTES

1. EXPLANATORY NOTES

Explanatory Notes for Resolutions 2 to 5 (inclusive) are set out in the following pages.

2. PROXIES

All shareholders of the Company entitled to attend and vote at the meeting are entitled to appoint a proxy to attend and vote for them instead.

A proxy need not be a shareholder of the Company.

A proxy form is enclosed and to be effective must be lodged at least 48 hours before the meeting is due to begin (i.e. before 11 am on Monday 23 September 2019) with the Company's Share Registrar in accordance with the instructions in the Notes to the proxy form accompanying this Notice.

3. VOTING RESTRICTIONS

Pursuant to Listing Rule 6.3.1, no directors (nor any of their respective Associated Persons – as that term is defined in the Listing Rules) shall be entitled to vote on resolution 5.

All persons registered on the Company's register of shareholders as the holders of shares as at 5pm on Tuesday, 24 September 2019 shall, subject only to the preceding restrictions, be entitled to vote at the Meeting in person or by proxy.

By Order of the Board of Directors

A handwritten signature in black ink, appearing to read 'John Southworth', with a long horizontal stroke extending to the right.

John Southworth
Chairman

EXPLANATORY NOTES

Listing Rules and Companies Act

The Company is listed on the NZX Main Board and must comply with the Listing Rules. In addition, various provisions of the Listing Rules are included in the Constitution. The Act, the Constitution and the Listing Rules contain specific requirements which are relevant to the resolutions comprised in this Notice.

The implications of the Listing Rules, the Act and the Constitution, insofar as they relate to each resolution, are addressed in the Explanatory Notes to each resolution.

Nature of Resolutions

The resolutions which are to be considered at the Meeting include five ordinary resolutions. An ordinary resolution is a resolution passed by a simple majority of votes of shareholders of the Company, entitled to vote and voting.

Set out below is further information on the resolutions to be proposed at this Meeting.

RESOLUTION 2: ELECTION OF MR BROCKIE AS A DIRECTOR

In terms of the Constitution, the Listing Rules and the Companies Act, Mr Brockie is required to retire as a director of the Company as at the date of the next annual meeting of shareholders of the Company.

Mr Brockie has been nominated to act as a director of the Company, and shareholders are being asked to consider, and if thought appropriate, appoint Mr Brockie as a director of the Company.

A brief biography for Mr Brockie is provided below:

Mr Brockie is Chief Financial Officer for City Rail Link Limited. Mr Brockie has been on the Board of Infrastructure New Zealand since 2012 and was Chair from 2015 to 2018. From 2010 to 2018 Mr Brockie was Head of Loans & Specialised Finance for ANZ Bank New Zealand Limited. Prior to ANZ Mr Brockie had a 20 year career with Citibank based in New Zealand, Singapore, Hong Kong and London.

Mr Brockie has extensive experience with debt markets including syndications, project and acquisition finance, export agency finance and trade finance both in developed and emerging markets with much of this financing in the infrastructure, renewable energy and telecommunications sectors.

The Board considers that Mr Brockie, if elected, would be an Independent Director for the purposes of the NZX Main Board Listing Rules.

RESOLUTION 3: ELECTION OF MR EVANS AS A DIRECTOR

In terms of the Constitution, the Listing Rules and the Companies Act, Mr Evans is required to retire as a director of the Company as at the date of the next annual meeting of shareholders of the Company.

Mr Evans has been nominated to act as a director of the Company, and shareholders are being asked to consider, and if thought appropriate, appoint Mr Evans as a director of the Company.

A brief biography for Mr Evans is provided below:

Mr Evans is currently the Managing Director of Site Managers Ltd and Kericrest Properties Ltd

Mr Evans has over 30 years self-employed business experience directing, developing, owning and operating a diverse set of businesses across a wide range of business sectors. They include retail, industrial services, commercial property, finance and management consulting and commercial property portfolio restructures.

The Board considers that Mr Evans, if elected, would be an Independent Director for the purposes of the NZX Main Board Listing Rules.

RESOLUTION 4: ELECTION OF MR LENNON AS A DIRECTOR

In terms of the Constitution, the Listing Rules and the Companies Act, Mr Lennon is required to retire as a director of the Company as at the date of the next annual meeting of shareholders of the Company.

Mr Lennon has been nominated to act as a director of the Company, and shareholders are being asked to consider, and if thought appropriate, appoint Mr Lennon as a director of the Company.

A brief biography for Mr Lennon is provided below:

Mr Lennon was the Founder of Apex Rental Cars Limited and was its Managing Director from 1992 until the sale of the business in 2013.

Mr Lennon is currently involved as a director and shareholder in a number of private companies - Steval Properties Ltd, Deerace Corporation Ltd, Lennon RFID Developments Ltd and ArcActive Limited.

Mr Lennon holds a Bachelor of Engineering Degree (Electrical and Electronic) from University of Canterbury and in the ten years prior to establishing Apex Rental Cars he held various positions in Communications Engineering with the former Telecom NZ.

The Board considers that Mr Lennon, if elected, would be a Non-independent Director for the purposes of the NZX Main Board Listing Rules.

RESOLUTION 5 – INCREASE IN REMUNERATION OF NON-EXECUTIVE DIRECTORS – ORDINARY RESOLUTION

Currently, the aggregate maximum amount of fees which can be paid to the non-executive Directors of the Company is \$199,500. This was set 25 October 2007 at the Company's Annual Meeting.

The Board proposes that the aggregate maximum amount of fees which can be paid to the non-executive Directors of the Company be increased to \$400,000 in respect of each financial year.

The Board seeks approval of this level of remuneration as it considers it an appropriate level of remuneration to attract and retain Directors of an appropriate level of expertise and experience to the Company.

Since the last setting of the fee pool director liability both in terms of health and safety obligations and general liability has changed. The Institute of Directors has conducted a survey of NZX director fees and the company has reviewed this report. That report shows that the lower quartile of fees for directors is \$65,000 per director and \$106,000 for chair. The proposed fee pool increase is calculated to allow the lower quartile fees to be paid and to allow flexibility in the future. It is not anticipated that another fee pool increase will be requested for a number of years. Board members cannot vote on this resolution noting that three board members hold considerable shareholdings.