



3 September 2018

Infratil and Mercury make full takeover offer for Tilt Renewables

On 15 August 2018, Infratil Limited (through its subsidiary Infratil 2018 Limited) ("**Infratil**") and Mercury NZ Limited ("**Mercury**") ("**TLT JV**") announced their intention to make a full takeover offer of Tilt Renewables Limited ("**Tilt Renewables**"). Infratil and Mercury already respectively hold or control 51.04% and 19.99% of the Tilt Renewables shares.

Infratil is pleased to advise that TLT JV has today sent the offer document to Tilt Renewables shareholders. The offer closes at 11.59pm on 15 October 2018 (unless extended in accordance with the Takeovers Code).

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.

As previously advised, 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 within the next two working days. 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 to Tilt Renewables shareholders who accept the offer would commence within 7 days thereafter.

A copy of the Notice of Despatch and the offer document (which has been sent to Tilt Renewables, the Takeovers Panel, the NZX and ASX) is attached.

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



DESPATCH NOTICE

Rule 45 of the Takeovers Code

3 September 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**
Level 3, Solnet House
70 The Terrace
PO Box 1171
Wellington 6011
By email: takeovers.panel@takeovers.govt.nz

NZX Limited
Level 1, NZX Centre
11 Cable Street
Wellington
By email: announce@nzx.com

ASX Market Announcements
20 Bridge Street
NSW 2000
Sydney
Australia
By email: maogroup@asx.com.au

Registrar of Companies
Level 18
135 Albert Street
Auckland 1010
New Zealand
By delivery and by email: peter.weir@mbie.govt.nz

TILT RENEWABLES LIMITED – TLT JV DESPATCH NOTICE

On 15 August 2018, Infratil 2018 Limited and Mercury NZ Limited (**TLT JV**) gave Tilt Renewables Limited (**TLT**) a notice under rule 41 of the Takeovers Code of TLT JV's intention to make a full offer for all of the ordinary shares in TLT.

TLT JV gives notice under rule 45(1)(a)(i) of the Takeovers Code that the offer document for the offer has been sent in accordance with rule 43(1) of the Takeovers Code. The offer also includes an offer for all of the performance rights granted under the Tilt Renewables Group Performance Rights Plan for eligible employees, referred to in TLT's class notice dated 20 August 2018 under rule 42A of the Takeovers Code.

A copy of the offer document is attached to this notice, in accordance with rule 45(1) of the Takeovers Code.

SIGNED for and on behalf of
TLT JV

A handwritten signature in blue ink, appearing to be "S. Nightingale", written over a light blue rectangular background.

Steve Nightingale
Authorised person



Offer document

refer **attached**

Offer Document for Full Cash Takeover Offer

Dated 2 September 2018

Infratil 2018 Limited and Mercury NZ
Limited encourage shareholders to

Accept

this full cash offer under the Takeovers
Code to acquire all of the equity
securities in Tilt Renewables Limited.

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 and another independent adviser's report on the fairness and reasonableness of the consideration and terms of this offer as between classes of financial products, 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.





Joint letter from Infratil and Mercury

2 September 2018

Dear Tilt Renewables Shareholder,

We are pleased to confirm Infratil and Mercury's offer to acquire 100% of your shares in Tilt Renewables at an offer price of NZ\$2.30 per share (the "**Offer**")¹. We strongly believe the Offer:

- is more than fair, representing a 24.3% premium to the closing share price of Tilt Renewables Shares on the NZX on 11 May 2018²;
- represents an attractive valuation relative to Tilt Renewables' closest comparable company in the Australian renewables sector;
- delivers certain value to Tilt Renewables shareholders and is unlikely to be matched by any competing bidders; and
- enables Tilt Renewables shareholders to sell their Shares with no brokerage charged.

The Offer provides you with the opportunity to sell your Shares at an attractive premium to Tilt Renewables' recent market prices, at a time when Tilt Renewables potentially has near-term funding requirements and the policy outlook for investment in Australian renewables appears uncertain given the political climate

There remains uncertainty as to whether Australia's previously proposed National Energy Guarantee, which attempted to legislate or regulate Australia's environmental policy and support for emissions reduction, will still be supported in some form by the recently restructured Liberal Party and Cabinet, and whether there will be any support from, or a new policy proposed by, the opposition. Tilt Renewables' Australian business is exposed to this uncertainty and associated risks to the Australian renewable energy sector.

As Tilt Renewables prepares to commence developing its pipeline of near-term development opportunities, shareholders must consider whether they are comfortable with the change in Tilt Renewables' risk profile which comes with developing large-scale renewable energy projects, especially during a period of regulatory uncertainty.

Tilt Renewables recently submitted a bid into the Victorian Renewable Energy Auction Scheme to sell a portion of the output from the Dundonnell Wind Farm ("**Dundonnell**") to the Victorian Government. Dundonnell is a 336MW development project in Western Victoria that would, in the event of a successful bid, 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 an equity raising



Marko Bogoevski
Chief Executive
Infratil Limited



Fraser Whineray
Chief Executive
Mercury NZ Limited



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 (the "**Shares**") in Tilt Renewables Limited ("**Tilt Renewables**"). Infratil and Mercury are also offering to acquire all other equity securities in Tilt Renewables (please refer to the Terms and Conditions of the Offer for further details).

² This closing share price represents the share price undisturbed by any indication of potential takeover related activity, being the last trading day before Mercury acquired a 19.99% stake in Tilt Renewables from TECT Holdings Limited, a company 100% owned by the Tauranga Energy Consumer Trust, for NZ\$2.30 per Share.

of approximately A\$300 million (representing approximately 45% of Tilt Renewables' equity value before the announcement of the intention to make this Offer)³.

Infratil and Mercury's Offer provides minority shareholders with the opportunity to sell their Shares at an attractive price. Alternatively, should the Dundonnell bid be successful and the equity raising proceed, 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 and Mercury remain supportive of providing equity funding to Tilt Renewables for the development of Dundonnell and other future projects.

Mercury intends to exercise its option to acquire the TECT Shares when the Offer is fully unconditional

Tilt Renewables' third largest shareholder, the Tauranga Energy Consumer Trust, through TECT Holdings Limited ("TECT"), recently 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. Following the Offer becoming 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.

Infratil and Mercury are excited about continuing to contribute towards a healthier environment

Both Infratil and Mercury are committed to growing renewable electricity generation and contributing towards a healthier environment. Infratil and Mercury intend for Tilt Renewables to continue with Tilt Renewables' strategy outlined in its 2018 annual report and the 11 April 2018 Infratil Investor Day presentation by the Tilt Renewables' CEO⁴.

Infratil is a long-term investor focussed on investing in "Ideas that Matter". Renewables is one of Infratil's core investment platforms, having also invested alongside the NZ Superannuation Fund in Longroad Energy Holdings, a United States-based company focussed on renewable energy development, operating assets, and services. For Infratil, this 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.

Mercury shares Infratil's long-term focus. It is one of New Zealand's leading electricity generator/retailers and has a proven track record in partnering on successful renewable energy initiatives. Mercury has an established solar installation business, as well as consented wind options in New Zealand. Its long-term strategy recognises wind and solar energy as the preeminent growth areas for electricity generation globally and a logical growth area for Mercury and its commitment to renewable energy.

We encourage you to accept our Offer by 15 October 2018

We hope that you will choose to accept our Offer, and we encourage you to read the Offer documentation carefully before you do so. Unless it is extended in accordance with the Takeovers Code, our Offer closes at 11.59pm on 15 October 2018. We encourage you to accept as soon as possible.

We currently intend to declare the Offer free of conditions as soon as the required Australian regulatory approval condition is satisfied. Payments would then be sent seven days thereafter.

If Infratil and Mercury reach the 90% compulsory acquisition threshold in the Takeovers Code, we will compulsorily acquire any outstanding Shares and apply for the delisting of Tilt Renewables from the NZX Main Board and the ASX.

If you have any questions, or would like to discuss our Offer in more detail, please contact your financial adviser or Computershare on 0800 650 034 (or, if calling from outside New Zealand, +64 9 488 8777).

Yours faithfully,



Marko Bogoevski
Chief Executive
Infratil Limited



Fraser Whineray
Chief Executive
Mercury NZ Limited

³ 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.

⁴ Available at <https://www.tiltrenewables.com/investors-landowners/investor-publications>, <https://infratil.com/assets/imported/nzx/2018-Tilt-Renewables-IFT-Investor-Day-277511.pdf> and <https://edge.media-server.com/m6/p/djnqrxvr>. The Investor Day presentation comments that the debt/equity funding model for projects will depend on offtake structures. Infratil and Mercury support Tilt Renewables' intention to raise further capital, and support consideration of all options, including new debt and/or new equity.

Key Dates

The key dates of the Offer are:

OFFER DATE

2 September 2018

CLOSING DATE

15 October 2018

(unless extended in accordance with the Takeovers Code)

We encourage you to **ACCEPT** the Offer for your Shares.

If you **ACCEPT** the Offer and the Offer becomes unconditional, you will be sent payment 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 currently intend to declare the Offer free of conditions as soon as the required Australian regulatory condition is satisfied.

Under the Takeovers Code, if Infratil and Mercury increase the Offer Price for your Shares during the Offer Period, then you will receive the increased Offer Price for your Shares, even if you **ACCEPT** the Offer for your Shares prior to any price increase being advised by Infratil and Mercury.

DID YOU KNOW?

You can **ACCEPT** the Offer for your Shares online

www.TiltTakeover.co.nz

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Appendix 1

Information required to be specified in Offer by Schedule 1 to the Takeovers Code



Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

Summary of the Offer

Infratil 2018 Limited ("**Infratil**"), a wholly owned subsidiary of Infratil Limited, and Mercury NZ Limited ("**Mercury**") are offering to acquire 100% of the fully paid ordinary shares (the "**Shares**") and all other equity securities in Tilt Renewables Limited ("**Tilt Renewables**") (the "**Offer**"). As at the date of this Offer document, Infratil Limited and Mercury hold or control 51.04% and 19.99% of the Shares respectively.

The key terms of the Offer are:

Offer Price

NZ\$2.30 in cash for each Share.

Full Offer

The Offer is for 100% of the Shares and all other equity securities.

How to Accept the Offer

To **ACCEPT** the Offer, please refer to the section "How to Accept the Offer" on pages 13 and 14 of this Offer document and the Acceptance Form enclosed with this Offer document.

Limited conditions

The Offer is conditional on the limited matters set out in paragraphs 5.1 and 5.2 of the Terms and Conditions of the Offer on pages 19 and 20 of this Offer document.

The only substantive condition of the Offer is regulatory clearance being obtained under the Australian Foreign Acquisitions and Takeovers Act 1975 for Infratil and Mercury to complete the acquisition of the Tilt Renewables equity securities in accordance with the Offer.

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 Australian regulatory condition is satisfied. Payments would then be sent within seven days thereafter.

A significant shareholder has granted Mercury an option over its Shares

TECT Holdings Limited ("**TECT**"), a company 100% owned by the Tauranga Energy Consumer Trust, is the third largest shareholder in Tilt Renewables, with 6.81% of the voting rights. In May 2018, TECT granted Mercury an option over those Shares.

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 Infracore ultimately to become the holder of those Shares.

The Shares held or controlled by Infracore Limited and Mercury, combined with the Shares covered by the TECT option, aggregates to 77.84% of Tilt Renewables Shares.

Offer Period

The Offer is dated 2 September 2018 ("**Offer Date**") and remains open for acceptance until 11.59pm on 15 October 2018 ("**Closing Date**") (unless extended in accordance with the Takeovers Code).

No brokerage costs

You will not pay any brokerage costs if you **ACCEPT** the Offer.

Payment date

If you **ACCEPT** the Offer the consideration for your Tilt Renewables equity securities will be sent 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.

Important contacts

If you have any questions about the Offer or you require further copies of this Offer document and enclosures (including the Acceptance Form and the reply paid envelopes) you should contact the share registrar for the Offer, Computershare.

If contacting from within New Zealand:

Telephone: **0800 650 034**

Email: **TLTJVacceptances@computershare.co.nz**

If contacting from outside New Zealand:

Telephone: **+64 9 488 8777**

Email: **TLTJVacceptances@computershare.co.nz**

Alternatively, you should contact your financial or legal adviser.



THIS IS ONLY A SUMMARY OF THE OFFER.

The detailed Terms and Conditions of the Offer are set out on pages 15 to 23 of this Offer document. You should read those Terms and Conditions carefully.

Why you should Accept the Offer for your Shares

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

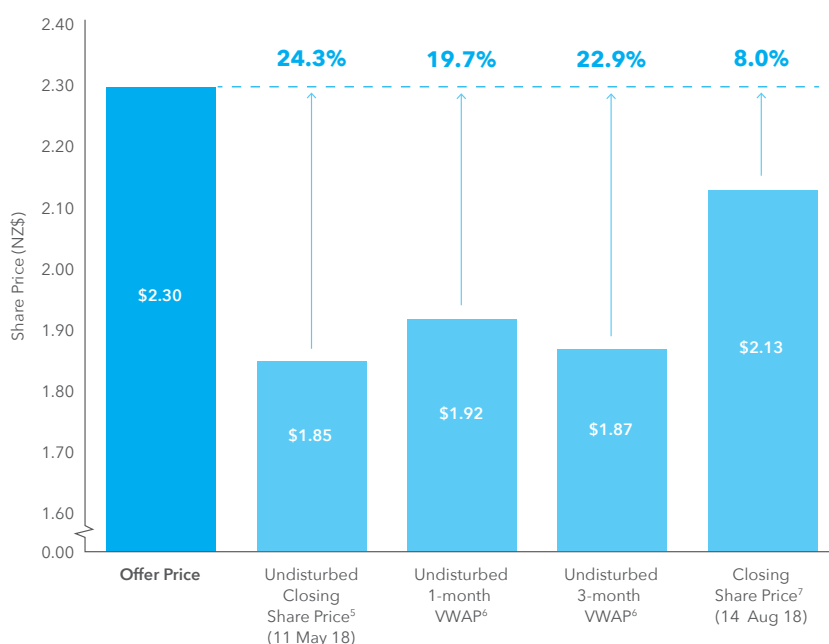
1

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 2018⁵
- 19.7%** premium to the undisturbed one-month VWAP⁶ of Tilt Renewables Shares on the NZX as at 11 May 2018
- 22.9%** premium to the undisturbed three-month VWAP⁶ 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 2018⁷

Offer Price premium to recent Tilt Renewables share price



5 "Undisturbed Closing Share Price" means the share price undisturbed by any indication of potential takeover related activity, being the last trading day before Mercury acquired a 19.99% stake in Tilt Renewables from TECT Holdings Limited, a company 100% owned by the Tauranga Energy Consumer Trust, for NZ\$2.30 per Share.

6 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.

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

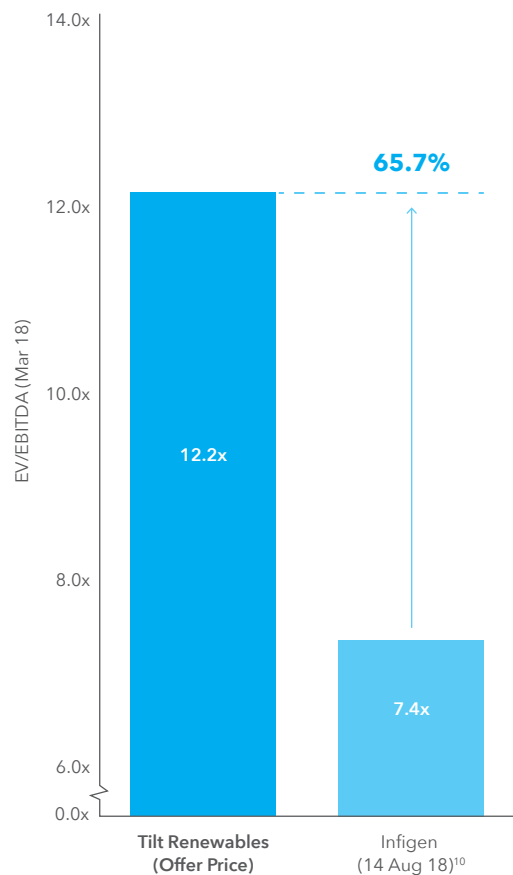
2

The Offer represents a highly attractive valuation multiple for Tilt Renewables and the Offer is higher than the average of broker price targets

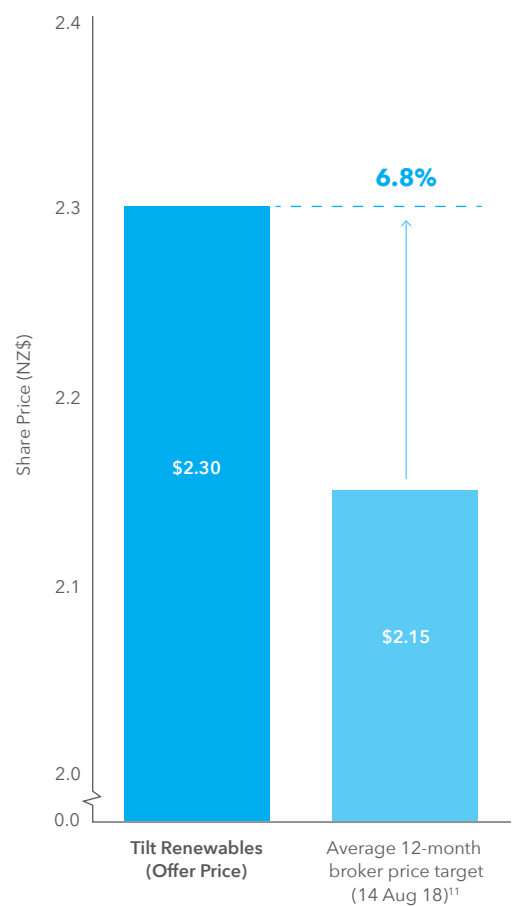
The Offer Price of NZ\$2.30 per Share implies a ratio of enterprise value ("EV")⁸ to earnings before interest, tax, depreciation and amortisation ("EBITDA") for the 12 months to 31 March 2018 of 12.2x⁹. This compares favourably to the ratio of EV to EBITDA over the same period for Tilt Renewables' closest comparable company; Infigen Energy Limited ("Infigen").

The Offer Price of NZ\$2.30 per Share represents a 6.8% premium to the average of broker analyst 12-month price targets 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



⁸ 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.

⁹ Net debt of A\$593.1m as at 31 March 2018. NZD/AUD exchange rate of 0.94 as at 31 March 2018.

¹⁰ Net debt of A\$531.2m as at 30 June 2018, excluding capitalised commitment fees of A\$26.0m and including restricted cash of A\$50.4m. Investments accounted for using the equity method of A\$1.2m as at 30 June 2018. EBITDA is calendarised to 31 March 2018. Equity value calculated as at 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.

¹¹ Represents the FactSet broker consensus as at 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. The range of broker price targets was NZ\$2.00 to NZ\$2.25.

3

The Offer provides certainty of Share price during a period when 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 a portion of 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 value before the announcement of the intention to make this Offer¹².

- Any such equity raising is likely to be at a significant discount to the then trading price of Tilt Renewables Shares.
- Tilt Renewables shareholders who do not participate in an offer of Tilt Renewables Shares will have their shareholding diluted.

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 which 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 and the equity raising proceed, 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 trading liquidity will likely be further reduced.

¹² 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.

5

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 Holdings Limited ("**TECT**"), a company 100% owned by the Tauranga Energy Consumer Trust, 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, the consideration for your Tilt Renewables Shares in New Zealand dollars will be sent 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.

The Offer provides you the ability to sell your shareholding in Tilt Renewables at an attractive price. Tilt Renewables' lack of trading 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 trading liquidity in Tilt Renewables Shares after the Offer, meaning you are less likely to be able to sell your Tilt Renewables Shares at the price you wish to sell.
- 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 outstanding¹³ and an average daily trading value of NZ\$151,768)¹⁴.

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.

¹³ Free float Shares of 69,354,817 excludes the Shares held or controlled by Infratil Limited, Mercury and TECT.

¹⁴ 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).

7

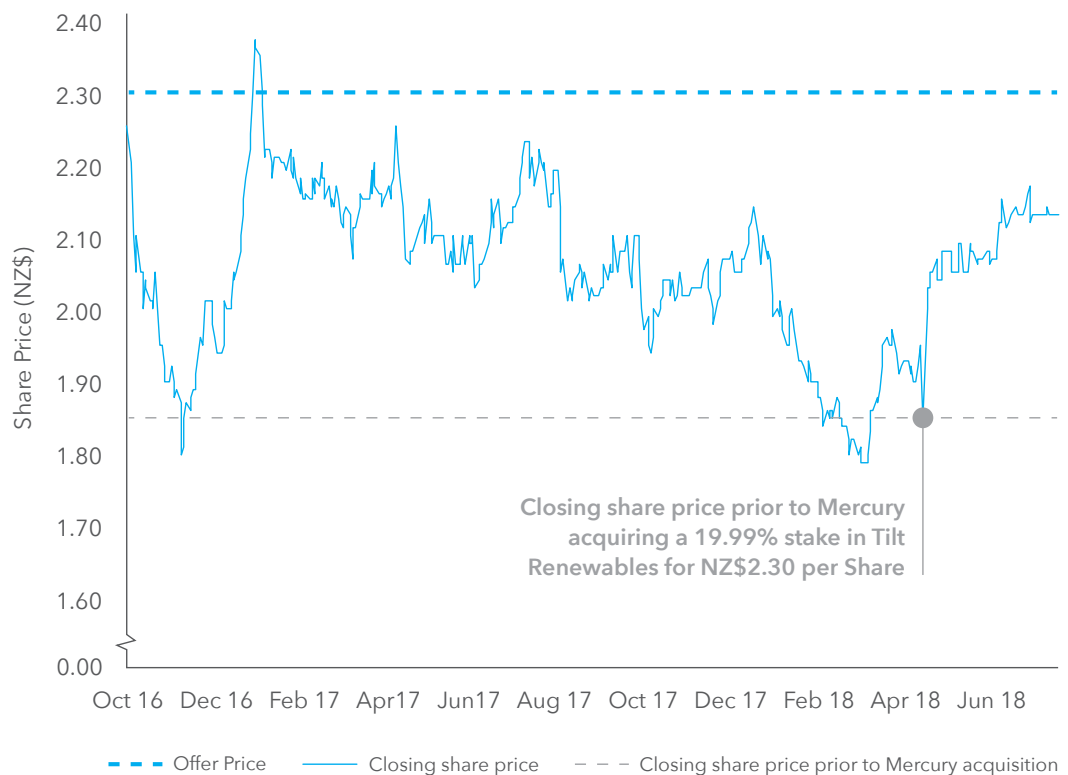
The Offer is currently the only takeover offer available to shareholders, and in the absence of this Offer the Tilt Renewables share price is likely to trade at a discount to the Offer Price

Since the announcement of the Offer on 15 August 2018 and up to the date of this Offer document, no superior proposal has emerged.

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\$2.30¹⁵ was 31 January 2017 (over 18 months ago) and it has consistently been below NZ\$2.30 since that date.

Historical share price performance¹⁶



8

There is no brokerage payable for accepting the Offer

Accepting shareholders will not be charged brokerage under this Offer.

¹⁵ Prior to the date on which Infratil and Mercury announced their intention to make the Offer.

¹⁶ Share price performance of Tilt Renewables between the date on which Tilt Renewables was demerged from Trustpower Limited and the date on which Infratil and Mercury announced their intention to make the Offer.



THE OFFER CLOSES AT 11:59PM ON 15 OCTOBER 2018

(unless extended in accordance with the Takeovers Code)

SO WE ENCOURAGE YOU TO ACT NOW.

DID YOU KNOW?

You can **ACCEPT**
the Offer for your
Shares online

www.TiltTakeover.co.nz

How to Accept the Offer

CLOSING DATE

The Offer is scheduled to close at 11.59pm on 15 October 2018 (unless extended in accordance with the Takeovers Code).

If you wish to **ACCEPT** the Offer you must ensure that your Acceptance Form is received before the Closing Date.

HOW TO ACCEPT

To **ACCEPT** the Offer, you should either:



– **ACCEPT** the Offer online at www.TiltTakeover.co.nz (for Shares only); or



– complete the Acceptance Form enclosed with this Offer document in accordance with the instructions set out on that form and then return that form in the reply paid envelope provided or to the address set out below.

If you hold your Shares in a CHESS Holding (which will only apply to holders who bought their Tilt Renewables Shares on the ASX or otherwise transferred their Tilt Renewables Shares into the Australian CHESS sub-register) you can also **ACCEPT** the Offer in the manner set out in paragraph 3.9 on page 16.

ADDRESS FOR PAPER ACCEPTANCE

You should **deliver or mail** the completed Acceptance Form in the enclosed reply paid envelope to the following address:



Post

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



Delivery

TLT JV
c/- Computershare Investor Services Limited
Level 2, 159 Hurstmere Road
Takapuna
Auckland 0622
New Zealand



Email

You may also **scan and email** your completed Acceptance Form to:

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



IMPORTANT

ACCEPTANCES MUST BE RECEIVED BY OR POST MARKED NO LATER THAN 11.59PM ON 15 OCTOBER 2018 (unless the Offer Period is extended in accordance with the Takeovers Code).

IF YOU HAVE SOLD ALL YOUR TILT RENEWABLES SHARES

If you have sold all of your Tilt Renewables Shares, please send this Offer document and all enclosures (including the Acceptance Form) immediately to the new Tilt Renewables Shareholder or agent (e.g. the broker through whom the sale was made) requesting that they be forwarded to the new Tilt Renewables Shareholder.

IF YOU HAVE SOLD SOME OF YOUR TILT RENEWABLES SHARES

If you have sold some of your Tilt Renewables Shares and wish to **ACCEPT** the Offer in respect of the Tilt Renewables Shares you have retained, please alter the total holding printed on the Acceptance Form to the number of Tilt Renewables Shares which you have retained, initial the change and forward the amended Acceptance Form in the reply paid envelope supplied to the address provided.

You may also scan and email your amended Acceptance Form to **TLTJVacceptances@computershare.co.nz**

Upon receipt of the amended Acceptance Form, Infratil and Mercury will re-calculate the amount of cash to which you are entitled to reflect the number of Tilt Renewables Shares for which you have accepted the Offer.

Please also advise the purchaser(s) of your Tilt Renewables Shares, or request the broker through whom you made the sale to advise the purchaser(s) of your Tilt Renewables Shares, of the Offer and that copies of this Offer document are available from Computershare.

IF YOU HAVE LOST YOUR ACCEPTANCE FORM OR IF YOU HAVE ANY OTHER QUESTIONS IN RELATION TO THE OFFER

If you have lost your Acceptance Form or if you have any other questions in relation to the Offer, please contact Computershare on **0800 650 034** (or, if calling from outside New Zealand, **+64 9 488 8777**) or email **TLTJVacceptances@computershare.co.nz**

Terms & Conditions of full cash takeover Offer

To acquire all of the equity securities in Tilt Renewables Limited

1. THE OFFER

- 1.1 Infracore 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 would make a takeover offer for Tilt Renewables Limited ("**Tilt**").
- 1.3 Accordingly, the members of TLT JV offer to acquire all of the:
- (a) ordinary shares in Tilt that TLT JV does not already own (together, the "**Shares**" and each of them singly is referred to as a "**Share**"); and
 - (b) performance rights granted under the incentive plan for eligible employees in four separate categories being, Tranche 1 Relative Total Shareholder Return ("**TSR**") Performance Rights ("**T1R Rights**"), Tranche 1 Absolute TSR Performance Rights ("**T1A Rights**"), Tranche 2 Relative TSR Performance Rights ("**T2R Rights**") and Tranche 2 Absolute TSR Performance Rights ("**T2A Rights**") (together, the "**Performance Rights**"),

in accordance with rule 8 of the Takeovers Code on the terms and conditions set out in this offer document ("**Offer**"). The Shares and the Performance Rights are together referred to in this Offer document as "**Equity Securities**".

- 1.4 The Offer is dated 2 September 2018 ("**Offer Date**").

2. CONSIDERATION

- 2.1 The consideration offered for each:
- (a) Share is \$2.30 in cash, subject to any adjustment in accordance with paragraphs 6.1 to 6.4 below;
 - (b) T1R Right is \$0.021 in cash;
 - (c) T2R Right is \$0.025 in cash; and
 - (d) T1A Right and T2A Right is \$0.005 in cash.
- 2.2 The consideration payable to Tilt shareholders whose Shares and/or offerees whose Performance Rights (as applicable) 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 This Offer document is accompanied by Acceptance Form(s) for you to use to accept the Offer for your Equity Securities.

3.2 If you wish to accept this Offer, you should:

Online acceptance facility (available for Shares only)

Accept the Offer in relation to your Shares online at www.TiltTakeover.co.nz; or

Paper form acceptance

- (a) complete the relevant enclosed Acceptance Form(s) in accordance with the instructions set out in the Acceptance Form; and
- (b) return your completed Acceptance Form(s) as soon as possible, but in any event so as to be received by TLT JV not later than 11.59pm on 15 October 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
Level 2, 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*)

3.3 If you have lost or damaged your Acceptance Form(s), please contact Computershare Investor Services Limited on 0800 650 034 (within New Zealand) or +64 9 488 8777 or TLTJVacceptances@computershare.co.nz

3.4 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.

3.5 Shareholders may accept this Offer in respect of all or any of your Shares. Performance Rights holders may only accept the Offer in respect of all Performance Rights held by you that are transferable under their terms.

3.6 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 Equity Securities 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.

3.7 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.

3.8 If you have certificates for any of your Equity Securities, you must return those certificates with your completed Acceptance Form(s). If you do not provide certificates for all of your Equity Securities with your Acceptance Form(s), then you give the warranty in paragraph 4.7(f).

If you hold your Shares in a CHESS Holding

3.9 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 3.2(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.

- 3.10** 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 for Shares.

Engagement of Brokers by TLT JV

- 3.11** 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 4.3. 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 3.11; 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 15 October 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 15 October 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 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(s) comprise part of this Offer. Any 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 Equity Securities, whether acquired on, before or after the date of this Offer, upon production of satisfactory evidence of such person's entitlement to those Equity Securities.

4.6 The Equity Securities 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 Equity Securities.

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 Equity Securities 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 Equity Securities;
- (b) it has full power, capacity and authority to sell and transfer all such Equity Securities, including in the case of any holder of Performance Rights the board of Tilt having provided its unconditional consent for that Acceptor to accept the Offer and transfer such Performance Rights to a member of the TLT JV;
- (c) upon payment, legal and beneficial title to all such Equity Securities 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;
- (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; and
- (f) if it does not provide certificates for all of its Equity Securities with its acceptance (such securities being the "**Uncertified Securities**"), that there are no certificates for its Uncertified Securities or that the certificates for its Uncertified Securities 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 an Acceptance Form, if you are a joint holder of Equity Securities (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 Equity Securities 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 Equity Securities 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 Equity Securities 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 Equity Securities. 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 securities 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 the Performance Rights or pursuant to a transaction between Tilt and wholly owned subsidiaries of Tilt, or between wholly owned subsidiaries of Tilt, and provided that there has not been and there will be no alteration of the rights, privileges, benefits, entitlements or restrictions attaching to the Performance Rights;
- (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 paragraph 5.2 have arisen at the time the condition in paragraph 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 Equity Securities 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 CRESS 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 and all other offerees 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 and each other offeree 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(s) 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 1: 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 2 September 2018 ("**Offer Date**").

1. DATE

The Offer is dated 2 September 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 Bogoevski (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 tables on the next two pages set 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 class 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
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
Peter Stuart Calderwood ⁸	70,000 ordinary shares	0.0224% of all ordinary shares
Keith Neville Tempest ⁸	500 ordinary shares	0.00016% of all ordinary shares
Vincent Hawsworth ⁸	13,400 ordinary shares	0.0043% of all ordinary shares

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, and disclosures made in response to enquiries from members of the TLT JV.

- 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).
- 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).
- Mr Bogoevski is a director of IFT and related entities of IFT.
- Mr Smith is a director of MCY. Mr Smith is the registered holder of 2,117 shares, and is a director and shareholder of Gwendoline Holdings Limited which is the registered holder of 10,000 shares.
- Mr Aitken and Mr Knowles are directors of Trustpower Limited, which is a related company of IFT.
- 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. TLT JV understands from Tilt that each director on whose behalf Bell Gully Trustee Company Limited holds these shares does not hold or control the voting rights but does have a "relevant interest" (as defined in the Financial Markets Conduct Act 2013) in those shares.
- Mr Whineray is the Chief Executive of MCY and a director of related entities of MCY.
- Mr Calderwood, Mr Tempest and Mr Hawsworth are directors of unlisted related entities of IFT. The registered holder of Mr Calderwood's shares is his spouse. The registered holder of 6,700 of Mr Hawsworth's shares is the trustees of the Hawsworth Family Trust and Mr Hawsworth and Mrs JE Hawsworth are the registered holder of the remaining 6,700 shares.

Name	Number and class of equity securities held or controlled	Percentage of class of equity securities on issue (excluding treasury stock) held or controlled
Clayton Douglas Delmarter ⁹	35,533 T1R Rights	35.24% of all T1R Rights
Stephen John Symons ⁹	46,543 T1R Rights	46.16% of all T1R Rights
Michael Wilson ⁹	18,750 T1R Rights	18.60% of all T1R Rights
Clayton Douglas Delmarter ¹⁰	53,299 T1A Rights	35.24% of all T1A Rights
Stephen John Symons ¹⁰	69,814 T1A Rights	46.16% of all T1A Rights
Michael Wilson ¹⁰	28,125 T1A Rights	18.60% of all T1A Rights
Clayton Douglas Delmarter ¹¹	42,500 T2R Rights	26.94% of all T2R Rights
Stephen John Symons ¹¹	48,125 T2R Rights	30.51% of all T2R Rights
Michael Wilson ¹¹	17,625 T2R Rights	11.17% of all T2R Rights
Matthew David Mumme ¹¹	16,500 T2R Rights	10.46% of all T2R Rights
Mark Seabrook Murray ¹¹	17,250 T2R Rights	10.94% of all T2R Rights
Kripa Khatri ¹¹	15,750 T2R Rights	9.98% of all T2R Rights
Clayton Douglas Delmarter ¹²	63,750 T2A Rights	26.94% of all T2A Rights
Stephen John Symons ¹²	72,188 T2A Rights	30.51% of all T2A Rights
Michael Wilson ¹²	26,438 T2A Rights	11.17% of all T2A Rights
Matthew David Mumme ¹²	24,750 T2A Rights	10.46% of all T2A Rights
Mark Seabrook Murray ¹²	25,875 T2A Rights	10.94% of all T2A Rights
Kripa Khatri ¹²	23,625 T2A Rights	9.98% of all T2A Rights

The information set out in the table above is based on disclosures by Tilt to the TLT JV.

Except as disclosed above on this page and on the previous page, no other person of the kind referred to in sub-paragraphs 4 (a) to (d) on page 24 holds or controls equity securities of Tilt.

⁹ Person holding 5% or more of the T1R Rights.

¹⁰ Person holding 5% or more of the T1A Rights.

¹¹ Person holding 5% or more of the T2R Rights.

¹² Person holding 5% or more of the T2A Rights.

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) on page 24 during the 6 month period before the Offer 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 11 May 2018	NZ\$2.30
TECT Holdings Limited	62,563,302 ordinary shares	Disposal on 11 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
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
	1,826 ordinary shares	Acquisition on 4 July 2018	NZ\$2.0890
	1,783 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*
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
Keith Tempest	15,000 ordinary shares	Acquisition on 22 March 2018	NZ\$1.82
	23,974 ordinary shares	Disposal on 15 May 2018	NZ\$2.03
	39,026 ordinary shares	Disposal on 16 May 2018	NZ\$2.04
Alan Bickers ¹³	16,102 ordinary shares	Disposal on 13 June 2018	NZ\$2.050

The information set out in the table above on this page and on the previous page 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, and disclosures made in response to enquiries from members of the TLT JV. 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 on this page and on the previous page, none of the persons referred to in (a) to (d) of paragraph 4 on page 24 have acquired or disposed of any equity securities in Tilt during the 6 month period before the Offer Date.

¹³ Mr Bickers is a director of Trustpower Limited, which is a related company of IFT. The registered holders of Mr Bickers' shares prior to disposal was AN and EJ Bickers.

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 sections 47 to 53 of the Takeovers Act).
- 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 Terms and Conditions of the Offer.

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** On 28 August 2018, TLT JV advised Tilt in writing that it supports the Tilt board making a determination under the Performance Rights plan rules for the Performance Rights to continue as a cash settled plan in the event that the TLT JV becomes entitled to invoke compulsory acquisition under the Takeovers Code.
 - 8.5** In addition, IFT intends to provide Tilt with a conditional commitment to subscribe for its full pro-rata entitlement in the proposed Dundonnell equity raising. Subject to reviewing the updated underwriting documentation and formal internal approvals to do so, it is contemplated that MCY will also provide a conditional commitment to subscribe for its full pro-rata entitlement in the proposed Dundonnell equity raising. There will be no underwriting or commitment fees payable on the IFT or MCY portions of the equity raising.
 - 8.6** Except for the matters detailed in paragraphs 8.1 to 8.5 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 Equity Securities 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 In relation to the Performance Rights the TLT JV intends that, if it becomes entitled to invoke compulsory acquisition under the Takeovers Code, the board of Tilt will exercise its discretion under the plan rules governing the Performance Rights to alter the Performance Rights so that if they vest they are settled in cash not Shares.

11.4 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).

11.5 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 and each other offeree to accept or reject the Offer.

11.6 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 Offer Date 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

The consideration and terms of the Offer for the Shares and each tranche of Performance Rights have been calculated to be fair and reasonable in compliance with rule 8(4) of the Takeovers Code. TLT JV obtained input data and valuation advice to calculate fair and reasonable comparative values. The terms of the Offer for the Shares and the Performance Rights are otherwise equivalent.

TLT JV has obtained a report by Simmons Corporate Finance Limited on the fairness and reasonableness of the consideration and terms of the Offer as between different classes of financial products (in this case between the Shares and each class of Performance Rights and between the different classes of Performance Rights). The Simmons Corporate Finance Limited report is not a report on the

merits of the Offer. The Simmons Corporate Finance Limited report will be sent to all offerees with Tilt's target company statement. The Offer should be read in conjunction with the Simmons Corporate Finance Limited report and with the report obtained by Tilt on the merits of the Offer.

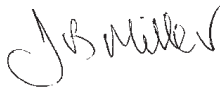
15. CERTIFICATE

To the best of our knowledge and belief, after making proper enquiry, the information contained in or accompanying the Offer document 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 Bogoievski
Director
Infratil 2018 Limited



James Miller
Director
Mercury NZ Limited



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



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



DID YOU KNOW?

You can **Accept**
the Offer for your
Shares online

www.TiltTakeover.co.nz

OFFER DATE: **2 SEPTEMBER 2018**
CLOSING DATE: **15 OCTOBER 2018**

Ordinary Shares Acceptance Form

FULL CASH TAKEOVER OFFER FOR ALL EQUITY SECURITIES IN TILT RENEWABLES LIMITED

Broker stamp

Shareholder ("Transferor")

CSN / Holder Number / HIN

Acceptance Code

Sub Register

Number of shares held in
Tilt Renewables Limited
as at 26 August 2018

Total Consideration

NZ\$

Name on Register



YOU MAY ALTERNATIVELY ACCEPT THE OFFER FOR YOUR SHARES ONLINE AT WWW.TILT takeover.CO.NZ

By signing this Acceptance Form the Transferor hereby:

- irrevocably accepts the full cash takeover offer ("Offer") dated 2 September 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");
- 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);
- 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
- 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:

Notes:

- You may accept this Offer in respect of all or any Tilt Shares held by you.
- 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): ☐ Electronic Transfer ☐ Cheque

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" on the face of this Acceptance Form), 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 15 October 2018 (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 15 October 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 for your Tilt Shares online at www.TiltTakeover.co.nz
- 7 PREVIOUS SALE:** If you have sold all your Tilt Shares, please pass this Acceptance Form together with the Offer documents to the agent (e.g. 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 on the face of this Acceptance Form 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 0800 650 034 (WITHIN NEW ZEALAND) OR +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.

FULL CASH TAKEOVER OFFER FOR ALL EQUITY SECURITIES IN TILT RENEWABLES LIMITED

[illegible]

NZ\$

NZ\$

NZ\$

NZ\$

NZ\$

- (a) irrevocably accepts the full cash takeover offer (“**Offer**”) dated 2 September 2018 by the unincorporated joint venture (“**TLT JV**”) established by Infratil 2018 Limited and Mercury NZ Limited, for all of the performance rights granted under the Tilt Renewables Limited incentive plan for eligible employees, being Tranche 1 Relative Total Shareholder Return (“**TSR**”) Performance Rights (“**T1R Rights**”), Tranche 1 Absolute TSR Performance Rights (“**T1A Rights**”), Tranche 2 Relative TSR Performance Rights (“**T2R Rights**”) and Tranche 2 Absolute TSR Performance Rights (“**T2A Rights**”) (together, the “**Performance Rights**”), held by the Transferor as set out in the boxes above (“**Nominated Performance Rights**”);
- (b) acknowledges that Simmons Corporate Finance Limited has prepared an independent adviser report under rule 22 of the Takeovers Code as an independent adviser appointed by TLT JV (on the fairness and reasonableness of the consideration and terms of the Offer as between different classes of financial products, in this case between the shares in Tilt Renewables Limited and each class of Performance Rights and between the different classes of Performance Rights) – while the Simmons Corporate Finance Limited report is not a report on the merits of the Offer, it discusses matters relevant to a decision on whether or not to accept the Offer for the Performance Rights;
- (c) subject to the terms and conditions of the Offer, agrees to transfer those Nominated Performance Rights to a member of TLT JV (as determined by the members of TLT JV);
- (d) 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 in particular that the board of Tilt Renewables Limited has agreed to vary the Performance Rights to enable them to be transferred; and
- (e) as set out later in this Acceptance Form, appoints each member of TLT JV as attorney and agent of the Transferor.

Note: You may only accept this Offer in respect of all Performance Rights held by you that are transferable under their terms.

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): ☐ Electronic Transfer ☐ Cheque

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 HOLDER

Signed by the Transferor:

Signature

NOTES AND INSTRUCTIONS FOR COMPLETION

- 1 TO ACCEPT THE OFFER:** Complete and sign this Acceptance Form where marked "Signed by the Transferor" and date where marked.
- 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 an existing nominated account held by Computershare.
- 3 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 15 October 2018 (unless extended).

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POWER OF ATTORNEY

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As from the date of beneficial ownership and title to my Nominated Performance Rights passing to a member of TLT JV in accordance with the terms of the Offer, I 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 attorney and agent to act for me and do all matters of any kind or nature whatsoever in respect of or pertaining to the Nominated Performance Rights and all rights and benefits attaching to them as any member of TLT JV may think proper and expedient and which I could lawfully do or cause to be done if personally acting as a legal or beneficial owner of the Nominated Performance Rights.

DID YOU KNOW?

You can **ACCEPT**
the Offer for your
Shares online

www.TiltTakeover.co.nz

If you have any questions in relation to the Offer, please contact Computershare on **0800 650 034** (or, if calling from outside New Zealand, +64 9 488 8777)



ACCEPT the Offer in four easy steps



STEP ONE

Go to www.TiltTakeover.co.nz
and click ACCEPT



STEP TWO

Enter your CSN and
Acceptance Code*



STEP THREE

Confirm your details and
select your preferred
payment method



STEP FOUR

Review and ACCEPT the Offer

* Your CSN and Acceptance Code are located
on the top right hand corner of the acceptance
form accompanying the Offer document

