



15 August 2018

Infratil and Mercury to make full takeover offer for Tilt Renewables

Infratil Limited (through its subsidiary Infratil 2018 Limited) ("**Infratil**") and Mercury NZ Limited ("**Mercury**") have today announced their intention to make a full takeover offer for Tilt Renewables Limited ("**Tilt Renewables**"). Infratil and Mercury already respectively hold or control 51.04% and 19.99% of the Tilt Renewables shares.

The offer price of NZ\$2.30 represents a 24.3% premium to the closing share price of Tilt Renewables on 11 May 2018, being the last trading day before Mercury acquired a 19.99% stake in Tilt Renewables from TECT Holdings Limited ("**TECT**"), a company 100% owned by the Tauranga Energy Consumer Trust, for NZ\$2.30 per share.

Infratil is confident that the Board of Tilt Renewables will support the offer, given the premium it represents for minority shareholders relative to recent trading and comparables in the Australian renewables sector as well as the delivery of certain value to Tilt Renewables minority shareholders.

Tilt Renewables has approximately 11% market share of installed wind capacity in Australasia, with a total installed capacity of 637MW across 8 wind farms. Tilt Renewables is well positioned to contribute to the continued decarbonisation of Australia and New Zealand with a development pipeline of more than 1,600MW of planning approved projects covering wind, solar and storage technologies. Tilt Renewables has recently submitted a bid to sell output from the Dundonnell Wind Farm ("**Dundonnell**") to the Victorian Government. Dundonnell is a 336MW development project in Western Victoria that will require significant capital investment by Tilt Renewables and its shareholders.

Tilt Renewables has stated that it intends to fund Dundonnell using a combination of new corporate debt and a significant equity raising (representing approximately 45% of Tilt Renewables' current equity value¹). Infratil and Mercury's offer provides shareholders with the opportunity to sell their Tilt Renewables shares at an attractive price. Alternatively, in the event of a successful Dundonnell bid outcome, shareholders will be required to contribute a significant amount of new equity relative to their existing shareholding or be diluted in an equity raising.

Infratil believes Tilt Renewables is well positioned to continue executing on its strong and diverse development pipeline. For Infratil, the offer represents a continuation of its proven approach of investing in businesses with supportive market dynamics that can respond to a disciplined focus on operating performance and capital allocation. Tilt Renewables will become a more meaningful investment for Infratil. Infratil is looking forward to partnering with Mercury and contributing towards the continued decarbonisation of Australasia.

¹ Based on the closing price of Tilt Renewables shares on the NZX of NZ\$2.13 on 14 August 2018, being the last trading day prior to the lodgement of Infratil and Mercury's notice of intention to make a full takeover offer.

TECT, the third largest shareholder in Tilt Renewables which continues to hold 6.81%, granted Mercury an option over the remainder of its shares in May 2018. Following the offer becoming fully unconditional Mercury has agreed to exercise the option to acquire those shares in a manner which complies with the takeovers code, with Infratil ultimately to become the holder of those shares. The agreement between Infratil and Mercury, combined with the shares covered by the TECT option, aggregates to 77.84% of Tilt Renewables shares.

NZ\$208.54m of funding is required to acquire all of the shares that Infratil and Mercury do not currently hold or control at the offer price. Infratil has sufficient funding capacity and intends to fund the takeover offer, and any near-term Tilt Renewables development projects, through the use of existing cash and debt facilities available to it.

The only substantive condition of the offer is approval from the Australian Foreign Investment Review Board ("**FIRB**"). There is also a 50% acceptance condition that will be satisfied promptly after the offer is launched. There are some other customary restrictive conditions that Infratil and Mercury currently intend to waive or declare as satisfied (to the extent permitted by law) once the FIRB condition is satisfied. Payments would commence within 7 days thereafter.

A copy of the Notice of Intention to make an offer has been sent to the NZX and ASX. The offer is intended to be formally sent to shareholders in early September, and is expected to close in October.

UBS is acting as financial adviser to Infratil. Buddle Findlay is providing legal advice.

Any enquiries should be directed to:

Mark Flesher, Investor Relations, Infratil Limited mark.flesher@infratil.com

15 August 2018

To: The Directors
Tilt Renewables Limited
C/- Russell McVeagh
Level 30, Vero Centre
48 Shortland Street
Auckland, 1010
New Zealand

Copy to: Takeovers Panel
takeovers.panel@takeovers.govt.nz

NZX Limited
announce@nzx.com

ASX Market Announcements
maogroup@asx.com.au

TILT RENEWABLES – TLT JV TAKEOVER NOTICE (TLT)


Infratil 2018 Limited and Mercury NZ Limited are parties to an implementation agreement establishing an unincorporated joint venture ("**TLT JV**"). TLT JV gives notice under Rule 41(1) of the Takeovers Code of its intention to make a full offer to acquire all of the fully paid ordinary shares in Tilt Renewables Limited ("**Offer**").

Attached to this notice are the terms of the Offer, including the information required by Schedule 1 of the Takeovers Code, stated as at the date of this notice. The form of offer document includes the signed certificate required under clause 19 of Schedule 1 of the Code.

TLT JV has also prepared a first draft of additional information intended to accompany the Takeover Offer, when made, as contemplated by rule 44(2) of the Takeovers Code. While a copy of that that information will also be provided to Tilt, to avoid doubt, that draft additional information remains subject to update, or amendment, and does not form part of the Takeover Notice.

A handwritten signature in black ink, appearing to be "Marko Bogoevski".

Marko Bogoevski
Director
Infratil 2018 Limited

A handwritten signature in black ink, appearing to be "Fraser Whineray".

Fraser Whineray
Chief Executive Officer
Mercury NZ Limited

**FULL CASH TAKEOVER OFFER
made under the Takeovers Code
to acquire all of the ordinary shares in
Tilt Renewables Limited at \$2.30 per share**

IMPORTANT

If you are in doubt as to any aspect of this offer, you should consult your financial or legal adviser.

If you have sold all your shares in Tilt Renewables Limited to which this offer applies, you should immediately hand this offer document and the accompanying acceptance form to the purchaser or the agent (e.g. the broker) through whom the sale was made, to be passed to the purchaser.

Tilt Renewables Limited's target company statement, together with an independent adviser's report on the merits of this offer either accompanies this offer or will be sent to you within 14 days and should be read in conjunction with this offer.

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION

TERMS AND CONDITIONS OF FULL CASH TAKEOVER OFFER TO ACQUIRE ALL OF THE SHARES IN TILT RENEWABLES LIMITED

1. THE OFFER

- 1.1 Infratil 2018 Limited and Mercury NZ Limited are, among others, parties to an implementation agreement (the "**Implementation Agreement**") establishing an unincorporated joint venture ("**TLT JV**") and are associates of each other for the purposes of the Takeovers Code.
- 1.2 On 15 August 2018 ("**Notice Date**"), TLT JV announced that it will make a takeover offer for Tilt Renewables Limited ("**Tilt**"). Accordingly, the members of TLT JV offer to acquire all of the ordinary shares in Tilt that TLT JV does not already own in accordance with rule 8 of the Takeovers Code on the terms and conditions set out in this offer document ("**Offer**"). All such shares are referred to in this Offer as "**Shares**" and each of them singly is referred to as a "**Share**".

2. CONSIDERATION

- 2.1 The consideration offered for each Share is \$2.30 cash, subject to any adjustment in accordance with paragraphs 6.1 to 6.4 below.
- 2.2 The consideration payable to Tilt shareholders whose Shares are taken up under this Offer ("**Acceptors**") will be sent to such Acceptors not later than 7 days after the later of the date on which this Offer becomes unconditional and the date on which an acceptance is received.

3. HOW TO ACCEPT THIS OFFER

- 3.1 If you wish to accept this Offer, you should:

[Online acceptance facility]

Accept the Offer online at www.shareoffer.co.nz/TiltTakeover or

Paper form acceptance]

- (a) complete the enclosed Acceptance Form in accordance with the instructions set out in the Acceptance Form; and
- (b) return the completed Acceptance Form as soon as possible, but in any event so as to be received by TLT JV not later than 11.59pm on [**Closing Date**] 2018 (subject to paragraph 4.1 below) (the "**Closing Date**"). Please return your Acceptance Form in any of the following ways:

Mail: Mail in the enclosed reply-paid envelope or address to:

TLT JV
[c/- Computershare Investor Services Limited
Private Bag 92119
Victoria Street West
Auckland 1142]

Deliver: TLT JV
[c/- Computershare Investor Services Limited
159 Hurstmere Road
Takapuna
Auckland 0622]

Scan & email: [TLTJVacceptances@computershare.co.nz]
(please put TLT JV Takeover Offer in the subject line for easy identification)

- 3.2 If you have lost or damaged your Acceptance Form, please contact [Computershare Investor Services Limited] on [+64 9 488 8777] or [TLTJVacceptances@computershare.co.nz].
- 3.3 If TLT JV receives an Acceptance Form after the Closing Date which bears a postmark or other evidence of postage or dispatch on or prior to 11.59pm on the Closing Date, that Acceptance Form will be deemed to have been received by TLT JV prior to 11.59pm on the Closing Date.
- 3.4 You may accept this Offer in respect of all or any of your Shares.
- 3.5 TLT JV may, in its discretion, treat any Acceptance Form as valid notwithstanding that it does not comply with paragraph 3.1 or the instructions on the Acceptance Form, and may, in its discretion, rectify any errors in, or omissions from, any Acceptance Form, including inserting or completing details of the Shares held by the Acceptor and filling in any blanks. TLT JV may, in its discretion, allow for acceptance of this Offer in any other form.
- 3.6 Acceptance of this Offer by each Acceptor constitutes a contract between that Acceptor and the members of TLT JV on the terms and subject to the conditions of this Offer. Other than in the circumstances set out in paragraph 7.2, an Acceptor may not withdraw their acceptance of this Offer, whether or not there has been any variation of this Offer. You may however be released from the obligations arising from acceptance of this Offer in the limited circumstances set out in paragraph 4.3.
- 3.7 If you have share certificates for any of your Shares, you must return those share certificates with your completed Acceptance Form. If you do not provide share certificates for all of your Shares with your Acceptance Form, then you give the warranty in paragraph 4.7(f).

If you hold your Shares in a CHESS Holding

- 3.8 If you hold your Shares in a CHESS holding, to accept this Offer you can either:
 - (a) instruct your Controlling Participant (as defined in the ASX Settlement Operating Rules) directly – normally your share broker. If you do this, you will need to sign and return the Acceptance Form to your Controlling Participant; or
 - (b) authorise TLT JV to contact your Controlling Participant on your behalf, which you can do by signing and returning the Acceptance Form to the address specified at paragraph 3.1(b) above so that it is received in sufficient time to allow your instruction to be acted upon by 5:00pm on the Closing Date (which will authorise TLT JV and Computershare to instruct your Controlling Participant to initiate acceptance of this Offer on your behalf). By signing and returning the Acceptance Form you will be deemed to have authorised TLT JV to contact your Controlling Participant directly via the CHESS system. Neither TLT JV nor Computershare will be responsible for any delays incurred by this process.

If you are a broker or Controlling Participant, to accept this Offer on behalf of an offeree you must initiate acceptance in accordance with the requirements of the ASX Settlement Operating Rules.

- 3.9 TLT JV will not provide you with any acknowledgement of receipt of your Acceptance Form[, but will promptly email confirmation of receipt of any online acceptance].

Engagement of Brokers by TLT JV

- 3.10 TLT JV may choose to engage the services of one or more Primary Market Participants (in terms of the NZX Participant Rules) or other financial advisory firms ("**Brokers**") to contact holders of Shares and receive Acceptance Forms for the Shares. If TLT JV chooses to do this, the key terms of engagement will be as follows:

- (a) for each completed and valid Acceptance Form procured by a Broker, TLT JV may pay to that Broker a handling or procurement fee in respect of the Shares which are the subject of the Acceptance Form ("**Procurement Fee**"). The amount of the Procurement Fee will be 1.00% of the consideration payable by members of TLT JV under this Offer in respect of the Acceptance Form received. The Procurement Fee will be subject to a minimum amount of \$75 and a maximum amount of \$750 for a single Acceptance Form inclusive of GST, if any;
- (b) the Broker will be paid, and receive, the Procurement Fee solely in connection with its services to TLT JV and must not, directly or indirectly, pass any or all of the Procurement Fee on to you, or share the Procurement Fee with you;
- (c) the payment of a Procurement Fee to a Broker in respect of an Acceptance Form procured by that Broker is in all respects conditional on the Shares, which are the subject of that Acceptance Form, being validly transferred to a member of TLT JV (as determined by the Implementation Agreement). No Procurement Fees will be payable if this Offer is not declared unconditional by TLT JV or is withdrawn in accordance with paragraph 4.1. In addition, the Acceptance Form must be delivered to TLT JV in accordance with this section 3 and, unless TLT JV in its sole discretion determines otherwise, must be stamped by the Broker (and only that Broker). A Procurement Fee will not be paid in respect of Shares acquired by members of TLT JV through the compulsory acquisition provisions set out in Part 7 of the Takeovers Code;
- (d) Brokers are precluded from receiving any Procurement Fee in respect of Shares in which they or their associates have a relevant interest (as defined in Part 5 of the Financial Markets Conduct Act 2013);
- (e) TLT JV may, in determining the Procurement Fee payable to a Broker, aggregate and/or disregard any acceptance of this Offer procured by that Broker (for the purposes of such fee calculation only) if TLT JV believes that a party has structured holdings of Shares for the purpose or with the effect of enabling parties to take advantage of the arrangements summarised in this paragraph 3.10; and
- (f) TLT JV will determine, in its sole discretion, any disputes relating to the payment of a Procurement Fee. The determination of TLT JV will be final and binding on all parties.

4. TERMS OF OFFER

- 4.1 Unless this Offer is withdrawn with the consent of the Takeovers Panel and every person is released from every obligation incurred under the terms of it, or it lapses in accordance with its terms, this Offer remains open for acceptance until 11.59pm on the closing date of [●] 2018 (being a period of at least 30 days from the date of this Offer), or such later closing date(s) as TLT JV may advise in accordance with the Takeovers Code.
- 4.2 The latest date by which this Offer can become unconditional is 11.59pm on [●] 2018 ("**Condition Date**") (which is the end of the Offer period specified in paragraph 4.1), but this date may change if the Offer period is extended in accordance with paragraph 4.1. If the Offer period is extended and this Offer has not become unconditional, TLT JV will specify in the variation notice the new Condition Date (i.e. the new date by which this Offer must become unconditional).
- 4.3 TLT JV and every Acceptor shall be released from their obligations under this Offer, and arising from acceptance of this Offer, if this Offer:
- (a) is withdrawn with the consent of the Takeovers Panel; or
 - (b) lapses as a result of any conditions in section 5 not being satisfied or waived (to the extent capable of waiver) by the Condition Date.

If this Offer is withdrawn or lapses, TLT JV may destroy all Acceptance Forms.

- 4.4 The enclosed Acceptance Form comprises part of this Offer. The Acceptance Form duly completed may be treated by TLT JV as a valid acceptance of this Offer.
- 4.5 This Offer is open for acceptance by any person who holds Shares, whether acquired on, before or after the date of this Offer, upon production of satisfactory evidence of such person's entitlement to those Shares.
- 4.6 The Shares acquired under this Offer are to be acquired free from all security interests, options, rights of pre-emption, liens, charges, mortgages, encumbrances and other adverse interests or claims of any nature, but together with all rights, benefits and entitlements attaching to them at the Notice Date or which arise subsequently, including the right to all dividends, bonuses and other payments and distributions attaching to such Shares.
- 4.7 By accepting this Offer, each Acceptor represents and warrants to the members of TLT JV, jointly and severally, that:
- (a) it is the sole legal and beneficial owner of the Shares in respect of which it has accepted this Offer, or is the legal owner and has the necessary power, capacity and authority to accept this Offer in respect of such Shares;
 - (b) it has full power, capacity and authority to sell and transfer all such Shares;
 - (c) upon payment, legal and beneficial title to all such Shares will pass to a member of TLT JV (as determined by the Implementation Agreement) in accordance with paragraph 4.6;
 - (d) any Acceptance Form has been duly completed and executed by a person authorised to do so, is free of any conditions of acceptance and is binding on it in accordance with its terms and the terms of this Offer; and

- (e) [any online acceptance has been duly completed and submitted by a person authorised to do so, is free of any conditions of acceptance and is binding on it in accordance with its terms and the terms of this Offer]
- (f) if it does not provide share certificates for all of its Shares with its acceptance (such Shares being the "**Uncertified Shares**"), that there are no share certificates for its Uncertified Shares or that the share certificates for its Uncertified Shares have been lost or destroyed. The Acceptor agrees that the members of TLT JV and Tilt may rely on this warranty for the purposes of section 95(5) of the Companies Act 1993.

4.8 Despite anything to the contrary in the Acceptance Form, if you are a joint holder of Shares (whether or not as a trustee of a trust) and the Acceptance Form is signed by one or some, but not all, joint holders, then you represent and warrant to the members of TLT JV, jointly and severally, that the holder(s) who has/have signed the Acceptance Form do(es) so on behalf of and as duly authorised agent(s) for the joint holder(s) who has/have not signed, that such authority has not been revoked, and that the acceptance is binding on the joint holder(s) who has/have not signed the Acceptance Form and, if you hold the relevant Shares as a trustee of a trust, that the instrument constituting the trust permits the execution of the Acceptance Form in the manner in which it was executed.

4.9 Each Acceptor:

- (a) will not, and will not attempt to, sell, transfer, dispose of (or agree to do any of those things), any or all of the Shares in respect of which the Acceptor has accepted this Offer (other than acceptance of this Offer itself);
- (b) is deemed to have irrevocably authorised TLT JV to instruct Tilt and its share registrar to refuse, during the Offer period, to register any transfer of any or all of the Shares in respect of which the Acceptor has accepted this Offer, except for transfers in accordance with this Offer;
- (c) will pay to TLT JV on demand, any cost or expense incurred, or loss or damage suffered, by a member of TLT JV in connection with, or as a result of, that Acceptor's failure to comply with paragraph 4.9(a) or (d); and
- (d) must, on request by TLT JV, provide to TLT JV or to Tilt's share registrar satisfactory evidence of its entitlement to Shares for which the Acceptor has, or wishes to, accept this Offer and/or the full and immediately effective release and discharge of any and all security interests, options, rights of pre-emption, liens, charges, mortgages, encumbrances and other adverse interests and claims of any kind over those Shares. TLT JV may treat an acceptance as invalid if the Acceptor does not comply with its obligations under this paragraph, and TLT JV is not obliged to notify the Acceptor that TLT JV has done so.

4.10 TLT JV may vary this Offer in accordance with the Takeovers Code. For the avoidance of doubt, the Takeovers Code does not permit this Offer to be varied so as to reduce the consideration offered.

5. CONDITIONS

5.1 This Offer, and any contract arising from acceptance of it, is conditional on each of the following occurring:

- (a) TLT JV receiving acceptances in respect of Shares that, when taken together with Shares already held or controlled by a member of TLT JV, result in the members of TLT JV holding or controlling in aggregate more than 50% of the voting rights in Tilt.

(Note, parties to the Implementation Agreement have agreed to accept this Offer within 2 working days of it being made, which will enable this condition to be promptly satisfied).

- (b) either of the following occurring:

- (i) the Treasurer of the Commonwealth of Australia (or his or her delegate) provides written notice or notices under the Australian Foreign Acquisitions and Takeovers Act 1975 (Cth) ("**FATA**") that there are no objections to the acquisitions by members of TLT JV and their respective related companies of interests in Shares resulting in up to a 100% interest in Tilt (the "**Proposed Acquisitions**"), where such notice or notices of no objection are on terms which are usual for the granting of such notices of no objection; or
- (ii) the Treasurer of the Commonwealth of Australia becomes precluded by passage of time from making any order or decision under Division 2 of Part 3 of the FATA in respect of the Proposed Acquisitions.

5.2 This Offer, and any contract arising from acceptance of it, are subject to the conditions that, during the period from the Notice Date until the Condition Date:

- (a) no dividends, bonuses or other payments or distributions (within the meaning of the Companies Act 1993) of any nature whatsoever (including, for the avoidance of doubt, by way of share buyback, redemption or cancellation or any other form of capital reduction) have been or are authorised, declared, paid or made upon or in respect of any of the Shares;
- (b) no shares, convertible securities or other equity securities of any nature (including warrants, options, rights or interests in any ordinary shares) of Tilt or any of its subsidiaries or joint venture entities (together the "**Tilt Group**"), have been or are issued, agreed to be issued or made the subject of any option or right to subscribe except pursuant to a transaction between Tilt and wholly owned subsidiaries of Tilt, or between wholly owned subsidiaries of Tilt;
- (c) the business of each member of the Tilt Group has been, and will be, carried on in the ordinary course of business, and no unusual or abnormal payment/expenditure or liability has been, or will be, made or incurred by any member of the Tilt Group, and no asset or assets have been, or will be, disposed of or made the subject of any option by any member of the Tilt Group other than in the ordinary course of business;
- (d) no liquidator, receiver, receiver and manager, statutory manager, administrator or similar official is appointed in respect of any member of the Tilt Group or any of their respective assets;
- (e) the Shares remain listed on the NZX Main Board and the ASX, and no steps are taken to delist the Shares from the NZX Main Board or ASX;

- (f) no board resolution or shareholders' resolution of any member of the Tilt Group has been or is passed to do or authorise the doing of any act or matter referred to in any of subparagraphs (a) to (e) above;
- (g) all persons who are parties to any material contracts with any member of the Tilt Group (including power purchase agreements and debt facilities) have provided any required consents, waivers or releases in respect of their rights to terminate, vary, accelerate or enforce such contracts (or similar rights) which arise as a result of the acquisition by a member of TLT JV of a relevant interest in any Shares, the announcement of the Offer, or change of control of Tilt; and
- (h) no other event has occurred or occurs that has, or could reasonably be expected to have, a material adverse effect on the financial position, trading operations or assets or liabilities of the Tilt Group as a whole.

(Note, assuming none of the events in clause 5.2 have arisen at the time the condition in clause 5.1(b) (FIRB) is satisfied, TLT JV currently intends to declare the offer free of conditions.)

- 5.3 To the extent required by the Takeovers Code, where any condition requires a determination as to whether a matter is or could reasonably be expected to be material or not, is adverse or not, is abnormal or not, is in the ordinary course of business or not, or is of a formal or technical (and not substantive) nature or not, before the condition may be invoked, such determination must be made by a suitably qualified expert nominated by TLT JV who is independent of, and not an associate of, TLT JV or any member of TLT JV.
- 5.4 The conditions in paragraphs 5.1 and 5.2 are separate and independent conditions and are for the sole benefit of the members of TLT JV. TLT JV may, to the extent they are capable of being waived, and to the extent permissible under the Code or other relevant law, waive any or all of those conditions in paragraph 5.2 in whole or in part, and on such terms as it decides, in its absolute and unfettered discretion. The condition in paragraph 5.1(a) cannot be waived in whole or in part. Any waiver or consent given by TLT JV in respect of any matter or thing shall apply only in accordance with its terms and shall not constitute a consent or waiver in respect of any similar matter or thing. You have no right to waive any condition.
- 5.5 This Offer will only proceed if all conditions in paragraphs 5.1 and 5.2 are satisfied or, to the extent permissible, waived and TLT JV declares its offer unconditional. If this does not occur, TLT JV's offer will lapse and paragraph 4.3 will apply.
- 5.6 Despite paragraph 5.5, TLT JV may not allow this Offer to lapse:
 - (a) in unreasonable reliance on a condition of this Offer; or
 - (b) in reliance on a condition of this Offer that restricts Tilt's activities in the ordinary course of Tilt's business during the period commencing on the Notice Date and ending on the Condition Date.

6. CHANGE IN CIRCUMSTANCES

- 6.1 If, on or after the Notice Date, any event referred to in paragraph 5.2(a) occurs and:
 - (a) TLT JV waives the condition in paragraph 5.2(a); and

(b) this Offer is or subsequently becomes unconditional,

then, at TLT JV's election (and subject to any terms of the waiver referred to in (a) above), either:

(c) each Acceptor will be bound to pay to TLT JV on demand the Distribution Amount (and such amount shall be received by TLT JV as bare trustee for the member of TLT JV who acquired the Acceptor's Shares); or

(d) the consideration which would otherwise have been paid to each Acceptor for their Shares shall be reduced by the Distribution Amount.

For the purposes of this paragraph 6.1, "**Distribution Amount**" means the amount of any dividend, bonus or payment, or the value of any other distribution (in each case inclusive of withholding taxes deducted and the value of franking and imputation credits, if applicable) that is received by, or is properly payable to, that Acceptor in respect of the Shares for which the Acceptor has accepted this Offer. If the Distribution Amount is not in cash in New Zealand dollars, then TLT JV may determine the New Zealand dollar value of the Distribution Amount. TLT JV's determination will be final and will bind the Acceptor and all other persons. The Acceptor may not challenge or appeal the determination absent any manifest error or lack of good faith in making such determination.

6.2 If, on or after the Notice Date, Tilt authorises, declares or makes any issue of shares, convertible securities or other securities of any nature (including warrants, options, rights or interests in its ordinary shares) ("**Additional Securities**"), by way of bonus issue, and:

(a) TLT JV waives the condition in paragraph 5.2(b); and

(b) this Offer is or subsequently becomes unconditional,

then (subject to any terms of the waiver referred to in (a) above) each Acceptor will be bound to transfer, in respect of those Shares for which they have accepted this Offer, any such Additional Securities to a member of TLT JV (as determined by the Implementation Agreement), and the consideration payable for each Share as set out in paragraph 2 will be proportionately reduced to take account of the bonus issue, such that the total aggregate consideration payable for all Shares (including Additional Securities) under this Offer, and any other Additional Securities, if accepted in full, remains the same as it would have had no bonus issue taken place.

6.3 If, on or after the Notice Date, Tilt makes any issue of fully paid ordinary shares to which paragraph 5.2(b) applies to any person, other than by way of bonus issue, and:

(a) TLT JV waives the condition in paragraph 5.2(b); and

(b) this Offer is or subsequently becomes unconditional,

then (and subject to any terms of the waiver referred to in (a) above) this Offer will be deemed to be extended to and include such ordinary shares and the consideration payable for them will be as provided in paragraph 2.1 on the basis that such ordinary shares are deemed to be Shares.

6.4 If, on or after the Notice Date, all or any of the Shares are subdivided or consolidated by Tilt, then:

(a) this Offer will be interpreted to take into account that subdivision or consolidation and will be deemed to be for the Shares resulting from that subdivision or consolidation;

- (b) the consideration per Share offered under this Offer will be reduced or increased, as the case may require, in proportion to that subdivision or consolidation; and
- (c) Acceptors will be bound to transfer those subdivided or consolidated Shares to a member of TLT JV (as determined by the Implementation Agreement) on the basis of the consideration so reduced or increased.

7. METHOD OF SETTLEMENT

- 7.1 If the completed Acceptance Form required by TLT JV [or an online acceptance] is in order, then within the period specified in paragraph 2.2, either a cheque will be sent (by ordinary mail) or an electronic transfer of cleared funds will be made (at the election of the Acceptor) by or on behalf of the TLT JV (by a member of TLT JV) for the consideration payable for the Shares acquired under this Offer (in each case, in New Zealand dollars). However, if an Acceptor does not select a method of payment, or the details that are provided are not sufficient to effect an electronic transfer, then a member of TLT JV may choose to pay that Acceptor by cheque or by electronic funds transfer to any existing New Zealand domiciled bank account that the Acceptor has advised to Tilt's share registrar (such as for dividend payments), and TLT JV is not obliged to notify the Acceptor that a member of TLT JV has done so, and TLT JV (and each member of TLT JV) will have no liability for its choice to do so. Acceptors electing payment by electronic transfer may be charged fees by their bank or financial institution.
- 7.2 If the consideration for this Offer is not sent within the period specified in paragraph 2.2 to any Acceptor, that Acceptor may withdraw acceptance of this Offer by notice in writing to TLT JV, but only after the expiration of 7 days' written notice to TLT JV of that Acceptor's intention to do so. This right to withdraw acceptance of this Offer will not apply if the Acceptor receives the consideration during the 7 day period referred to in this paragraph.
- 7.3 Notwithstanding the above, but subject to paragraph 7.4, if an Acceptor holds its Shares in a CHESS holding, TLT JV may choose to pay that Acceptor by cheque.
- 7.4 TLT JV may arrange for a third party to provide a currency conversion service, whereby an Acceptor (at its own cost) can elect to have the New Zealand dollar consideration payable for their Shares converted to a currency other than New Zealand dollars, provided however that this will be a matter between the third party and the Acceptor. TLT JV will satisfy its obligation by complying with paragraph 7.1.
- 7.5 With mutual agreement, the consideration due to any Acceptor may be set-off in full or in part against any money due from that Acceptor to a member of the TLT JV or their related company.

8. NOTICES

- 8.1 Notice by TLT JV to Tilt and the Takeovers Panel:
 - (a) declaring this Offer unconditional; or
 - (b) advising that this Offer is withdrawn in accordance with the Takeovers Code; or
 - (c) advising that this Offer has lapsed in accordance with its terms or the Takeovers Code,

in each case, will be deemed to be notice to all Tilt shareholders when so given.

- 8.2 Notice of any variation of this Offer will be sent to Tilt and the Takeovers Panel and, except where not required in accordance with the Takeovers Code, to each Tilt shareholder under this Offer.

9. FURTHER INFORMATION

- 9.1 Further information relating to the Offer, as required by Schedule 1 to the Takeovers Code, is set out in the Appendix, and forms part of this Offer document.

10. INTERPRETATION AND MISCELLANEOUS

- 10.1 In this Offer document:

- (a) any reference to the Takeovers Code means the Takeovers Code Approval Order 2000 (SR2000/210), as may be varied by any exemption granted by the Takeovers Panel;
- (b) except if expressly defined in this document, or where the context requires otherwise, terms defined in the Takeovers Code shall have the same meaning in this document;
- (c) all references to sums of money are in New Zealand currency;
- (d) any reference to time is to New Zealand time;
- (e) headings are for convenience only and do not affect the interpretation of this Offer document or any Acceptance Form;
- (f) the singular includes the plural and vice versa; and
- (g) references to any statutory provision are to statutory provisions in force in New Zealand (unless expressly stated otherwise) and include any statutory provision which amends or replaces it, and any by-law, regulation, order, statutory instrument, determination or subordinate legislation made under it.

- 10.2 This Offer may be varied by TLT JV in accordance with rule 27 of the Takeovers Code.

- 10.3 All amounts payable by an Acceptor under this Offer shall be paid in full without any deduction or withholding other than as required by applicable law in any jurisdiction. The Acceptor shall not be entitled to assert any credit, set-off or counterclaim against TLT JV or any member of TLT JV in order to justify withholding payment of any such amount in whole or in part.

- 10.4 All cheques, electronic funds, Acceptance Forms, and other documents to be delivered, sent or transferred by or to any Acceptor will be delivered, sent or transferred at that Acceptor's own risk.

- 10.5 This Offer and any contract arising from it shall be governed by and construed in accordance with the laws of New Zealand, and the parties to any such contract submit to the non-exclusive jurisdiction of the Courts of New Zealand.

- 10.6 The provisions set out in the Acceptance Form are part of the terms of this Offer.

- 10.7 If there is an inconsistency between the terms of this Offer and the provisions of the Takeovers Act 1993 or the Takeovers Code, the provisions of the Takeovers Act 1993 or the Takeovers Code (as the case may be) will prevail.

APPENDIX: INFORMATION REQUIRED TO BE SPECIFIED IN OFFER BY SCHEDULE 1 TO THE TAKEOVERS CODE

The information required by Schedule 1 to the Takeovers Code, and not stated elsewhere in this Offer document, is set out below. Where information is not applicable or not required, no statement is made regarding that information. The following matters are stated as at the Notice Date.

1. Date

The Offer is dated [●] 2018.

2. Offeror and its directors

- 2.1 The offeror is an unincorporated joint venture named Tilt Renewables Joint Venture ("**TLT JV**"). The names and addresses of the participants in and members of TLT JV are:

Infratil 2018 Limited ("**Infratil**")
5 Market Lane
Wellington Central, Wellington 6011, New Zealand

Mercury NZ Limited ("**MCY**")
Level 3, 109 Carlton Gore Road,
Newmarket, Auckland 1023, New Zealand

- 2.2 The directors of the members of TLT JV are:

Mark Tume (Infratil)
Marko Bogoievski (Infratil)
Joan Withers (MCY)
Prue Flacks (MCY)
Scott St John (MCY)
Andrew Lark (MCY)
James Miller (MCY)
Keith Smith (MCY)
Patrick Strange (MCY)
Mike Taitoko (MCY)

3. Target company

Tilt Renewables Limited ("**Tilt**")

4. Ownership of equity securities of target company

The table below sets out the numbers, designations and percentages of equity securities of any class of Tilt that are held or controlled by:

- (a) a member of TLT JV;
- (b) any related company of a member of TLT JV;
- (c) any person acting jointly or in concert with a member of TLT JV;
- (d) any director of any persons described in sub-paragraphs (a) to (c) above; and

- (e) any other person holding or controlling 5% or more of the class, to the knowledge of a member of TLT JV.

Name	Number and class of equity securities held or controlled	Percentage of equity securities on issue (excluding treasury stock) held or controlled
Renew Nominees Limited ("RNL") ¹	110,399,170 ordinary shares	35.274% of all ordinary shares
Mercury NZ Limited	62,563,302 ordinary shares (held) 21,315,536 ordinary shares ² (controlled)	19.99% of all ordinary shares 6.81% of all ordinary shares
Infratil Energy New Zealand Limited ("IENZL") ¹	48,470,446 ordinary shares	15.49% of all ordinary shares
Infratil Investments Limited (IIL) ¹	872,773 ordinary shares	0.28% of all ordinary shares
Marko Bogoevski ³	26,318 ordinary shares	0.01% of all ordinary shares
Keith Smith ⁴	12,117 ordinary shares	0.004% of all ordinary shares
Alan Bickers ⁵	16,102 ordinary shares	0.01% of all ordinary shares
Richard Aitken ⁵	27,576 ordinary shares	0.01% of all ordinary shares
Ian Samuel Knowles ⁵	42,716 ordinary shares	0.01% of all ordinary shares
Bruce Harker ⁶	164,167 ordinary shares	0.05% of all ordinary shares
Fiona Oliver ⁶	38,572 ordinary shares	0.01% of all ordinary shares
Geoffrey Swier ⁶	102,418 ordinary shares	0.03% of all ordinary shares
Paul Newfield ⁶	38,572 ordinary shares	0.01% of all ordinary shares
Phillip Strachan ⁶	38,572 ordinary shares	0.01% of all ordinary shares
Vimal Vallabh ⁶	38,572 ordinary shares	0.01% of all ordinary shares
Anne Urlwin ⁶	2,696 ordinary shares	0.001% of all ordinary shares
Fraser Whineray ⁷	100 ordinary shares	0.00003% of all ordinary shares
TECT Holdings Limited	21,315,536 ordinary shares ²	6.81% of all ordinary shares

¹ Each of these companies is an Infratil Limited ("IFT") group company and therefore IFT controls these companies' shares in Tilt, resulting in IFT controlling in total 159,742,389 Tilt ordinary shares and 51.04% of all Tilt ordinary shares (excluding treasury stock).

² These are the same shares, which are subject to an option granted by TECT Holdings Limited in favour of MCY pursuant to a letter agreement dated 11 May 2018 (as referred to in paragraph 6.2 below).

³ Mr Bogoevski is a director of IFT and related entities of IFT.

⁴ Mr Smith is a director of MCY. Mr Smith is the registered holder of 2,117 shares, and is a director of Gwendoline Holdings Limited which is the registered holder of 10,000 shares.

⁵ Mr Bickers, Mr Aitken and Mr Knowles are directors of Trustpower Limited, which is a related company of IFT. The registered holders of Mr Bickers' shares are AN and EJ Bickers.

⁶ Mr Harker, Mrs Oliver, Mr Newfield, Mr Strachan, Mr Vallabh, Mr Swier and Ms Urlwin are directors of Tilt. The registered holder of 77,946 of Mr Harker's shares are the trustees of BJ & JS Harker Trust and the registered holder of 86,221 of Mr Harker's shares is Bell Gully Trustee Company Limited. The registered holder of Mrs Oliver's shares are the trustees of the Bella Vista Trust. The registered holder of Mr Newfield's shares is Bell Gully Trustee Company Limited. The registered holders of Mr Strachan's shares are the trustees of the Bosisto Trust. The registered holder of Mr Vallabh's shares is Bell Gully Trustee Company Limited. The registered holder of Mr Swier's shares is MacLagen Pty Ltd as trustee of the Swier Family Trust. Mr Swier is also a director of Trustpower Limited, a related company of IFT. The registered holder of Ms Urlwin's shares is Maigold Holdings Limited.

⁷ Mr Whineray is the Chief Executive of MCY and a director of related entities of MCY.

The information set out in the table above is based on disclosures made by directors of listed issuers as required under sections 297(1) and (2) of the Financial Markets Conduct Act 2013.

Except as disclosed above, no other person of the kind referred to in sub-paragraphs 4(a) to (d) holds or controls equity securities of Tilt.

5. Trading in target company equity securities

Details of the Tilt equity securities acquired or disposed of by any person of the kind referred to in sub-paragraphs 4(a) to (d) during the 6 month period before the Notice Date:

Name	Number and class of equity securities acquired / disposed of	Acquisition or disposal	Consideration per security*
Mercury NZ Limited	62,563,302 ordinary shares	Acquisition on 16 May 2018	NZ\$2.30
TECT Holdings Limited	62,563,302 ordinary shares	Disposal on 16 May 2018	NZ\$2.30
Bruce Harker	4,509 ordinary shares	Acquisition on 6 March 2018	NZ\$1.86
	4,525 ordinary shares	Acquisition on 5 April 2018	NZ\$1.8283
	4,383 ordinary shares	Acquisition on 1 May 2018	NZ\$1.91
	4,080 ordinary shares	Acquisition on 1 June 2018	NZ\$2.08
	4,081 ordinary shares	Acquisition on 4 July 2018	NZ\$2.0890
	3,985 ordinary shares	Acquisition on 1 August 2018	NZ\$2.13

Name	Number and class of equity securities acquired / disposed of	Acquisition or disposal	Consideration per security*
Paul Newfield	2,017 ordinary shares	Acquisition on 6 March 2018	NZ\$1.86
	2,024 ordinary shares	Acquisition on 5 April 2018	NZ\$1.8283
	1,961 ordinary shares	Acquisition on 1 May 2018	NZ\$1.91
	1,825 ordinary shares	Acquisition on 1 June 2018	NZ\$2.08
	1,826 ordinary shares	Acquisition on 4 July 2018	NZ\$2.0890
	1,783 ordinary shares	Acquisition on 1 August 2018	NZ\$2.13
Fiona Oliver	2,017 ordinary shares	Acquisition on 6 March 2018	NZ\$1.86
	2,024 ordinary shares	Acquisition on 5 April 2018	NZ\$1.8283
	1,961 ordinary shares	Acquisition on 1 May 2018	NZ\$1.91
	1,825 ordinary shares	Acquisition on 1 June 2018	NZ\$2.08
	1,826 ordinary shares	Acquisition on 4 July 2018	NZ\$2.0890
	1,783 ordinary shares	Acquisition on 1 August 2018	NZ\$2.13
Geoffrey Swier	2,017 ordinary shares	Acquisition on 6 March 2018	NZ\$1.86
	2,024 ordinary shares	Acquisition on 5 April 2018	NZ\$1.8283
	1,961 ordinary shares	Acquisition on 1 May 2018	NZ\$1.91
	1,825 ordinary shares	Acquisition on 1 June 2018	NZ\$2.08

Name	Number and class of equity securities acquired / disposed of	Acquisition or disposal	Consideration per security*
	1,826 ordinary shares	Acquisition on 4 July 2018	NZ\$2.0890
	1,783 ordinary shares	Acquisition on 1 August 2018	NZ\$2.13
Phillip Strachan	2,017 ordinary shares	Acquisition on 6 March 2018	NZ\$1.86
	2,024 ordinary shares	Acquisition on 5 April 2018	NZ\$1.8283
	1,961 ordinary shares	Acquisition on 1 May 2018	NZ\$1.91
	1,825 ordinary shares	Acquisition on 1 June 2018	NZ\$2.08
	1,826 ordinary shares	Acquisition on 4 July 2018	NZ\$2.0890
	1,783 ordinary shares	Acquisition on 1 August 2018	NZ\$2.13
Vimal Vallabh	2,017 ordinary shares	Acquisition on 6 March 2018	NZ\$1.86
	2,024 ordinary shares	Acquisition on 5 April 2018	NZ\$1.8283
	1,961 ordinary shares	Acquisition on 1 May 2018	NZ\$1.91
	1,825 ordinary shares	Acquisition on 1 June 2018	NZ\$2.08
	1,826 ordinary shares	Acquisition on 4 July 2018	NZ\$2.0890
	1,783 ordinary shares	Acquisition on 1 August 2018	NZ\$2.13
Anne Urlwin	913 ordinary shares	Acquisition on 4 July 2018	NZ\$2.0890
	1,783 ordinary shares	Acquisition on 1 August 2018	NZ\$2.13

*The information set out in the table above in relation to directors is based on disclosures made by directors as required under sections 297(1) and (2) of the Financial Markets Conduct Act 2013. The consideration per security has been calculated by reference to the aggregate consideration payable for the acquisition divided by the aggregate number of equity securities acquired, in each case as set out in the disclosures. The consideration per security is rounded to four decimal places.

Except as specified above, none of the persons referred to in (a) to (d) of paragraph 4 above have acquired or disposed of any equity securities in Tilt during the 6 month period before the Notice Date.

6. Agreements to accept Offer

- 6.1 On 15 August 2018, Infratil and MCY (together, the “**JV Parties**”) and IFT, RNL, IENZL and IIL entered into the Implementation Agreement under which they established an unincorporated joint venture to undertake the offer and each of RNL, IENZL, IIL and MCY agreed to accept the Offer for all of their respective Shares within 2 working days of the Offer being made.
- 6.2 TECT Holdings Limited granted an option in favour of MCY pursuant to a letter agreement dated 11 May 2018. That option may be exercised in a manner which complies with the Takeovers Code, including pursuant to this Offer or under rule 36 of the Takeovers Code. Pursuant to the Implementation Agreement, MCY has agreed that it will exercise the option after the Offer has become unconditional and before the Closing Date, in a manner which complies with the Takeovers Code. If MCY acquires those shares under rule 36 of the Takeovers Code, it has agreed it would promptly accept the Offer and before the Closing Date. As a result, whether acquired under the Offer or via rule 36 of the Takeovers Code, Infratil would ultimately become the registered holder of those shares.

7. Arrangements to pay consideration

- 7.1 TLT JV confirms that resources will be available to it sufficient to meet the consideration to be provided on full acceptance of the Offer and to pay any debts incurred in connection with the Offer (including debts arising under rule 49 of the Takeovers Code).
- 7.2 A statement setting out the rights of each offeree under rule 34 of the Takeovers Code, to withdraw its acceptance for non-payment of the consideration, is set out in paragraph 7.2 of the Offer document.

8. Arrangements between Offeror and target company

- 8.1 As noted in paragraph 6.1 of this Appendix, the JV Parties have entered into the Implementation Agreement establishing an unincorporated joint venture and governing the terms on which the Offer is to be made.
- 8.2 Tilt is related to Infratil (one of the JV Parties) because more than half of the Shares are held or controlled by its parent company IFT (through RNL, IENZL and IIL).
- 8.3 The material terms of the Implementation Agreement are as follows:
- (a) all parties agree, as fundamental principles of the Implementation Agreement, that nothing in the Implementation Agreement (or elsewhere) gives MCY (on the one hand) or IFT, Infratil, RNL, IENZL and IIL (together on the other hand) the ability or right to control or hold any of each other's Shares;

- (b) the parties acknowledge that they are "associates" for the purposes of the Takeovers Code, and agree not to acquire any further rights in Shares or take any other action in contravention of the Takeovers Code or the Financial Markets Conduct Act 2013;
- (c) the JV Parties formed TLT JV (an unincorporated joint venture) to make the Offer and, if applicable, implement the compulsory acquisition procedures in Part 7 of the Takeovers Code ("**Compulsory Acquisition**"), and following Compulsory Acquisition to de-list Tilt from the NZX and ASX;
- (d) Infratil and MCY agreed to form a steering committee for TLT JV which has the power and authority to govern and control TLT JV in relation to all matters in respect of the Offer and the Compulsory Acquisition;
- (e) the JV Parties will send an agreed form of takeover notice and takeover offer within the deadlines allowed by the Takeovers Code;
- (f) IFT and Infratil will be responsible for TLT JV's costs;
- (g) MCY, RNL, IENZL and IIL will each accept the Offer for all of their respective Shares within 2 working days of the Offer being made;
- (h) IFT will procure Infratil to pay the Offer price in respect of all Shares acquired pursuant to the Offer (other than the Shares owned by MCY), and MCY will pay the Offer price in respect of the Shares it owns and which it accepts into the Offer;
- (i) all Shares acquired pursuant to the Offer will be registered into the name of Infratil or such other wholly owned nominee as IFT may direct (other than the Shares owned by MCY, which will be registered into the name of MCY or its wholly owned nominee);
- (j) subject to the Offer becoming unconditional and MCY exercising the option (as contemplated by paragraph 6.2 of this Appendix) Infratil intends to support the appointment to the board of directors of Tilt a person nominated by MCY (while this is contractually binding, it does not confer on MCY holding or control over any voting rights held or controlled by Infratil Limited or any subsidiaries);
- (k) the representatives of Infratil on the steering committee of TLT JV will determine if the Offer period should be extended, whether any other variations to the Offer which are permissible pursuant to the Takeovers Code should be made and whether any conditions should be waived, and make any other decisions in respect of the Offer, provided that such decisions do not put either party in breach of law, and in each case following consultation with the representatives of MCY on the steering committee of TLT JV;
- (l) immediately following the close of the Offer, if IFT and MCY have become (in aggregate) the Dominant Owner, TLT JV will implement the Compulsory Acquisition and IFT will procure Infratil to pay the consideration payable under such sale and all Shares acquired under such sale will be registered into the name of Infratil or such other wholly owned nominee as IFT may direct;
- (m) if Infratil and MCY do not become (in aggregate) the Dominant Owner in relation to Tilt by reason of acceptances of the Offer and do not, therefore, implement the Compulsory

Acquisition, then, upon the close of the Offer, Infratil and MCY will not be obligated to take the steps contemplated in sub-paragraph (n) below;

- (n) on completion of the Compulsory Acquisition Infratil and MCY will enter into a shareholders' agreement in the form agreed by the parties relating to their respective rights and obligations as shareholders of Tilt; and
- (o) MCY has agreed that it will exercise the option (referred to in paragraph 6.2 of this Appendix) after the Offer has become unconditional and before the Closing Date, in a manner which complies with the Takeovers Code. If MCY acquires those shares under rule 36 of the Takeovers Code, MCY has agreed it would promptly accept the Offer and before the closing date. As a result, whether acquired under the Offer or via rule 36 of the Takeovers Code, Infratil would ultimately become the registered holder of those shares.

A full copy of the Implementation Agreement has been attached to substantial product holder notices that members of the TLT JV have provided to NZX for market release on 15 August 2018.

- 8.4 Except for the Implementation Agreement and the associated transactions detailed above, as at the date of the Offer, no agreement or arrangement (whether legally enforceable or not) has been made, or is proposed to be made, between TLT JV or any of its associates and Tilt or any related company of Tilt in connection with, in anticipation of, or in response to the Offer.

9. Arrangements between Offeror and directors and officers of target company

No agreement or arrangement (whether legally enforceable or not) has been made, or is proposed to be made, between TLT JV or any associates of TLT JV, and any directors or senior officers of Tilt or of any related company of Tilt (including any payment or other benefit proposed to be made or given by way of compensation for loss of office, or as to their remaining in or retiring from office) in connection with, in anticipation of, or in response to, the Offer.

10. Financial assistance

- 10.1 No agreement or arrangement has been made, or proposed to be made, under which Tilt or any related company of Tilt will give (directly or indirectly) financial assistance for the purpose of, or in connection with, the Offer.
- 10.2 IFT is a related company of Tilt. IFT will, through Infratil, fund the purchase of the Shares pursuant to the Offer (save for the Shares of MCY which will be paid for by MCY).

11. Intentions about material changes to target company

- 11.1 If TLT JV becomes entitled to invoke the compulsory acquisition provisions of the Takeovers Code, it intends to compulsorily acquire any outstanding Shares and apply for the delisting of Tilt from the NZX Main Board and the ASX.
- 11.2 TLT JV intends to continue Tilt's strategy outlined in the 11 April 2018 Infratil Investor Day presentation by Tilt's CEO (slides available at <https://infratil.com/assets/imported/nzx/2018-Tilt-Renewables-IFT-Investor-Day-277511.pdf> and video available at <https://edge.media-server.com/m6/p/djnqrxvr>) and Tilt's 2018 annual report (available at <https://www.tiltrenewables.com/investors-landowners/investor-publications>). The Investor Day presentation comments that the debt/equity funding model for projects will depend on offtake

structures. TLT JV supports Tilt's intention to raise further capital, and supports consideration of all options, including new debt and/or new equity.

11.3 Otherwise, TLT JV does not currently intend to make material changes to:

- (a) the business activities of any member of the Tilt Group;
- (b) the material assets of any member of the Tilt Group; or
- (c) the capital structure of Tilt (including to its dividend policy, equity or debt).

11.4 Although TLT JV reserves the right to make changes to the intention expressed above, there is no other information known to TLT JV about the likelihood of changes to any member of the Tilt Group that could reasonably be expected to be material to the making of a decision by a Tilt shareholder to accept or reject the Offer.

11.5 Statements made under this paragraph are consistent with any information that has been given by TLT JV to any regulatory body (in New Zealand or in an overseas jurisdiction) in relation to the Offer.

12. Pre-emption clauses in target company's constitution

As at the date of the Offer document there is no restriction on the right to transfer any equity securities to which the Offer relates contained in the constitution of Tilt which has the effect of requiring the holders of those securities to offer the securities for purchase to Tilt shareholders or to any other person before transferring those securities.

13. Escalation clauses

There is no agreement or arrangement (whether legally enforceable or not) under which any existing holder of equity securities in Tilt will or may receive in relation to, or as a consequence of, the Offer any additional consideration or other benefit over and above the consideration set out in the Offer, or any prior holder of equity securities in Tilt will or may receive any consideration or other benefit as a consequence of the Offer.

14. Independent adviser's report

No report is required under rule 22 of the Takeovers Code (which, if the offer is for more than 1 class of financial products, requires a report by an independent adviser on the fairness and reasonableness of the consideration and terms of the offer as between different classes of financial products).

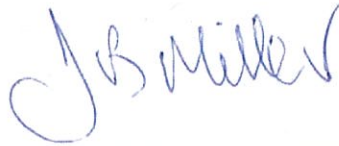
15. Certificate

To the best of our knowledge and belief, after making proper enquiry, the information contained in or accompanying the takeover notice is, in all material respects, true and correct and not misleading, whether by omission of any information or otherwise, and includes all the information required to be disclosed by the Offeror under the Takeovers Code.

Signed by the persons named below or their respective agents authorised in writing.



Marko Bogoevski
Director
Infratil 2018 Limited



James Miller
Director
Mercury NZ Limited



Fraser Whineray
Person fulfilling the role of Chief
Executive Officer of **Mercury NZ Limited**



William Meek
Person fulfilling the role of Chief Financial
Officer of **Mercury NZ Limited**

ACCEPTANCE FORM
FULL CASH TAKEOVER OFFER FOR ALL SHARES IN TILT RENEWABLES LIMITED

SHAREHOLDER ("Transferor")	HOLDER NUMBER / CSN / HIN (if any)
	SUB REGISTER
	NUMBER OF SHARES HELD IN TILT RENEWABLES LIMITED as at [Record Date]
	TOTAL CONSIDERATION NZ\$[insert]
	[ACCEPTANCE CODE: [unique random code to authenticate online acceptance]]
NAME ON REGISTER	

[You may alternatively accept the offer online at www.shareoffer.co.nz/TiltTakeover]

By signing this Acceptance Form the Transferor hereby:

- (a) irrevocably accepts the full cash takeover offer ("**Offer**") dated [**•**] 2018 by the unincorporated joint venture ("**TLT JV**") established by Infratil 2018 Limited and Mercury NZ Limited, for the number of shares in Tilt Renewables Limited ("**Tilt Shares**") held and nominated by the Transferor as set out in the box below ("**Nominated Shares**");
- (b) subject to the terms and conditions of the Offer, agrees to transfer those Nominated Shares to a member of TLT JV (as determined by the members of TLT JV);
- (c) without limitation to any other term of the Offer, represents and warrants as set out in paragraph 4.7 (to the extent applicable) of the Offer; and
- (d) as set out later in this Acceptance Form, appoints each member of TLT JV as attorney and agent of the Transferor.

NUMBER OF TILT SHARES YOU WISH TO SELL:

Note:

1. You may accept this Offer in respect of all or any Tilt Shares held by you.
2. If you do not state the number of Tilt Shares in respect of which you wish to accept the Offer, you will be deemed to have accepted the Offer in respect of all the Tilt Shares held by you and to have stated that number in the box above.

METHOD OF PAYMENT

Payment will be made by either electronic transfer directly into the Transferor's bank account, or by cheque. Please select a method of payment by ticking the appropriate box below. Note that all payments will be made in New Zealand dollars.

Method of Payment (please tick one): ☐ CHEQUE ☐ ELECTRONIC TRANSFER

Note: If you do not select a method of payment, or the details that you provide are not sufficient to effect an electronic transfer, you will be paid by cheque or by direct credit to your existing nominated account held by Computershare.

Electronic Transfer Details: Please complete the details below if you wish to be paid by electronic transfer:

Account Name:

NZ Bank Account Number:

Contact Details

Daytime Phone Number:

Email Address:

Dated and executed the

day of

2018

For individual or joint holders / attorney

Signed by the Transferor(s):

Signature

Signature

Signature

For a company / body corporate

Signed by the Transferor(s) by:

Title:

Title:

NOTES AND INSTRUCTIONS FOR COMPLETION

- 1 **TO ACCEPT THE OFFER:** Complete and sign this Acceptance Form where marked "Signed by the Transferor(s)" and date where marked. Companies must sign in accordance with the Companies Act 1993 or other applicable law.
- 2 **METHOD OF PAYMENT:** You should select a method of payment. If you do not, or the details that you provide are not sufficient to effect an electronic transfer to you, you will be paid by cheque or by direct credit to your existing nominated account held by Computershare.
- 3 **JOINT HOLDERS:** If the Nominated Shares are registered in the names of joint holders, all must sign the Acceptance Form. If one or some, but not all, joint holders sign, the joint holder(s) who has/have signed represent and warrant to the members of TLT JV jointly and severally, that the joint holder(s) who has/have signed the Acceptance Form do(es) so on behalf of and as duly authorised agent(s) for the joint holder(s) who has/have not signed, that such authority has not been revoked, and that the acceptance is binding on the joint holder(s) who has/have not signed the Acceptance Form.
- 4 **POWER OF ATTORNEY:** If the Acceptance Form is signed under a power of attorney, the relevant power of attorney must be submitted with the Acceptance Form, and the certificate below must be completed unless the attorney is a body corporate, in which case the attorney must sign and attach a certificate of non-revocation of power of attorney in the form set out in the Property Law Act 2007.
- 5 **CHESS HOLDING:** If you hold your Tilt Shares in a CHESS holding (see "sub register" above), to accept the Offer you can either:
 - (a) instruct your Controlling Participant (as defined in the ASX Settlement Operating Rules) directly – normally your share broker. If you do this, you will need to sign and return this Acceptance Form to your Controlling Participant; or
 - (b) authorise each member of TLT JV to contact your Controlling Participant on your behalf, which you can do by signing and returning this Acceptance Form to the address below so that it is received in sufficient time to allow your instruction to be acted upon by 5.00pm on [●] (which will authorise a member of TLT JV (as determined by the members of TLT JV) (and Computershare on its behalf) to instruct your Controlling Participant to initiate acceptance of the Offer on your behalf). By signing and returning this Acceptance Form you will be deemed to have authorised a member of TLT JV (as determined by the members of TLT JV) to contact your Controlling Participant directly via the CHESS system. Neither TLT JV, any member of TLT JV nor Computershare will be responsible for any delays incurred by this process.
- 6 **ON COMPLETION:** Place the signed Acceptance Form in the enclosed reply-paid envelope and post to the address below, or email the signed Acceptance Form to the email address provided below, as soon as possible but in any event so as to be received not later than 11.59pm New Zealand time on [●] 2018 (unless extended).

TLT JV Takeover Offer
[C/- Computershare Investor Services Limited
Private Bag 92119
Victoria Street West
Auckland 1142]

Email: [TLTJVacceptances@computershare.co.nz]
(please put TLT JV Takeover Offer in the subject line for easy identification)

If you post and email this Acceptance Form please mark the original Acceptance Form "EMAILED".

[Or you may accept the offer online at www.shareoffer.co.nz/TiltTakeover]

- 7 **PREVIOUS SALE:** If you have sold all your Tilt Shares, please pass this Acceptance Form together with the Offer documents to the agent (eg the broker) through whom the sale was made or to the purchaser(s) of such Tilt Shares. If you have sold part of your shareholding, record that fact on this Acceptance Form by amending the number of Tilt Shares noted as being held by you on the face of this Acceptance Form.
- 8 **SALE OF PART OF HOLDING ONLY:** If you want to accept the Offer for part of your holding only, please enter the number of Tilt Shares you wish to sell in the relevant box above before returning the Acceptance Form.
- 9 **INTERPRETATION:** In this Acceptance Form references to the Transferor in the singular shall include the plural.

IF YOU ARE IN ANY DOUBT ABOUT THE PROCEDURE FOR ACCEPTANCES, PLEASE CALL [COMPUTERSHARE INVESTOR SERVICES LIMITED ON +64 9 488 8777]

POWER OF ATTORNEY

BY THE TRANSFEROR'S EXECUTION OF THIS ACCEPTANCE FORM, THE TRANSFEROR hereby enters into a Power of Attorney in favour of each member of TLT JV as follows:

As from the date of beneficial ownership and title to my/our Nominated Shares passing to a member of TLT JV in accordance with the terms of the Offer, I/we hereby irrevocably authorise and appoint each member of TLT JV (with power of substitution by each member of TLT JV in favour of such person(s) as the such member may appoint to act on its behalf) as my/our attorney and agent to act for me/us and do all matters of any kind or nature whatsoever in respect of or pertaining to the Nominated Shares and all rights and benefits attaching to them as any member of TLT JV may think proper and expedient and which I/we could lawfully do or cause to be done if personally acting as a legal or beneficial owner of the Nominated Shares.

IF THIS ACCEPTANCE FORM IS SIGNED UNDER POWER OF ATTORNEY, THE ATTORNEY(S) SIGNING MUST SIGN THE FOLLOWING CERTIFICATE:

CERTIFICATE OF NON-REVOCATION OF POWER OF ATTORNEY

I/WE, _____
(Insert name of Attorney(s) signing)

of _____
(Address and Occupation)

HEREBY CERTIFY:

1. THAT by a Power of Attorney dated the _____ day of _____ the Transferor named and described on the face of this Acceptance Form ("**Donor**") appointed me his/her/its/their attorney on the terms and conditions set out in that Power of Attorney.
2. THAT I/we have executed the Acceptance Form printed on the face of this document as attorney under that Power of Attorney and pursuant to the powers thereby conferred upon me/us.
3. THAT at the date hereof I/we have not received any notice or information of the revocation of that Power of Attorney by the death (or winding up) of the Donor or otherwise.

Signed at _____ this _____ day of _____ 2018

Signature of Attorney(s)

NOTE: Your signature does not require witnessing

Additional information:

Draft "additional information" follows, for insertion into Takeover Offer at the end of the Takeover Notice period, per rule 44(2). To avoid doubt, this document remains subject to update, or amendment, and does **not** form part of the Takeover Notice.

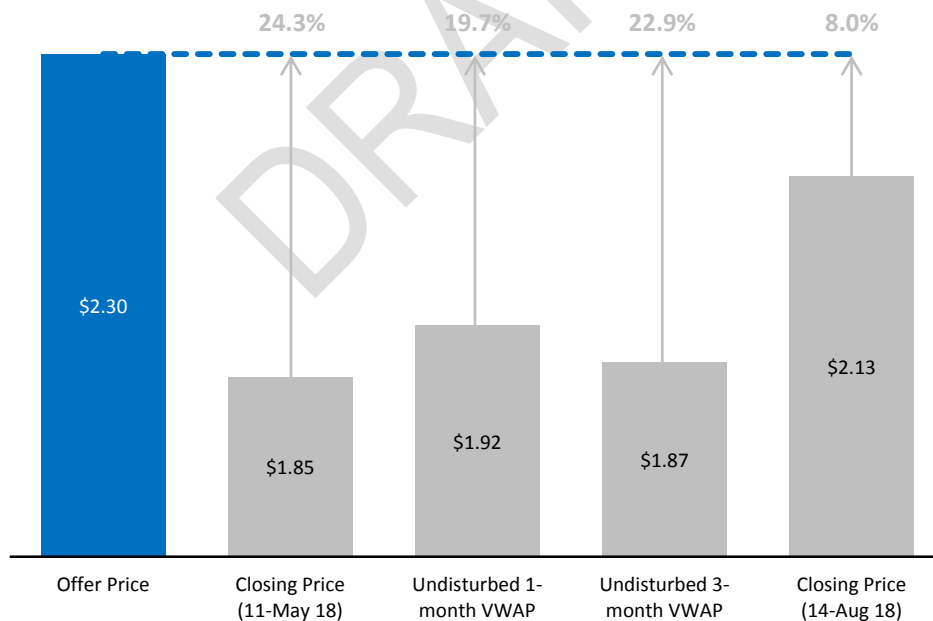
WHY YOU SHOULD ACCEPT THIS OFFER

This section sets out Infratil and Mercury's views on the merits of the Offer¹. It is not the independent adviser's report on the merits of the Offer.

1. IF YOU ACCEPT THE OFFER, YOU WILL RECEIVE AN ATTRACTIVE PREMIUM FOR YOUR TILT RENEWABLES SHARES

- The offer price of NZ\$2.30 per share represents a:
 - 24.3% premium to the undisturbed closing share price of Tilt Renewables Shares on the NZX on 11 May 2018²
 - 19.7% premium to the undisturbed one-month VWAP³ of Tilt Renewables Shares on the NZX as at 11 May 2018
 - 22.9% premium to the undisturbed three-month VWAP³ of Tilt Renewables Shares on the NZX as at 11 May 2018
 - 8.0% premium to the closing share price of Tilt Renewables Shares on the NZX on 14 August 2018⁴

Offer price premium to recent Tilt Renewables share price



¹ The Offer is being made by Infratil 2018 Limited ("Infratil"), a wholly owned subsidiary of Infratil Limited, and Mercury NZ Limited ("Mercury"). The Offer is made for 100% of the fully paid ordinary shares in Tilt Renewables Limited ("Tilt Renewables").

² Being the last trading day before Mercury acquired a 19.99% strategic stake in Tilt Renewables from TECT Holdings Limited, a company 100% owned by the Tauranga Energy Consumer Trust, for NZ\$2.30.

³ VWAP means the volume weighted average price at which Tilt Renewables Shares have traded on the NZX Main Board for the relevant period. VWAP is calculated as the total dollar value of shares traded, divided by the total volume (or number) of shares traded during the period referred to.

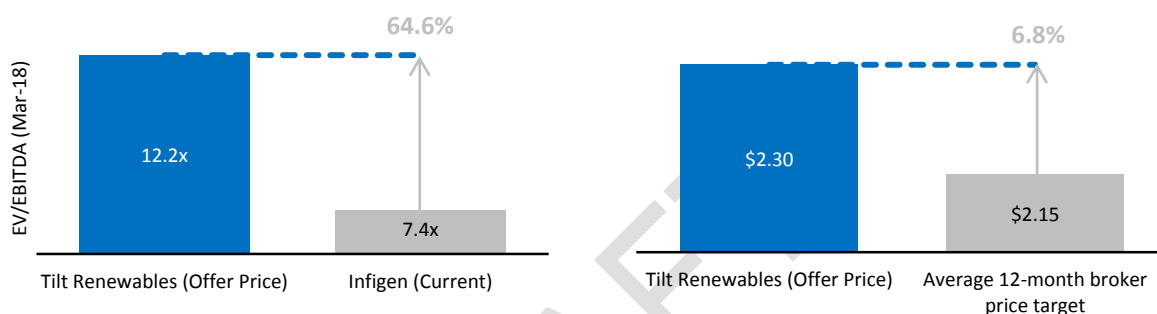
⁴ Being the last trading day prior to the lodgement of Infratil and Mercury's notice of intention to make a full takeover offer.

2. THE OFFER REPRESENTS A HIGHLY ATTRACTIVE VALUATION MULTIPLE FOR TILT RENEWABLES AND THE OFFER IS HIGHER THAN THE AVERAGE OF BROKER PRICE TARGETS

- The offer price of NZ\$2.30 implies a ratio of enterprise value ("EV")⁵ to earnings before interest, tax, depreciation and amortisation ("EBITDA") for the 12 months to 31 March 2018 of 12.2x⁶. This compares favourably to the ratio of EV to EBITDA over the same period for Tilt Renewables' closest comparable company; Infigen Energy Limited ("Infigen")⁷.
- The Offer represents a premium to the average of broker analyst 12-month price targets⁸ for Tilt Renewables.

Comparison of valuation multiples between the implied offer price valuation and the current trading multiple of Infigen

Offer price premium to average of broker analyst 12-month price targets



3. THE OFFER PROVIDES CERTAINTY OF PRICE DURING A PERIOD WHERE TILT RENEWABLES POTENTIALLY HAS NEAR-TERM FUNDING REQUIREMENTS

- Tilt Renewables has a diverse pipeline of development opportunities and recently submitted a bid into the Victorian Renewable Energy Auction Scheme ("VREAS") to sell the output from the Dundonnell Wind Farm ("Dundonnell") to the Victorian Government. Should Tilt Renewables be awarded a contract under the VREAS, construction of Dundonnell is anticipated to begin in late 2018 with an estimated total construction cost of approximately A\$600 million.
- Tilt Renewables has stated that it would fund Dundonnell and the associated VREAS bid using a combination of new corporate debt and a significant equity raising of approximately A\$300 million, representing approximately 45% of Tilt Renewables' equity value⁹ before the announcement of the intention to make this Offer.
 - Any such equity raising may be at a discount to the then trading price of Tilt Renewables Shares and may or may not allow for pro-rata participation by Tilt Renewables shareholders.
 - Tilt Renewables shareholders who do not participate in an offer of Tilt Renewables Shares will have their shareholding diluted.

⁵ Infratil and Mercury consider that enterprise value is the best valuation metric for comparing relative trading multiples. It represents the total value of a company (including outstanding debt balances and cash) and allows for comparison of companies that may have differing capital structures.

⁶ Net debt of A\$593.1m as at 31 March 2018. NZD/AUD exchange rate of 0.94 as at 31 March 2018.

⁷ Net debt of A\$567.7m as at 31 December 2017, pro-forma adjusted to reflect the refinancing of syndicated facilities (assumes the total A\$163m Bodangora construction facility has been drawn as commercial operation commencement is anticipated for August 2018). Investments accounted for using the equity method of A\$1.2m as at 31 December 2017. EBITDA is calendarised to 31 March 2018 with EBITDA for the financial year ended 30 June 2018 based on FactSet broker consensus as at 14 August 2018.

⁸ Represents the FactSet broker consensus as at 14 August 2018. The range of broker price targets was NZ\$2.00 to NZ\$2.25.

⁹ Based on the closing price of Tilt Renewables Shares on the NZX of NZ\$2.13 on 14 August 2018, being the last trading day prior to the lodgement of Infratil and Mercury's notice of intention to make a full takeover offer.

- As Tilt Renewables prepares to commence developing its pipeline of near-term opportunities with the ultimate goal of more than doubling its assets under management by 2020, shareholders must consider whether they are comfortable with the change in Tilt Renewables' risk profile that comes with developing large-scale renewable energy projects.
- Infratil and Mercury's Offer provides minority shareholders with the opportunity to sell their Tilt Renewables Shares at an attractive price. Alternatively, should the Dundonnell bid be successful, shareholders will be required to contribute a significant amount of new equity relative to their existing shareholding or be diluted in an equity raising.

4. INFRATIL LIMITED AND MERCURY ALREADY CONTROL 71.03% OF TILT RENEWABLES

- Infratil Limited already has the ability to control appointment of directors to the Tilt Renewables board. Between them Infratil Limited and Mercury already control 71.03% of Tilt Renewables and have the ability to influence the business plan, capital structure and dividend policy of Tilt Renewables.
- If you do not accept the Offer and should the Offer not achieve acceptances of 90% or more you will continue to be a minority shareholder and Tilt Renewables, under Infratil Limited and Mercury control, may or may not elect to pay a dividend in each or any year. In addition, current low levels of liquidity will likely be further reduced.

5. TECT HOLDINGS LIMITED ("TECT"), A COMPANY 100% OWNED BY THE TAURANGA ENERGY CONSUMER TRUST, A SIGNIFICANT SHAREHOLDER IN TILT RENEWABLES, HAS GRANTED MERCURY AN OPTION OVER ITS SHARES. MERCURY INTENDS TO EXERCISE ITS OPTION WHEN THE OFFER IS FULLY UNCONDITIONAL

- In May 2018, TECT sold a 19.99% stake in Tilt Renewables to Mercury for NZ\$2.30 per share and granted an option over the remainder of its Shares.
- TECT remains the third largest shareholder in Tilt Renewables with 6.81% of the voting rights.
- Following the Offer becoming fully unconditional, Mercury has agreed to exercise the option to acquire all remaining Shares held by TECT in a manner which complies with the Takeovers Code, with Infratil ultimately to become the holder of those Shares.
- The Shares held or controlled by Infratil Limited and Mercury, combined with the Shares covered by the TECT option, aggregates to 77.84% of Tilt Renewables Shares.

6. THE OFFER CONSIDERATION IS ALL CASH FOR 100% OF YOUR SHARES AND REPRESENTS AN ATTRACTIVE OPPORTUNITY TO SELL

- The consideration offered to Tilt Renewables' shareholders is 100% cash, and Infratil and Mercury's Offer is for all of your Tilt Renewables Shares.
- If you accept the Offer and the Offer becomes unconditional, you will be paid the consideration for your Tilt Renewables Shares in New Zealand dollars no later than seven days after the later of the date on which your acceptance is received and the date on which the Offer is declared unconditional.
- Infratil and Mercury may arrange for a third party to provide a currency conversion service. This would allow you to elect (at your own cost) to have the New Zealand dollar consideration payable for your Tilt Renewables Shares converted to a different currency¹⁰.

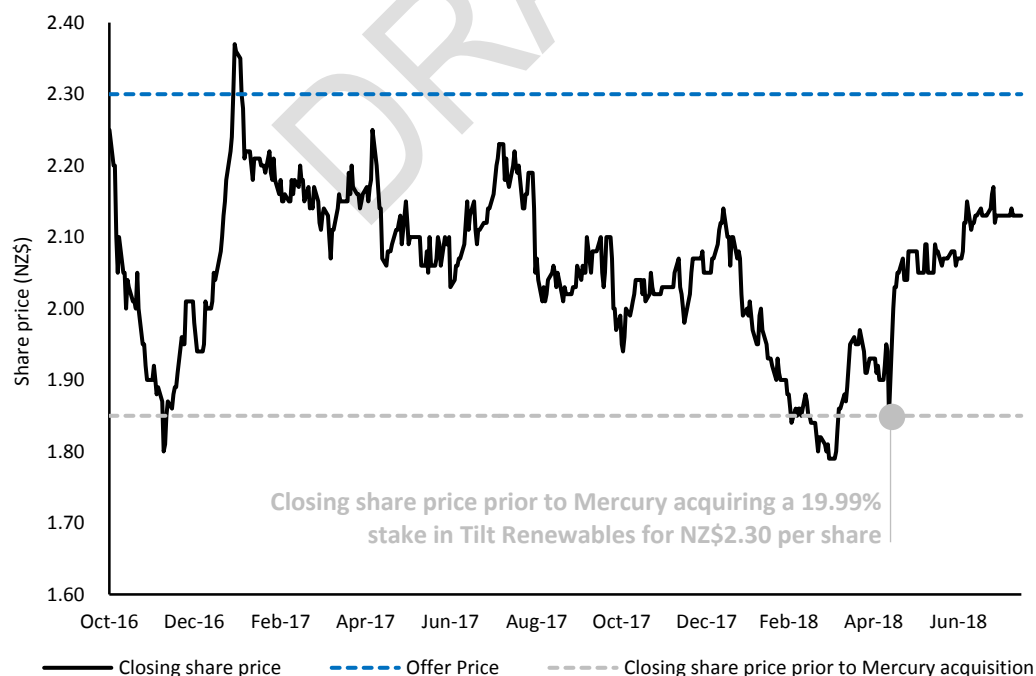
¹⁰ Provided that this will be a matter between yourself as shareholder and the third party.

- The Offer provides you the ability to sell your shareholding in Tilt Renewables at an attractive price. Tilt Renewables' lack of liquidity means that, should you wish to sell your Tilt Renewables Shares on-market at any point, you may struggle to find a buyer at the price you wish to sell.
 - Subject to final acceptance levels, there are likely to be lower levels of liquidity in Tilt Renewables Shares after the Offer, meaning you are less likely to be able to sell your Tilt Renewables Shares.
 - In the last year there were an average of 74,865 Shares traded on the NZX per day (representing 0.11% of Tilt Renewables' current free float Shares outstanding¹¹ and an average daily trading value of NZ\$151,768)¹².
- Tilt Renewables' shareholders who wish to accept the Offer but maintain an exposure to Tilt Renewables can do so indirectly by owning shares in Infratil Limited and/or Mercury.

7. THE OFFER IS CURRENTLY THE ONLY TAKEOVER OFFER AVAILABLE TO SHAREHOLDERS, AND IN THE ABSENCE OF THIS OFFER THE TILT RENEWABLES SHARE PRICE IS LIKELY TO TRADE AT A DISCOUNT TO THE OFFER PRICE

- Infratil and Mercury believe that no other competing Offer is likely to be forthcoming given that together they already hold or control 71.03% of Tilt Renewables Shares. Infratil and Mercury are highly unlikely to support an alternative Offer for Tilt Renewables.
- Should the Offer not proceed, there is a significant likelihood that the Tilt Renewables share price will trade below the offer price. The last time the Tilt Renewables share price closed at or above NZ\$2.30 was 31 January 2017 (over 18 months ago) and it has consistently been below NZ\$2.30 since that date.

Historical share price performance



¹¹ Free float Shares of 69,354,817 excludes the Shares owned by Infratil, Mercury and TECT.

¹² Based on the 12 months prior to the date on which Infratil and Mercury announced their intention to make the Offer (excluding the acquisition of a 19.99% stake in Tilt Renewables by Mercury on 14 May 2018).

8. THERE IS NO BROKERAGE PAYABLE FOR ACCEPTING THE OFFER

- Accepting shareholders will not be charged brokerage under this Offer.

DRAFT

Disclosure of movement of 1% or more in substantial holding
or change in nature of relevant interest, or both

Sections 277 and 278, Financial Markets Conduct Act 2013

To NZX Limited

and

To Tilt Renewables Limited

Relevant event being disclosed: Movement of 1% or more in the substantial holding and change in nature of relevant interest

Date of relevant event: 15 August 2018

Date this disclosure made: 15 August 2018

Date last disclosure made: 1 November 2016

Substantial product holder(s) giving disclosure

Full name(s): Infratil Limited and related bodies corporate

Summary of substantial holding

Class of quoted voting products: Ordinary shares in Tilt Renewables Limited (TLT)

Summary for: Infratil Limited (**IFT**), Infratil 2018 Limited (**Infratil**) and the product holders listed in the Schedule

For **this** disclosure,—

(a) total number held in class: 243,621,227

(b) total in class: 312,973,000

(c) total percentage held in class: 77.841%

For **last** disclosure,—

(a) total number held in class: 159,742,389

(b) total in class: 312,973,000

(c) total percentage held in class: 51.04%

Details of transactions and events giving rise to relevant event

Details of the transactions or other events requiring disclosure: IFT, Infratil, and Renew Nominees Limited, Infratil Energy New Zealand Limited and Infratil Investments Limited (these three entities being the **IFT Holders**), have entered into an implementation agreement (**Implementation Agreement**) with Mercury NZ Limited (**Mercury**), establishing an unincorporated joint venture between Mercury and Infratil for the purposes of a proposed full takeover of Tilt Renewables Limited (**Tilt**). Under the Implementation

Agreement, the parties holding shares in Tilt (including the IFT Holders) have agreed to sell those shares into that takeover offer.

A copy of the Implementation Agreement is attached to this disclosure (12 pages).

A change in nature of the IFT Holders relevant interest has arisen as the IFT Holders power to dispose or otherwise deal with Tilt financial products is now subject to the terms of the Implementation Agreement.

For any future disclosures during the takeover offer period, IFT, Infratil and the IFT Holders intend to file a combined notice with Mercury (as acting in concert parties).

Details after relevant event

Details for IFT, Infratil and the product holders listed in the Schedule

Nature of relevant interest(s): registered holder and beneficial owner, subject to the agreement to sell shares into the takeover offer noted above

For that relevant interest,—

- (a) number held in class: Refer Schedule
- (b) percentage held in class: Refer Schedule
- (c) current registered holder(s): Refer Schedule
- (d) registered holder(s) once transfers are registered: Refer Schedule

Nature of relevant interest(s): Mercury's option to acquire additional shares from TECT Holdings Limited (as notified by Mercury on 14 May 2018) in a manner compliant with the Takeovers Code, now subject to agreement by Mercury under the Implementation Agreement to, if the offer becomes fully unconditional, exercise its option in a manner which complies with the Takeovers Code, with Infratil ultimately to become the holder of those shares

For that relevant interest,—

- (a) number held in class: 21,315,536
- (b) percentage held in class: 6.811%
- (c) current registered holder(s): TECT Holdings Limited
- (d) registered holder(s) once transfers are registered: Mercury NZ Limited

Nature of relevant interest(s): under the Implementation Agreement, IFT, Infratil and the IFT Holders have the ability to control how the following shares will be disposed

For that relevant interest,—

- (a) number held in class: 62,563,302

- (b) percentage held in class: 19.990%
- (c) current registered holder(s): Mercury NZ Limited
- (d) registered holder(s) once transfers are registered: Mercury NZ Limited

Additional information

Address(es) of substantial product holder(s): Refer to the Schedule

Contact details: Refer to the Schedule

Nature of connection between substantial product holders: Refer to the Schedule

Name of any other person believed to have given, or believed to be required to give, a disclosure under the Financial Markets Conduct Act 2013 in relation to the financial products to which this disclosure relates: Mercury NZ Limited

Certification

I, Nicholas Lough, certify that, to the best of my knowledge and belief, the information contained in this disclosure is correct and that I am duly authorised to make this disclosure by all persons for whom it is made.

SCHEDULE

Registered Holder of Relevant Interest	Total held in class			Nature of association	Address and Contact details
	Class	Number Held	Percentage Held		
Renew Nominees Limited	Ordinary shares	110,399,170	35.274%	Related body corporate of Infratil Limited	5 Market Lane Wellington 6140 Nicholas Lough +64 4 473 2399 legal@hrlmorrison.com
Infratil Energy New Zealand Limited	Ordinary shares	48,470,446	15.487%	Related body corporate of Infratil Limited	5 Market Lane Wellington 6140 Nicholas Lough +64 4 473 2399 legal@hrlmorrison.com
Infratil Investments Limited	Ordinary shares	872,773	0.279%	Related body corporate of Infratil Limited	5 Market Lane Wellington 6140 Nicholas Lough +64 4 473 2399 legal@hrlmorrison.com

Takeover Implementation Agreement

relating to
Tilt Renewables Limited

Infratil Limited

Infratil 2018 Limited

Renew Nominees Limited

Infratil Energy New Zealand Limited

Infratil Investments Limited

Mercury NZ Limited



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TAKEOVER IMPLEMENTATION AGREEMENT

Date: 15 August 2018

PARTIES

Infratil Limited (*IFT*)

Infratil 2018 Limited (*Infratil*)

Renew Nominees Limited (*Renew*)

Infratil Energy New Zealand Limited (*IENZL*)

Infratil Investments Limited (*IIL*)

(Renew, IENZL, and IIL (and if applicable, Infratil), together the *IFT holders*)

Mercury NZ Limited (*MCY*)

BACKGROUND

- (A) IFT, through the IFT holders, and MCY are shareholders in Tilt.
- (B) MCY holds an option over the remaining shares in Tilt held by TECT Holdings Limited (respectively, *Option* and *TECT shares*).
- (C) IFT, through Infratil, and MCY wish to launch a full Takeover Offer for all of the shares in Tilt (including the shares held by them in a several capacity) under, and in compliance with, the Takeovers Code.
- (D) The Takeover Offer will be conditional on required regulatory approvals (FIRB), but will not be subject to a 90% acceptance condition.
- (E) Pursuant to the Takeover Offer, and any ensuing Compulsory Acquisition, IFT and MCY intend to acquire 100% of the shares.
- (F) This agreement sets out the terms on which the parties will make the Takeover Offer and records the steps to be taken by the parties to implement the transaction.

THE PARTIES AGREE as follows:

1 DEFINITIONS AND CONSTRUCTION

1.1 Defined terms

In this agreement, unless the context requires otherwise:

Closing means the settlement of the last acquisition under the Takeover Offer and/or Compulsory Acquisition or, as the context may require, the point in time at which such settlement occurs.



Compulsory Acquisition means compulsory acquisition of the remaining Shares not held or controlled by the Joint Venture under Part 7 of the Takeovers Code.

control has the meaning given in the Takeovers Code.

Dominant Owner has the meaning given in the Takeovers Code.

Effective Date has the meaning in clause 3.1

Joint Venture has the meaning in clause 3.1.

JV parties means Infratil and MCY.

Shares means all ordinary shares on issue in Tilt.

Takeover Offer means the takeover offer to be made by the JV parties under clause 3.2(a).

Takeovers Code means the takeovers code recorded in the Takeovers Code Approval Order 2000 as consolidated, amended, re-enacted or replaced from time to time and as varied by any applicable exemption granted by the Takeovers Panel.

Takeovers Panel means the Takeovers Panel established by the Takeovers Act 1993.

Tilt means Tilt Renewables Limited.

Tilt Shares, in respect of a person, means all Shares held or controlled by that person.

working day has the meaning given in the Companies Act 1993.

Voting Rights has the meaning given in the Takeovers Code.

1.2 Construction

In the construction of this agreement, unless the context requires otherwise:

Currency: a reference to any monetary amount is to New Zealand currency.

Headings: headings appear as a matter of convenience and do not affect the construction of this agreement.

Negative Obligations: a reference to a prohibition against doing any thing includes a reference to not permitting, suffering or causing that thing to be done.

No Contra Proferentem Construction: the rule of construction known as the contra proferentem rule does not apply to this agreement.

Parties: a reference to a party to this agreement or any other document includes that party's personal representatives/successors and permitted assigns.

Person: a reference to a person includes a corporation sole and also a body of persons, whether corporate or unincorporate.



Related Terms: where a word or expression is defined in this agreement, other parts of speech and grammatical forms of that word or expression have corresponding meanings.

Singular, Plural and Gender: the singular includes the plural and vice versa, and words importing one gender include the other genders.

Statutes and Regulations: a reference to an enactment or any regulations is a reference to that enactment or those regulations as amended, or to any enactment or regulations substituted for that enactment or those regulations.

Writing: a reference to "written" or "in writing" includes all modes of presenting or reproducing words, figures and symbols in a tangible and permanently visible form.

2 FUNDAMENTAL PRINCIPLES

2.1 Paramountcy

The provisions of this clause 2 are paramount and, to the extent that any other provision in this agreement is inconsistent with the provisions of this clause, that other provision will be read subject to this clause.

2.2 IFT's Tilt Shares

- (a) Nothing in this agreement or any other document contemplated by or entered into to give effect to this agreement, confers on MCY the ability or right to hold or control the voting rights or any other rights attaching to (or confers on MCY any interest in) any IFT holder's Tilt Shares.
- (b) IFT and the IFT holders have the exclusive right to exercise and/or control the exercise of all Voting Rights attaching to the IFT holders' Tilt Shares in whatever manner they see fit until the Closing.

2.3 MCY's Tilt Shares

- (a) Nothing in this agreement or any other document contemplated by or entered into to give effect to this agreement, confers on IFT, Infratil or the IFT holders the ability or right to hold or control the voting rights or any other rights attaching to (or confers on IFT, Infratil or the ITF holders any interest in) MCY's Tilt Shares.
- (b) MCY has the exclusive right to exercise and/or control the exercise of all Voting Rights attaching to its Tilt Shares in whatever manner it sees fit until the Closing.

2.4 Compliance with law

- (a) The parties acknowledge that by executing this agreement they will be "associates" (as defined in the Takeovers Code) of each other. Other than as expressly contemplated by this agreement for so long as they are "associates" of each other, each party agrees not to acquire any further legal or beneficial interest in any Shares, increase their respective holding or control of Voting Rights in Tilt or take any other action, in each case that would be in breach of the Takeovers Code or the Financial Markets Conduct Act 2013.
- (b) For the avoidance of doubt, this clause does not prevent the parties from entering into agreements with other shareholders of Tilt under which those shareholders agree to accept the Takeover Offer. Subject to Rule 36 of the Takeovers Code, nor does it prevent IFT exercising its 'creep right' under the Takeovers Code at any time.



Nor does it necessarily mean that IFT and MCY or their respective related companies will be associates after the Takeover Offer is completed.

- (c) Nothing in this agreement will require any party to do any act or thing in contravention of the Takeovers Code, the Companies Act 1993 or the Financial Markets Conduct Act 2013.

3 JOINT VENTURE

3.1 Joint Venture

With effect from the date of this agreement (*Effective Date*), the JV parties form an unincorporated joint venture on the terms set out in this agreement (*Joint Venture*).

3.2 Purpose

The purpose of the Joint Venture is for the JV parties:

- (a) to make a full takeover offer, under and in accordance with the Takeovers Code, to acquire all of the Shares (including the shares held by them on a several basis);
- (b) subsequent to making the Takeover Offer, and provided they become the holders or controllers of 90% or more of the Voting Rights in the Company, to complete Compulsory Acquisition; and
- (c) following completion of the Takeover Offer and Compulsory Acquisition to de-list Tilt from NZX and ASX,

(together, the *Purpose*).

3.3 No other activity

Unless the JV parties otherwise agree in writing, the Joint Venture shall not engage in any business or activity which is not the Purpose, or reasonably incidental to the Purpose.

4 TAKEOVER OFFER

4.1 Takeover Offer

The JV parties must jointly send:

- (a) a takeover notice, in a form approved by both JV parties, to Tilt in accordance with the Takeovers Code within 1 working day of the date of this agreement; and
- (b) an offer under the Takeovers Code to acquire all of the voting securities in Tilt which they do not already own or control, in a form approved by both JV parties, no later than 21 days after sending the takeover notice under clause 4.1(a) (or such other timeframe or basis that Infratil and MCY may agree).

4.2 Acceptance of Takeover Offer

Each IFT holder and MCY must accept the Takeover Offer within 2 working days of it being made, in respect of all Tilt Shares held by it. MCY agrees to set-off the consideration payable to it against the consideration payable by it.



4.3 Option

- (a) Mercury agrees that it will exercise the option after the Offer has become unconditional and before the Closing date of the Offer, in a manner which complies with the Takeovers Code. If MCY acquires those shares under rule 36 of the Takeovers Code, Mercury agrees to promptly accept the Offer and before the Closing Date. As a result, whether acquired under the Offer or via rule 36 of the Takeovers Code, Infratil would ultimately become the registered holder of those shares.
- (b) If the Takeover Offer is not made, or is withdrawn or lapses, MCY will not seek to exercise the Option if (and, if so, while) IFT and MCY are "associates", as defined in the Takeovers Code, of each other.

4.4 Funding, Registration and Costs

- (a) IFT will procure Infratil to pay the Takeover Offer price in respect of all Shares acquired pursuant to the Takeover Offer (and, if applicable, the exercise price for the TECT shares acquired under the Option) (other than the Shares owned by MCY, in respect of which MCY will pay the Takeover Offer price) and all Shares acquired pursuant to the Takeover Offer will be registered into the name of Infratil or such other wholly owned nominee IFT may direct (other than the Shares owned by MCY which will be (or remain) registered into the name of MCY or its wholly owned nominee).
- (b) The representatives of Infratil on the steering committee of the Joint Venture will determine if the Takeover Offer period should be extended, whether any other variations to the Takeover Offer which are permissible pursuant to the Takeovers Code should be made and whether any conditions should be waived, and make any other decisions in respect of the Takeover Offer, provided that such decisions do not put either party in breach of law, and in each case following consultation with the representatives of MCY on the steering committee of the Joint Venture.
- (c) IFT and Infratil will be responsible for all printing costs, mailing costs, legal costs, independent adviser's costs and other costs and expenses necessary or desirable to give effect to the Purpose (but excluding MCY's legal and other costs), including without limitation costs pursuant to section 49 of the Takeovers Act 1993.
- (d) Except as set out in clauses 4.4(a) and (c), the parties will meet their own costs relating to the negotiation, preparation and implementation of this agreement.

4.5 Compulsory Acquisition

- (a) Immediately following the close of the Takeover Offer, if Infratil and MCY have become (in aggregate) the Dominant Owner, the Joint Venture will implement Compulsory Acquisition and IFT will procure Infratil to pay the acquisition price in respect of all Shares acquired pursuant to the Compulsory Acquisition and all Shares acquired pursuant to the Compulsory Acquisition will be registered into the name of Infratil or such other wholly owned nominee IFT may direct.
- (b) On completion of Compulsory Acquisition:
 - (i) Infratil and MCY will enter into a shareholders' agreement in the form agreed by the JV parties and, for the purpose of identification, initialled by each of the JV parties on or about the time of entry into this agreement.



- (ii) Infratil and MCY will each have the right to appoint directors to Tilt and its subsidiaries in accordance with the shareholders' agreement.

5 PARTICIPANTS

From the Effective Date until the date on which this agreement is terminated:

- (a) no JV party may sell, transfer or otherwise dispose of any interest in the Joint Venture;
- (b) no party may take any step, or do any act, matter or thing, directly or indirectly:
 - (i) which is intentionally designed to frustrate the Purpose; or
 - (ii) which is inconsistent with the spirit, intent or provisions of this agreement; and
- (c) IFT and MCY will form a steering committee for the Joint Venture which has the power and authority to govern and control the Joint Venture in relation to all matters in respect of the Takeover Offer and the Compulsory Acquisition. As at the date of this agreement the members of the steering committee comprise Marko Bogoevski and Fraser Whineray but either may nominate an alternate or delegate to act in their place from time to time. Nothing in this clause is intended to stop either member of the steering committee from consulting his or her board as he or she thinks fit.

6 TERMINATION

6.1 Parties remain bound

A party will remain bound by this agreement until:

- (a) it is terminated in accordance with clause 6.2; or
- (b) the party, having acted in compliance with this agreement, ceases to be a shareholder in Tilt; or
- (c) the Joint Venture completes the Takeover Offer without becoming the holder or controller of 90% or more of the Voting Rights in the Company; or
- (d) the Joint Venture completes Compulsory Acquisition, and Tilt is de-listed from NZX and ASX.

6.2 Termination

This agreement will automatically terminate if for any reason the Takeover Offer does not become unconditional and as a result the JV parties do not become bound to acquire Shares under the Takeover Offer.

6.3 Consequences of termination

- (a) Subject to sub-clauses (b) and (c), if this agreement is terminated, then the parties will cease to have any further rights or obligations under this agreement.



- (b) Termination or expiry of this agreement will not affect any rights or liabilities that accrued prior to termination.
- (c) Clauses 7 and 8 will survive termination of this agreement.

7 MCY BOARD REPRESENTATION

7.1 IFT supportive of MCY board seat

IFT has advised MCY that subject to the Takeover Offer becoming unconditional and the TECT shares being acquired and registered in the name of Infratil; IFT intends to support the appointment to the board of directors of Tilt of a person nominated by MCY.

7.2 Status of the statement of intention

The statement of intention recorded in clause 7.1 (*Statement of Intention*) reflects IFT's intention as at the date of this agreement. The Statement of Intention is not a voting undertaking and does not confer on MCY the ability or right to hold or control the voting rights or any other rights attaching to (or confer on MCY any interest in) any IFT holder's Tilt Shares. Nothing in this statement is intended to make each other associated persons under the NZX Listing Rules or associates under the Takeovers Code.

7.3 IFT acknowledgements

Without limiting clause 7.2, IFT and the IFT holders acknowledge that:

- (a) MCY has relied on the Statement of Intention; and
- (b) MCY and Tilt may refer to the Statement of Intention, including in any documents prepared by Tilt to be sent to Tilt shareholders.

8 CONFIDENTIALITY

8.1 Confidentiality Obligation

Subject to clause 8.2, each party must keep confidential and make no disclosure of all information obtained from the other party or its advisers under this agreement or in the course of negotiations in respect of this agreement (*Information*).

8.2 Exceptions

Information may be disclosed by a party if:

- (a) disclosure is required by law (including the rules of any stock exchange on which the disclosing party is listed) or is necessary to obtain the benefits of, or fulfil obligations under, this agreement;
- (b) that Information already is, or becomes, public knowledge other than as a result of a breach of clause 8.1 by the disclosing party; or
- (c) disclosure is made to the disclosing party's lawyer, accountant or other adviser.



9 GENERAL

9.1 Agreement binding

Each party warrants and represents to the other that this agreement creates obligations which are legally binding on it and are enforceable against it in accordance with its terms.

9.2 Notices

All notices and other communications to be given under this agreement must be in writing addressed to the person to whom it is to be sent (but in the case of Infratil, or any IFT holder, to IFT on their behalf), at the physical address or email address from time to time designated by that party. Until any other designation is given, the physical address and email address of each party is:

Infratil Limited
Address: 5 Market Lane,
Wellington 6011, New Zealand

Attention: Head of Legal
Email: Legal@HRLMorrison.com

Mercury NZ Limited
Address: Level 3, 109 Carlton Gore Road,
Newmarket, 1023, New Zealand

Attention: General Counsel
Email: legal@mercury.co.nz

with a copy (which will not constitute notice) to:

Attention: Strategy and Planning Manager
Email: samuel.moore@mercury.co.nz

and a copy (which will not constitute notice) to:

roger.wallis@chapmantripp.com

Any notice given under this agreement will be deemed to have been received:

- at the time of delivery, if delivered by hand;
- 5 working days after the date of mailing, if sent by ordinary post;
- the working day following the day actually received, if sent by email,

but any notice received after 5.00pm or on a non-working day will be deemed to have been received on the next working day.

9.3 Amendments

No amendment to this agreement is effective unless it is in writing and signed by IFT (on behalf of itself, Infratil and each IFT holder, and IFT is hereby authorised to sign any amendment on behalf of Infratil and each IFT holder) and by MCY.

9.4 Assignment

No party may assign or transfer its interest in, or its rights or obligations under, this agreement.

9.5 Further assurances

Subject to clause 2.2, 2.3, 2.4 and 7.2, each party will from time to time on request by any of the other parties execute and deliver all documents and do all other acts



and things, which are necessary or reasonably required to give full force and effect to the provisions of, and arrangements contemplated by, this agreement.

9.6 Waiver

Any delay, failure or forbearance by a party to exercise (in whole or in part) any right, power or remedy under, or in connection with, this agreement shall not operate as a waiver of such right, power or remedy. A waiver of any breach of any provision of this agreement shall not be effective unless that waiver is in writing and is signed by the party against whom that waiver is claimed. A waiver of any breach shall not be, or be deemed to be, a waiver of any other or subsequent breach.

9.7 Counterparts

This agreement may be executed in any number of counterparts (including electronic copies) and provided that each party has executed a counterpart, the counterparts together shall constitute a binding and enforceable agreement between the parties.

9.8 Entire agreement

This agreement constitutes the entire agreement, understanding and arrangement (express and implied) between the parties relating to the subject matter of this agreement and supersedes and cancels any previous agreement, understanding and arrangement relating thereto whether written or oral.

9.9 Severance

If any provision of this agreement is, or becomes unenforceable, illegal or invalid for any reason it shall be deemed to be severed from this agreement without affecting the validity of the remainder of this agreement and shall not affect the enforceability, legality, validity or application of any other provision of this agreement.

9.10 Governing law

This agreement is governed by the laws of New Zealand and the parties submit to the jurisdiction of the courts of New Zealand in respect of any dispute or proceeding arising out of this agreement.



EXECUTION

Infratil Limited

by its authorised signatory:

Signature

Marko Bogoevski

Name

Chief Executive Officer

Title

Infratil 2018 Limited

by its authorised signatory:

Signature

Marko Bogoevski

Name

Director

Title

Renew Nominees Limited

by its authorised signatory:

Signature

Marko Bogoevski

Name

Director

Title

Infratil Energy New Zealand Limited

by its authorised signatory:

Signature

Marko Bogoevski

Name

Director

Title

Infratil Investments Limited

by its authorised signatory:

Signature

Marko Bogoevski

Name

Director

Title

Mercury NZ Limited

by its authorised signatory:

Signature

Fraser Whineray

Name

Chief Executive Officer

Title



EXECUTION

Infratil Limited
by its authorised signatory:

Signature

Marko Bogoievski
Name

Chief Executive Officer
Title

Infratil 2018 Limited
by its authorised signatory:

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Director
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Mercury NZ Limited
by its authorised signatory:

Signature

Fraser Whineray
Name

Chief Executive Officer
Title