



GOVERNANCE AT MERCURY

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YOUR BOARD OF DIRECTORS



SCOTT ST JOHN
CHAIR



Tenure:

First appointed: 1 Sep 2017
(Chair since Jan 2024)

Last elected: 19 Sep 2023

Key skills*: M&A and capital structure; stakeholder relationships; commercial experience; people leadership.

Scott has an extensive background in investment advisory and capital markets. Scott is Chair of ANZ New Zealand and a director of ANZ Group and Next Foundation. He was formerly a director of Fonterra Cooperative Group, Chair of Fisher & Paykel Healthcare Corporation, a member of the Capital Markets Development Taskforce and the Financial Markets Authority Establishment Board and was Chancellor of the University of Auckland. He was the Chief Executive of First NZ Capital from 2002 to 2017.



MARK BINNS
DIRECTOR



Tenure:

First appointed: 1 Sep 2023

Last elected: 19 Sep 2023

Key skills*: Energy industry; wholesale markets trading; commercial experience; major project investment.

Mark was CEO of Meridian Energy from 2012 – 2017 and before that spent 22 years with Fletcher Building, including 15 years as CEO of the Construction and Infrastructure division. He currently chairs Crown Infrastructure Partners and Hynds Limited and is a director of Auckland International Airport.



ROB HAMILTON
DIRECTOR¹



Tenure:

First appointed: 1 Apr 2025

Key skills*: M&A and capital structure; investment analysis; audit and risk management; commercial experience.

Rob is an experienced business leader and director and an experienced chair of audit and risk committees. He is currently a director of Westpac New Zealand, Oceania Healthcare, Tourism Holdings and Cyprus Enterprises. Rob has more than three decades' experience in finance and capital markets, including as a Managing Director and Head of Investment Banking at Jarden, and Chief Financial Officer for SkyCity Entertainment Group. Rob's experience includes advising several major New Zealand energy companies.



HANNAH HAMLING
DIRECTOR



Tenure:

First appointed: 1 Feb 2020

Last elected: 19 Sep 2023

Key skills*: Natural resource management (including water and climate change); health and safety; risk management.

Hannah is an environmental scientist with a particular interest in sustainable development and resilience. Until January 2020, she was President of the Asia Pacific Region and Global Sustainable Development Leader for Golder, a Canadian global ground engineering and environmental science company. Before joining Golder, Hannah was Managing Director of New Zealand environmental consultancy firm Kingett Mitchell. Hannah has extensive background in consulting, management and board roles across various sectors including electricity, construction and water management.



ADRIAN LITTLEWOOD
DIRECTOR



Tenure:

First appointed: 1 Aug 2023

Last elected: 19 Sep 2023

Key skills*: Commercial experience; large organisation and cultural leadership experience; major project investment; stakeholder relationships.

Adrian has deep executive experience including 12 years at Auckland International Airport, nine of these as CEO. Before that he held senior roles across strategy, operations, product and marketing with Telecom New Zealand. Previous governance roles include acting as the New Zealand Chair of the Australia/New Zealand Leadership Forum, Chair of the NZ Airports Association and a director of North Queensland Airports and Tourism Industry Aotearoa.

Committee Membership key:

- Audit and Financial Risk Committee
- Nominations and Corporate Governance Committee
- People and Performance Committee
- Safety and Enterprise Risk Committee
- Chair of the committee

Tenure key:

- < 3 years
- 3-6 years
- 6+ years

*Key Skills are defined as the particular skills each director brings to the Mercury Board, and which we consider in our succession planning.

¹ Rob Hamilton joined the Board on 1 April 2025 and will stand for election at the 2025 ASM in September.



YOUR BOARD OF DIRECTORS CONT.



JAMES MILLER
DIRECTOR²



Tenure:

First appointed: 2 May 2012

Last elected: 22 Sep 2022

Key skills*: M&A and capital structure; investment analysis; audit and risk management; energy industry.

James is an experienced non-executive director and chair and an experienced chair of Audit and Risk Committees. He has specialist expertise in utility economics and 15 years' experience in capital markets. He is currently Chair of Channel Infrastructure NZ and is a director of Vista Group, Ryman Healthcare and Fletcher Building. James' prior roles have included Chair of NZX, Deputy Chair of Accident Compensation Corporation and board positions with Auckland International Airport, the Financial Markets Authority and Vector.

James is a qualified Chartered Accountant and is a Fellow of the Institute of Chartered Accountants and Institute of Finance Professionals.

Committee Membership key:

- Audit and Financial Risk Committee
- Nominations and Corporate Governance Committee
- People and Performance Committee
- Safety and Enterprise Risk Committee
- Chair of the committee



SUSAN PETERSON
DIRECTOR



Tenure:

First appointed: 1 Sep 2022

Last elected: 22 Sep 2022

Key skills*: Large organisation and people leadership; AI; data and digitisation; customer relationships; governance.

Susan is an experienced non-executive director, board chair and chair of People and Remuneration and Audit and Risk Committees. As a business leader, Susan has helped companies to drive growth through technology, innovative customer solutions and organisational culture. She currently chairs Vista Group and is an independent director of Xero. Susan is also an independent director of Craigs Investment Partners.

Susan was previously a member of the New Zealand Markets Disciplinary Tribunal and a past director of Trustpower, ASB Bank, Arvida and Property for Industry. Susan also served on the Board of Global Women and has been a past Ministerial appointee to the National Advisory Council for the Employment of Women.



MIKE TAITOKO
DIRECTOR³



Tenure:

First appointed: 28 Aug 2015

Last elected: 19 Sep 2024

Key skills*: Iwi and other stakeholder relationships; natural resource management (including water and climate change); digitisation.

Mike is a leading advisor on Māori economic development and has well-established networks in Māoridom. Mike has strong commercial skills in the application of digital technologies. He is the co-founder and CEO of Takiwā NZ Limited and a co-founder and director of Toha Foundry Limited, technology companies commercialising cloud-based geospatial analytics services. He was formerly a director of Auckland Tourism Events and Economic Development (ATEED).

Tenure key:

- < 3 years
- 3-6 years
- 6+ years



LORRAINE WITTEN
DIRECTOR⁴



Tenure:

First appointed: 1 Sep 2022

Last elected: 22 Sep 2022

Key skills*: Governance; commercial experience; audit and risk management; innovation.

Lorraine is an experienced non-executive director, chair and chair of Audit and Risk Committees. She is a business leader with an extensive background in the telco, technology, and ICT sectors. Lorraine currently chairs Rakon and her prior roles include director and chair of the Audit and Risk Committees for Department of Corrections, Horizon Energy Group, Pushpay Holdings and WREDA, and director and chair of MOVE Logistics Group and Kordia Group.

Lorraine is a Chartered Accountant and is a Fellow of the Institute of Chartered Accountants and Institute of Directors.



NICOLE ROSIE
PAST FUTURE DIRECTOR

Term: 1 May 2024 to 13 May 2025

Key skills*: Networked infrastructure (delivery and operation), regulation, public and private sector, cultural change, health and safety and sustainability/climate change.

Nicole is an experienced Chief Executive and director. Nicole completed her term as Chief Executive of Waka Kotahi NZ Transport Agency in February 2025. She has over 20 years of experience in executive and senior leadership roles including senior executive roles in Fonterra, KiwiRail, Vector and Fletcher Challenge Forests, and 3 years as Chief Executive of WorkSafe. Nicole has expertise across the public and private sectors including in cultural change, transformation, health and safety and climate change.

As a Future Director, Nicole was invited to attend and participate in Mercury Board and Committee meetings, although she did not participate in decision making.

*Key Skills are defined as the particular skills each director brings to the Mercury Board, and which we consider in our succession planning.

² James Miller will resign as a director following the 2025 ASM on 19 September 2025.

³ Mike Taitoko will resign as a director following the 2025 ASM on 19 September 2025.

⁴ Lorraine Witten will resign as a director on 15 September 2025.



CORPORATE GOVERNANCE FRAMEWORK

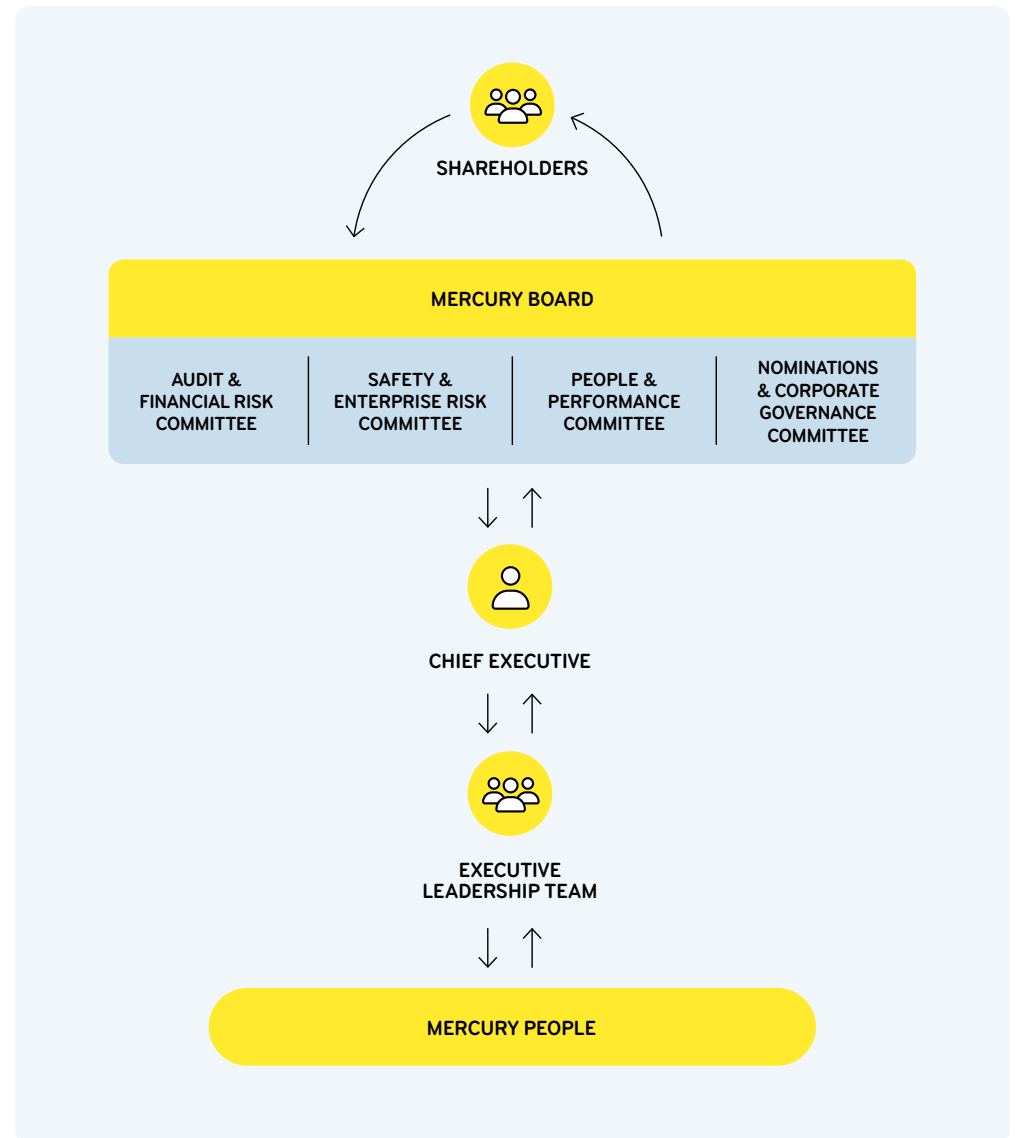
This corporate governance statement has been prepared in accordance with NZX Listing Rule 3.8.1 and was approved by the Board of Mercury NZ Limited on 19 August 2025. The information contained in this corporate governance statement is current as at that date. Some information in the corporate governance statement is expressed to be current at another date, for example the FY25 balance date of 30 June 2025. This corporate governance statement reports against the NZX Corporate Governance Code dated 31 January 2025.

At Mercury, we are committed to the highest standards of corporate governance, business behaviour and transparency to protect and enhance the interests of our owners. Our corporate governance framework includes robust policies and processes which are fundamental to all of Mercury's foundational pillars. Our corporate governance framework underpins the maintenance of strong relationships with our stakeholders and our ability to create long-term value. It also ensures Board accountability to our shareholders and provides for an appropriate delegation of responsibilities to our people.

The Board regularly reviews our corporate governance policies and practices to ensure compliance with NZX and ASX standards (Mercury is an ASX Foreign Exempt Listed company) as well as reflecting positive contemporary corporate governance trends in New Zealand and Australia.

Over the reporting period, our corporate governance practices were in substantial compliance with the NZX Corporate Governance Code. The only exception relates to Recommendation 3.3 (Remuneration Committee), where the governance of remuneration at Mercury is split between the People and Performance Committee and the Nominations and Corporate Governance Committee (see the Board Committees section of this report for a full explanation of this exception).

While not required due to our ASX foreign exempt listing status, we also endeavour to comply with ASX Corporate Governance Principles and Recommendations (fourth edition).



MERCURY'S BOARD

BOARD COMPOSITION AND CHARACTERISTICS

Structure of the Board

The Board typically comprises eight directors although this number may vary as required to ensure effective succession. To enable Mercury to achieve its strategic goals, the Board strives to include an effective combination and diversity of skills, backgrounds and experiences. The Board also focusses on ensuring that its culture reflects Mercury's values, to foster alignment with the wider business.

There is a brief bio of each director at the beginning of this section.

Chair

Scott St John is the Chair of the Board. First appointed as a director in 2017, he was appointed as Chair in 2024. Scott is an independent, non-executive director. The Chair's overarching responsibilities are to provide leadership to the Board and to ensure the Board is well informed and effective. More information about the role of the Chair is contained in the Mercury Board Charter (found on the [Corporate Governance](#) section of our website).

Future Director

The Institute of Directors' Future Directors Programme provides people with governance potential and ambition with mentorship and the opportunity to participate on a board. It aims to increase the next generation of board-ready directors in New Zealand. The Mercury Board is a supporter and active participant in the programme, having welcomed five future directors. Nicole Rosie was Mercury's latest future director, with her term ending on 13 May 2025. Mercury is currently undertaking a future director search.

Future Directors are invited to attend, and actively participate in, Mercury Board and Committee meetings, although they do not participate in decision making.

INDEPENDENCE

All of Mercury's directors, including the Chair, are considered by the Board to be 'independent' directors, in that they are non-executive directors who are not substantial shareholders and who are free of any interest, business or other relationship that would materially interfere with, or could reasonably be seen to materially interfere with, the independent exercise of their judgement.

The Mercury Board takes director tenure into account in considering independence. The NZX recommends that issuers consider the effect of tenure on independence after 12 years' service. The Board has determined James Miller to be independent. Mercury values the experience and deep understanding of Mercury's business, energy markets and major capital investment which James brings to the Board. James has been on the Board since 2012, but in light of the considerable value that he provides to the Board, his ability to challenge and hold management to account and the fact that he has been Chair of the Audit and Financial Risk Committee (previously the Risk Assurance and Audit Committee) only since 2022, the Board has determined that James' independence is not affected by his tenure. James will retire from Mercury following the 2025 Annual Shareholders' Meeting.

RESPONSIBILITIES

The Board is responsible for Mercury's strategic direction and operation and has delegated certain responsibilities to the Chief Executive and the Executive Leadership Team (ELT).

The Board's responsibilities are set out in the Board Charter, which is reviewed at least every two years, and include:

Strategy and Planning

- Establishing clear strategic goals with appropriate supporting business plans and resources.
- Monitoring strategy implementation.

Environmental and Health, Safety and Wellbeing

- Establishing Mercury's environmental and health, safety and wellbeing culture and practices comply with all legal requirements, reflect best practice in New Zealand and are recognised by employees and other stakeholders as key priorities.

Financial Performance and Integrity

- Monitoring financial performance and the integrity of reporting.

Executive Oversight

- Appointing the Chief Executive and overseeing the appointment of ELT.
- Setting delegated authority levels for the Chief Executive and ELT.

Risk and Audit

- Approving Mercury's Risk Management Framework, including the Risk Appetite Statements.
- Overseeing that effective audit, risk management and compliance systems are in place and monitored to protect Mercury's assets and to minimise the possibility of Mercury operating beyond legal or regulatory requirements or beyond acceptable risk parameters as determined by the Board.

Ethics, Culture and Corporate Behaviour

- Setting the expectations for a healthy, inclusive and high performance culture.

- Mercury's adherence to high standards of corporate behaviour, responsibility and ethics.

The Chief Executive and ELT are responsible for:

- Developing and making recommendations to the Board on Mercury strategies and associated initiatives.
- Managing and implementing strategies approved by the Board.
- Formulating and implementing policies and reporting procedures for management.
- Decision making compatible with Mercury's Delegations Policy.
- Managing business risk.
- The day-to-day management of Mercury.

The Chief Executive and ELT have appropriate employment agreements setting out their roles and conditions of employment. Chief Executive and ELT performance are reviewed regularly against objectives and measures set by the Board in annual performance scorecards. The Chief Executive's and each ELT member's performance were evaluated during the reporting period on this basis. Further details are contained in the Remuneration Report in our [FY25 Integrated Report](#).

CONFLICTS

Mercury maintains a directors' interests register. The interests register is reviewed at each Board meeting to ensure it is up to date and to determine if any directors are interested in any current or proposed transaction in which Mercury is or may become involved. If a director is interested in a transaction, this is discussed with the Chair and the Company Secretary and actively managed. A management plan is established and periodically reviewed as necessary. More details on the Board's approach to conflicts of interest can be found in Mercury's Board Charter. Information on current directors' interests can be found under Directors' Disclosures.



MERCURY'S BOARD CONT.

ACCESS TO ADVICE AND COMPANY SECRETARY

Directors may access such information and seek such independent advice as they consider necessary or desirable, individually or collectively, to fulfil their responsibilities and permit independent judgement in decision making. They are entitled to have access to internal and external auditors without management present and, with the Chair's consent, seek independent professional advice at Mercury's expense.

All directors have access to the advice and services of the Company Secretary for the purposes of the Board's affairs. The Company Secretary is appointed on the recommendation of the Chief Executive and must be approved by the Board. The Company Secretary is accountable to the Board, through the Chair, on all governance matters. As at the date of this Corporate Governance Statement, Howard Thomas is the Company Secretary.

SELECTION, NOMINATION AND APPOINTMENT

All directors are elected by Mercury's shareholders (other than directors appointed by the Board to fill casual vacancies, who must retire and stand for election at the next meeting of shareholders) with rotation and retirement determined in line with the NZX Listing Rules. The Board is responsible for considering and appointing directors to the Board after candidates have been identified by the Nominations and Corporate Governance Committee (see Board Committees).

Mercury notifies shareholders of their right to nominate a candidate for election as a director by notice on the NZX and ASX. Where any director election or re-election is to occur at a shareholder meeting, the Notice of Meeting includes all information on candidates for director election or re-election that the Board considers may be useful to shareholders. Directors must retire every three years and, if desired, seek re-election.

Susan Peterson, having served for three years since her last re-election, will retire at the September 2025 Annual Shareholders' Meeting (ASM) and stand for re-election in accordance with the NZX Listing Rules. Scott St John will also step down as a director at the 2025 ASM and stand for re-election. James Miller, Mike Taitoko and Lorraine Witten will retire as directors in September 2025.

The Board and Nominations and Corporate Governance Committee carry out appropriate due diligence before appointing a director or nominating a candidate for election as a director in accordance with our governance processes.

Mercury has a written agreement with each director set out in a letter of appointment containing the terms and conditions of their appointment. A copy of the standard form of this letter is available in the [Corporate Governance section](#) of our website. In addition, Mercury also indemnifies, and effects insurance for, directors to cover acts or omissions of those persons in carrying out their duties and responsibilities as directors in

accordance with the Companies Act 1993.

INDUCTION AND DEVELOPMENT

All new directors participate in a comprehensive induction programme to familiarise them with Mercury's business and the energy and telecommunications industries. The induction programme covers key Mercury policies and internal frameworks and includes sessions run by ELT members on their business areas and important projects happening within Mercury. New directors may request further induction training as needed.

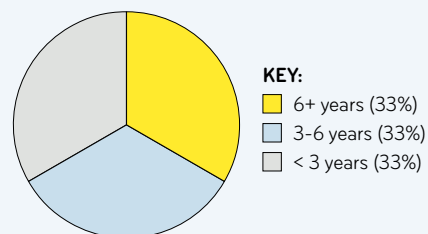
The Board receives regular briefings on Mercury's business operations from senior managers. Regular Board strategy days are held to consider matters of strategic importance to Mercury, and Board and management run scenario thinking sessions for key issues. Visits to Mercury's facilities keep the Board informed of Mercury's assets and operations and in particular with respect to health, safety and wellness matters.

The Board has an ongoing programme to enhance the effectiveness of directors. This involves both deep-dives into aspects of Mercury's business, and sessions focussing on the broader environment including future trends and innovation. During FY25 there were sessions run on geothermal fuel, price paths and pricing, treasury, AI and insurance.

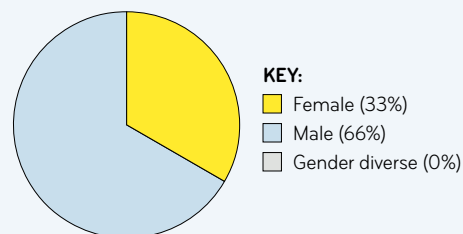
Directors are also encouraged and supported to continue their own professional development through individual learning opportunities. It is essential to Mercury that directors commit sufficient time to prepare and perform their duties properly and effectively. The Board has considered this issue during the reporting period and is satisfied that, taking into account all of their commitments, each director had sufficient time to perform their duties for Mercury.

KEY BOARD STATS ¹

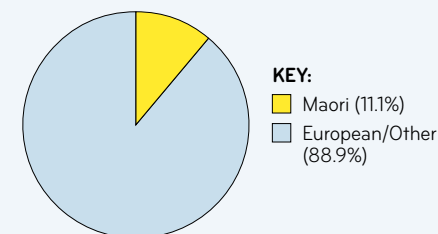
TENURE



GENDER



ETHNICITY



¹ As at 30 June 2025. Nicole Rosie (past Future Director) is not included in this data.



MERCURY'S BOARD CONT.

BOARD SKILLS MATRIX

Through the Nominations and Corporate Governance Committee, the Board regularly assesses its skills and competencies in the context of key outputs required, including:

- Setting risk parameters for both value creation and value protection.
- Cultural leadership to reflect our values, environmental kaitiakitanga and social licence to operate.
- Strategy development in an environment of disruption, requiring courage to challenge, resilience and agility to respond.

During the reporting period, the Nominations and Corporate Governance Committee has considered and reviewed the skills of the Board and updated the Board skills matrix. The skills matrix has been reviewed in FY25 to align with Mercury's updated strategic framework. Recognising that how well the Board performs is a function of the skills and experience of individual directors and how the directors work together as a whole, we consider that addressing the level of skills and experience collectively is a better indicator of overall Board capability.

Although the Board fosters collaborative and open discussion and each director is expected to contribute broadly, the key skills which individual directors contribute to the Mercury Board are indicated in the director profiles. The purpose of identifying key skills at an individual level is to signal the skills which would need to be considered when a director retires. This is important for succession planning purposes.

Skill and experience category	Collective Board
Strategy and risk settings	
Significant commercial experience across different industries and economic cycles	
Major project investment and experience	
M&A and capital structure experience	
AI, automation and digitisation	
Disruption and innovation in energy and other sectors	
Climate Change and natural resource management (including water)	
Retail	
Understanding and maximising value in retail distribution networks at scale	

Skill and experience category	Collective Board
Stakeholders	
Community relationships across market segments and demographics	
Partner relationships	
Government relationships	
Shareholder/investment community relationships	
Iwi relationships/connectivity	
Energy industry	
Energy industry experience	
Wholesale markets trading (energy and/or other commodities)	

Skill and experience category	Collective Board
Governance and risk management	
Governance experience, including listed companies	
Finance/accounting/audit committee experience	
Risk management process and experience, including cyber security, climate related, structural asset integrity	
People leadership	
Health, safety and wellbeing governance	
Large organisation and cultural leadership experience	

KEY:
 □ None
 □ Some
 □ Medium
 □ Substantial

The skills matrix presented here includes data for all current directors as at 30 June 2025.

MERCURY'S BOARD CONT.

REVIEWING PERFORMANCE

The performance of the directors (individually and collectively), and the effectiveness of Board processes and committees, are regularly evaluated using a variety of techniques including external consultants, questionnaires and Board discussion. A performance review was carried out by an external facilitator during 2024. A performance review led by the Chair will be carried out during the 2025 calendar year.

DIRECTORS' MERCURY SHAREHOLDINGS

The Board encourages the alignment of directors' interests with those of shareholders and with Mercury's strategic aims. Non-executive directors are encouraged, within three years of the date the Non-executive Director Remuneration Policy was first approved or three years of their appointment (whichever is later), to purchase and hold Mercury shares equivalent to the non-executive director's fixed annual base fee after tax. Further details of directors' shareholdings in Mercury are set out in Directors' Disclosures.

BOARD COMMITTEES

The Board has four standing committees: the Audit and Financial Risk Committee (AFRC), the Safety and Enterprise Risk Committee (SERC), the People and Performance Committee, and the Nominations and Corporate Governance Committee. The previous Risk Assurance and Audit Committee was replaced by the AFRC and SERC effective 1 January 2025. Each committee focusses on specific areas of governance. Together, they strengthen the Board's oversight of Mercury.

Committee meetings are scheduled to coordinate with the Board meeting cycle. Each committee reports to the Board at the subsequent Board meeting and makes recommendations to the Board for consideration as appropriate. The minutes of each committee meeting are provided to all directors.

As an exception to the NZX Corporate Governance Code, Mercury does not comply with Recommendation 3.3 because it does not have a separate remuneration committee. This exception has been approved by the Board. The functions that would ordinarily be allocated to a remuneration committee are shared between the People and Performance Committee in respect of the Chief Executive and the ELT, and the Nominations and Corporate Governance Committee in respect of the directors. These responsibilities are reflected in the Committee Charters.

Each standing Committee operates in accordance with a written Charter approved by the Board and reviewed as required and at least every two years. Each committee is required to confirm to the Board annually that they have fulfilled the requirements set out in their Charter. The Committee Charters are available in the [Corporate Governance section](#) of our website.

ADDITIONAL COMMITTEES

Mercury assesses on a regular basis whether additional standing or ad hoc committees are required. Additional temporary committees are established from time to time, including as required to provide governance oversight on short-term projects. As at the date of this statement, Mercury has considered that no other standing committees are required.

COMMITTEE ATTENDANCE TABLE

P People and Performance Committee					
Membership and Meetings					
Members as at 30 June 2025: At least three directors, majority independent non-executives.	Meetings in FY25: At least 3 annually				
	Aug 24	Nov 24	Apr 25	Jun 25	Out of cycle ¹
Susan Peterson (Chair)	●	●	●	●	1
Mike Taitoko	●	-	●	●	1
Adrian Littlewood	●	●	●	●	1
Scott St John	●	●	●	●	1
Rob Hamilton	N/A	N/A	Observer	N/A	N/A

Purpose

Assist the Board to fulfil its responsibilities relating to:

- Mercury's people and culture strategy and plan.
- The remuneration and performance of the Chief Executive.
- People and culture policies and practices.

In addition, the Committee will monitor and provide guidance to management on human resources related matters.

¹ There was one out of cycle People and Performance Committee meeting during the period in relation to executive remuneration.

N Nominations and Corporate Governance Committee				
Membership and Meetings				
Members as at 30 June 2025: At least three directors, majority independent non-executives.	Meetings in FY25: At least annually			
	Dec 24	Apr 25	Jun 25	Out of cycle ²
Scott St John (Chair)	●	●	●	1
James Miller	●	●	●	1
Susan Peterson	●	●	●	1
Adrian Littlewood	N/A	N/A	Observer	N/A

Purpose

Assist the Board to ensure that:

- the Board and its committees are structured appropriately and composed of suitably qualified individuals to support the Board's effectiveness in discharging its duties and responsibilities; and
- the Board adheres to high standards of corporate governance, reflecting governance principles and best practice.

While directors are elected by shareholders, the NCGC has an important role to identify people with the necessary range of skills, experience, knowledge and perspectives for selection as candidates for shareholder vote.

² There was one out of cycle Nominations and Corporate Governance Committee meeting during the period in relation to the new committee structure.



MERCURY'S BOARD CONT.

R Risk Assurance and Audit Committee (disestablished 1 January 2025)		
Membership and Meetings		
Members as at 30 June 2025: At least three directors, all independent non-executives. At least one with accounting/financial background. Board Chair not eligible to be RAAC Chair.	Meetings in FY25: <i>At least 3 annually</i>	
	Aug 24	Nov 24
James Miller (Chair)	●	●
Hannah Hamling	●	●
Mark Binns	●	●
Lorraine Witten	●	●
Scott St John	●	●
Susan Peterson	Observer	N/A
Purpose		
<i>Until 1 January 2025:</i> Oversee, review and advise the Board on Mercury's: <ul style="list-style-type: none"> • Risk management policy and processes (which include oversight of health and safety assurance and climate-related risks and opportunities). • Internal control mechanisms and internal and external audit functions. • Compliance with legislation and regulation. • Financial information prepared by management for publication. Management only attend RAAC meetings by invitation.		

S Safety and Enterprise Risk Committee (established 1 January 2025)		
Membership and Meetings		
Members as at 30 June 2025: At least three directors, all independent non-executives.	Meetings in FY25: <i>At least 3 annually</i>	
	Feb 25	May 25
Hannah Hamling (Chair)	●	●
Adrian Littlewood	●	●
Mark Binns	●	●
Scott St John	●	●
Rob Hamilton	N/A	Observer
Purpose		
<i>From 1 January 2025:</i> Assist the Board to fulfil its corporate governance role and responsibilities relating to health and safety and enterprise risks, including overseeing and monitoring Mercury's Risk Management Framework and risk assurance and internal audit activity as it relates to non-financial risk.		

A Audit and Financial Risk Committee (established 1 January 2025)			
Membership and Meetings			
Members as at 30 June 2025: At least three directors, all independent non-executives. At least one with accounting/financial background. Board Chair not eligible to be AFRC Chair.	Meetings in FY25: <i>At least 3 annually</i>		
	Feb 25	May 25	Out of cycle ³
James Miller (Chair)	●	●	1
Hannah Hamling	●	●	1
Lorraine Witten	●	●	1
Susan Peterson	●	●	1
Scott St John	●	●	1
Rob Hamilton	N/A	●	1
Mark Binns	Observer	N/A	N/A
Purpose			
<i>From 1 January 2025:</i> Assist the Board to fulfil its corporate governance role and responsibilities relating to external audit, integrated reporting (including financial statements and climate-related disclosures) and risk assurance and internal audit as it relates to financial and climate-related risk. Management only attend AFRC meetings by invitation.			

³ There was one out of cycle Audit and Financial Risk Committee meeting during the period in relation to climate-related disclosures.



Lajicia Kok and Rahul Sharma.



ASSURANCE AND MANAGING RISK

AUDIT PLAN AND ROLE OF AUDITOR

As a public entity under the Public Audit Act 2001, the Auditor-General is the independent auditor of Mercury and each of our subsidiaries (together, the 'Group'). The Auditor-General appointed Emma Winsloe of Ernst & Young (EY) to conduct the FY25 audit on his behalf. The NZX Listing Rules require rotation of the key audit partner at least every five years. Ernst & Young were first appointed as auditors in May 1999, with Emma being appointed as the key audit partner for the FY24 audit. The provision of external audit services is guided by the Audit Independence Policy available on the [Corporate Governance section](#) of our website. The external auditor attends the Annual Shareholders' Meeting and is available to shareholders to answer questions relevant to the audit.

INTERNAL AUDIT AND RISK ASSURANCE

Mercury has a comprehensive internal audit and risk assurance plan, which takes a holistic view of Mercury's culture, practices and procedures and includes periodic reviews of relevant areas of Mercury's operations. The internal audit plan is designed, updated and approved by the Safety and Enterprise Risk Committee (SERC) and the Audit and Financial Risk Committee (AFRC) in consultation with the Risk Assurance Officer and the Internal Audit function. The Internal Audit function (currently made up of an internal team, Deloitte and other internal audit and process specialists appointed on an outsourced basis) reports on progress and the results of internal audit reviews at each SERC or AFRC meeting (as applicable). The Internal Audit function has access to management and the right to seek information and explanations.

The SERC and AFRC meets with the Internal Audit function as required without management present.

During FY25, the audit and risk assurance focus of the SERC and AFRC was compliance (regulatory), reputation, financial (including climate), operational and health, safety and wellbeing. Assurance reviews

were undertaken for the following areas: Dam Safety, Process Safety, Key Financial Controls, Environmental Resource Compliance, Nature-based reporting and Cyber Security.

The SERC and AFRC meet quarterly to undertake their respective programmes of internal review and risk assurance work. The SERC has its meetings on site to facilitate its oversight of operational and safety risks.

TIMELY AND BALANCED DISCLOSURE

Shareholders and markets

Mercury is committed to maintaining a fully informed market through effective communication with the NZX and ASX, our shareholders and investors, analysts, media and other interested parties. Mercury provides all stakeholders with equal and timely access to material information that is accurate, balanced, meaningful and consistent. Where Mercury provides a new and substantive investor and analyst presentation, these materials are released to the NZX and ASX ahead of the presentation.

The Market Disclosure Policy is designed to ensure this occurs in compliance with Mercury's continuous disclosure obligations under the NZX Listing Rules. The Policy is available in the Corporate Governance section of our website.

The Board has appointed the Company Secretary as the Disclosure Officer who is responsible for administering the Policy. The Disclosure Committee (made up of the Board Chair, AFRC Chair, Chief Executive, Chief Financial Officer and Disclosure Officer) is responsible for ensuring that Mercury complies with its disclosure obligations.

The Chief Executive and ELT are responsible for providing the Disclosure Officer with all material information relating to their areas of responsibility. Information which, in the opinion of the Disclosure Officer, may require disclosure is provided to the Disclosure Committee for decision.

Disclosures relating to the annual and interim financial statements must be reviewed by the AFRC before being approved by the Board. Once approved for disclosure, the Disclosure Officer is responsible for releasing material information to the market.

Directors consider at each Board meeting whether there is any material information which should be disclosed to the market.

Integrity of reporting

The Chief Executive and the Chief Financial Officer are required each half year and full year to provide a letter of representation to the Board confirming that the financial statements have been prepared in accordance with legal requirements, comply with generally accepted accounting practice, and present fairly, in all material respects, the financial position of Mercury and the results of its operations and its cash flows.

A letter of representation confirming those matters was received by the Board with respect to the Group's FY25 financial statements. The Board has provided a similar letter of representation to EY as the Auditor.

Mercury's Integrated Report follows the Integrated Reporting <IR> framework. It covers financial and non-financial information, including material environmental, social and governance matters. Mercury includes a specific Global Reporting Initiative (GRI) Index and comprehensive climate-related disclosures, that are aligned with the Aotearoa New Zealand Climate Standards. We obtained an independent limited assurance opinion from EY on our FY25 Climate Statement and Greenhouse Gas Emissions Inventory.

RISK MANAGEMENT FRAMEWORK AND COMMITTEE RESPONSIBILITIES

Risk management is an integral part of our business. Responsibility starts with the Board who oversee that effective audit, risk management, and compliance frameworks and policies are in place and operating

effectively. These frameworks and policies are monitored to protect Mercury's assets and earnings, and to mitigate the possibility of operating beyond legal or regulatory requirements or beyond acceptable risk parameters. The Board delegates this oversight responsibility to the SERC, AFRC and People and Performance Committee (PPC). The SERC and AFRC oversee the overall audit, risk management, and compliance systems and responsibility for certain people-related risks is delegated to the PPC (e.g. culture and psychological safety).

The SERC, AFRC and PPC Charters set out the role, responsibilities, composition, structure, and procedures of each Committee. The Charters provide guidance for the effective oversight of risk assurance and audit matters by the Committees on behalf of the Board. Mercury has an overarching Risk Management Policy in place (see the [Corporate Governance section](#) of our website) supported by a suite of risk management tools appropriate for our business, including our Risk Appetite Statement, the Mercury Code, an Energy Markets Risk Management Policy, a Treasury Policy and a Delegations Policy.

The purpose of the Risk Management Policy is to embed a comprehensive, holistic, Group-wide capability in risk management, which provides a consistent method of identifying, assessing, controlling, monitoring, and reporting existing and potential risks to our business and its plans. The Policy sets out the risk management objectives and requirements of Mercury within which management is expected to operate. The Policy applies to all business activities of the Group including Mercury-controlled joint ventures and is reviewed annually by the SERC and approved by the Board.

The risk management framework supports a comprehensive approach to risk, encompassing financial, strategic, environmental, operational, regulatory, reputational, social and governance risks. This approach includes assessing and managing climate-related risks.



ASSURANCE AND MANAGING RISK CONT.

The framework involves actively identifying and managing risk and taking measures to reduce the likelihood of risk, contain potential hazards and take mitigating action to reduce impacts in line with risk tolerances. This approach is consistent with the precautionary principle whereby, when an action has the potential to cause serious harm and there is reasonable uncertainty about the risks involved, it is prudent to take preventive measures to avoid harm.

Underpinning all of Mercury's risk management committees, frameworks, policies and process is a strong culture based on integrity, transparency, and accountability. The Board explicitly links culture to the organisation's capacity to identify, escalate, and mitigate risk, embedding this connection within its governance framework. The Risk Management Policy further assigns clear responsibility to every employee to observe, report, and control potential threats across the business. When these values are enacted through open information-sharing, issues surface promptly, constructive challenge is encouraged, and decisions remain aligned with Mercury's defined risk appetite.

We must accept some risks to achieve our strategic objectives and to deliver shareholder value. Our tolerance for risks is embodied in our Risk Appetite Statement which are set and regularly reviewed by the Board. As part of the current Risk Appetite Statement, Mercury targets a long-term credit profile of BBB+ (bbb on a stand-alone basis) from S&P Global (or its equivalent).

We have a Risk Assurance Officer who has the independence to determine the effectiveness of risk management, assurance and internal audit. The Risk Assurance Officer has multiple reporting lines to the Chief Financial Officer, the SERC Chair and the AFRC Chair. Both the SERC and AFRC task the Risk Assurance Officer to ensure healthy and robust debate and interaction between management, risk assurance and audit providers.

The Chief Executive operates a Risk Management Committee, whose mandate is to establish, promote and implement risk awareness and adequate risk management controls to all staff. It also aims to monitor and review risk activities as circumstances and our strategic and operational goals change. Membership of the Risk Management Committee is made up of representatives from the Executive Leadership Team and is chaired by the Chief Executive. The Risk Management Committee meets up to 10 times a year.

In addition to these risk management processes, several measures are employed to manage risks. These include employee awareness, incident training, due diligence, financial risk mitigation tools, active involvement in the regulatory environment and established whistle blower policy and procedures.

As noted above, the SERC is responsible for overseeing, reviewing and providing advice to the Board on Mercury's risk management frameworks, policies and processes. The Risk Assurance Officer reports regularly to the SERC on the effectiveness of our management of material business risks. In addition, the SERC annually reviews the risk management framework. The last review of the risk management framework took place in May 2025.

Mercury's Constitution, and relevant Charters and Policies are available in the [Corporate Governance section](#) of Mercury's website.

OUR KEY RISKS

Mercury's key risks are categorised as safety and wellbeing, compliance, reputation, operational, financial and people risks.

SAFETY AND WELLBEING

Mercury undertakes activities that potentially involve significant safety risks. When we think about safety and wellbeing risks at Mercury we focus on our 11

critical safety risks: driving, electricity, confined spaces, stored energy, working around water, mental wellbeing, dropped or falling objects, hazardous substances, mobile plant and equipment, working alone, and working at heights. A critical safety risk is something that has the potential to kill or seriously hurt our people, our partners or a member of the public.

There are several factors that can create wellbeing risk for our people and our customers. Mercury has implemented specific internal and external initiatives (e.g. a suite of staff wellbeing tools, Customer Care programme for Vulnerable and Medically Dependent customers, Here to Help programme for affordability issues) to address this risk and alleviate impacts.

Mercury operates three stations (Rotokawa, Mokai and Ngā Tamariki) that are designated as Upper-Tier Major Hazard Facilities (MHF) which have unique safety risks beyond those found in our other generation plants. As an operator of a designated MHF, we work closely with WorkSafe and Fire and Emergency NZ and have regular contact with local councils and communities. We have a strong focus on Process Safety management and our Safety Cases demonstrate how we manage and operate safely to ensure that risks to personnel are reduced and that any potential damage to property, the environment and the community is minimised.

COMPLIANCE

Legislative and regulatory changes

Managing the energy trilemma (reliability, affordability and renewability) is a key challenge as the energy sector transition progresses and this in turn creates an increased risk of possible regulatory intervention.

Fuel constraints arising from reduced gas availability at times of extremely low hydro storage can result in high energy market volatility which in turn impacts the price that New Zealand businesses pay for their energy. When energy prices are high, there is an increased risk of regulatory intervention by policy makers. Regulatory intervention has the potential to impact on Mercury's wholesale/commercial sales and profitability.

Regulatory changes to the wholesale and retail market structure and pricing regimes may also affect how Mercury manages its integrated business model of generation and retailing electricity, gas and telco service and could adversely impact on Mercury's ability to create long-term, sustainable value. Legislative or regulatory changes, relating to Treaty of Waitangi claims and iwi-related litigation with the Government, changes to consent conditions, or levies on the use of natural resources, may result in Mercury facing significant direct or indirect restrictions, conditions or additional costs on Mercury's access to freshwater or geothermal resources and its hydro, wind and geothermal generation activities.

REPUTATION

Maintaining the trust of Mercury's investors, iwi partners, customers, policy makers and the broader community is a key priority. In addition to the risks mentioned elsewhere in this statement, the following circumstances could threaten Mercury's reputation and could lead to a loss of business revenues and an associated reduction in Mercury's enterprise value:

- Errors in customer connections, billing or general customer communications.
- Mistakes by directors, management, contractors or related industry operators.
- Adverse environmental impact caused by, or perceived to be caused by, Mercury's operations.
- Health and safety incidents under the operational control of Mercury.
- A reduction in standards of the respect that we show to the communities that we operate in.

Many of these reputational risks have the potential to impact on the maintenance of Mercury's social licence to operate.



ASSURANCE AND MANAGING RISK CONT.

OPERATIONAL

Fuel security and supply

Mercury's generation depends upon the availability of water for hydro generation, wind for wind generation, and geothermal fluid for geothermal generation. The principal risks relating to fuel security and supply include the inability to generate expected levels of electricity due to either temporarily or permanently reduced fuel supplies, loss of access to supply, or increased costs to secure the necessary fuel, all of which may adversely affect Mercury's earnings.

Supply chain

Mercury is exposed to both international and domestic supply chain risks (e.g. wind turbines, geothermal turbines, generators, transformers) that can impact on our ability to successfully deliver our generation development pipeline projects and major plant refurbishment programme.

Electricity market exposure

In the short run, our ability to manage our electricity portfolio risk depends upon our ability to purchase and sell electricity in the wholesale electricity market which could be impacted by:

- Short-term changes in supply and demand.
- National fuel availability based on hydrological and thermal conditions (including extended national drought).
- Competitor behaviour.
- Significant reduction or ceasing of electricity consumption (e.g. by large industrial companies).
- Constrained transmission and distribution of electricity.

In the long run, wholesale prices are determined by the level of national demand relative to supply from power generation. Prices can be affected by levels of activity in the industrial sector, population size, economic conditions, competitor behaviour, generation build and retirement, technological changes and new sources of energy, and regulatory changes. We could also be adversely impacted if a large group of customers, one or more major customers, or a New Zealand market participant were to default on payment for electricity provided or for hedge settlements.

Broadband and mobile services

Mercury retails broadband and mobile telecommunication services to residential and commercial customers. Broadband and mobile both introduce different operational challenges (e.g. network availability, cyber-security) that if not well managed can jeopardise Mercury's capacity to supply telecommunication services to customers.

Power station availability

Our ability to generate electricity depends upon the continued efficient operation of our power stations. The viability, efficiency or operability of our power stations could be adversely affected by a range of factors including:

- Catastrophic events such as a major earthquake, volcanic eruption, or other natural perils that could cause failure of one or more of our power stations.
- Material failure of turbines, transformers, key infrastructure or geothermal wells that results in unplanned power station outages that require replacement or repair and could be influenced by supply chain delays.
- Unexpected events impacting the short-term availability of key people required to operate stations, provide hydro control or trading oversight.
- Cyber-attacks upon our power stations that could result in a plant failure or sustained loss of control.

Information security

We depend on many different IT systems for our continued operations. There is a risk that the security of critical systems may be compromised and/or information accessed, copied, deleted or corrupted, impacting on our ability to operate critical systems. Such an event could result in costs to resolve or repair; potential downtime of operations; potential breaches of our customers' and our people's privacy, including unauthorised access and disclosure of their personal information; and reputational impacts from any loss of service, or resulting impacts on safety, our environment or community.

FINANCIAL

Insurance

Mercury is insured through a comprehensive programme including cover for generation property, plant and equipment and business interruption with a combined limit of \$1 billion. Some catastrophic events are uninsurable, or we have chosen not to insure against them as the cost of cover is prohibitive and the likelihood of occurrence is extremely rare. This is a common approach in our industry.

In the event of a severe catastrophic event, it is possible that the insurance portfolio will not provide sufficient cover, impacting future operational performance and the financial condition of Mercury. We estimate that the maximum foreseeable loss to which the Group could potentially be exposed to (cascade dam failure causing significant flooding, business interruption, direct reinstatement costs and potential loss of life) is approximately \$13 billion with an assessed likelihood of occurrence of 1 in 100,000 years.

We review the level and nature of our insurance cover annually. Following a third-party risk tolerance analysis which considered several key financial metrics specific to Mercury, the decision was previously made to retain additional financial risk (e.g. deductibles, shared primary level cover, caps, waiting periods, etc.) in the

event of an insurable loss to our generation assets. Side C cover, which insures the company against liabilities arising out of securities market conduct breaches, was also previously removed from our directors' and officers' insurance policy.

Climate change

For details of our key climate-related risks and how we manage them, please refer to our Climate Statement.

Growth and development

Growth and development projects are subject to risks that may affect expected financial returns or outcomes:

- Major generation development projects during construction give rise to risks including cost overruns, commissioning delays, environmental impacts and employee/contractor safety.
- Political and regulatory uncertainty, high interest rates and poor economic conditions may limit our development choices or adversely affect the viability or costs of future developments.

Liquidity and access to capital

A deterioration of our financial condition or instability in capital markets could increase our cost of capital, affect our ability to raise debt, or reduce our cash liquidity thereby impacting our financial performance, pursuit of our strategic objectives or result in insolvency. The Crown's shareholding and the provisions of the Public Finance Act limits our ability to raise equity capital.

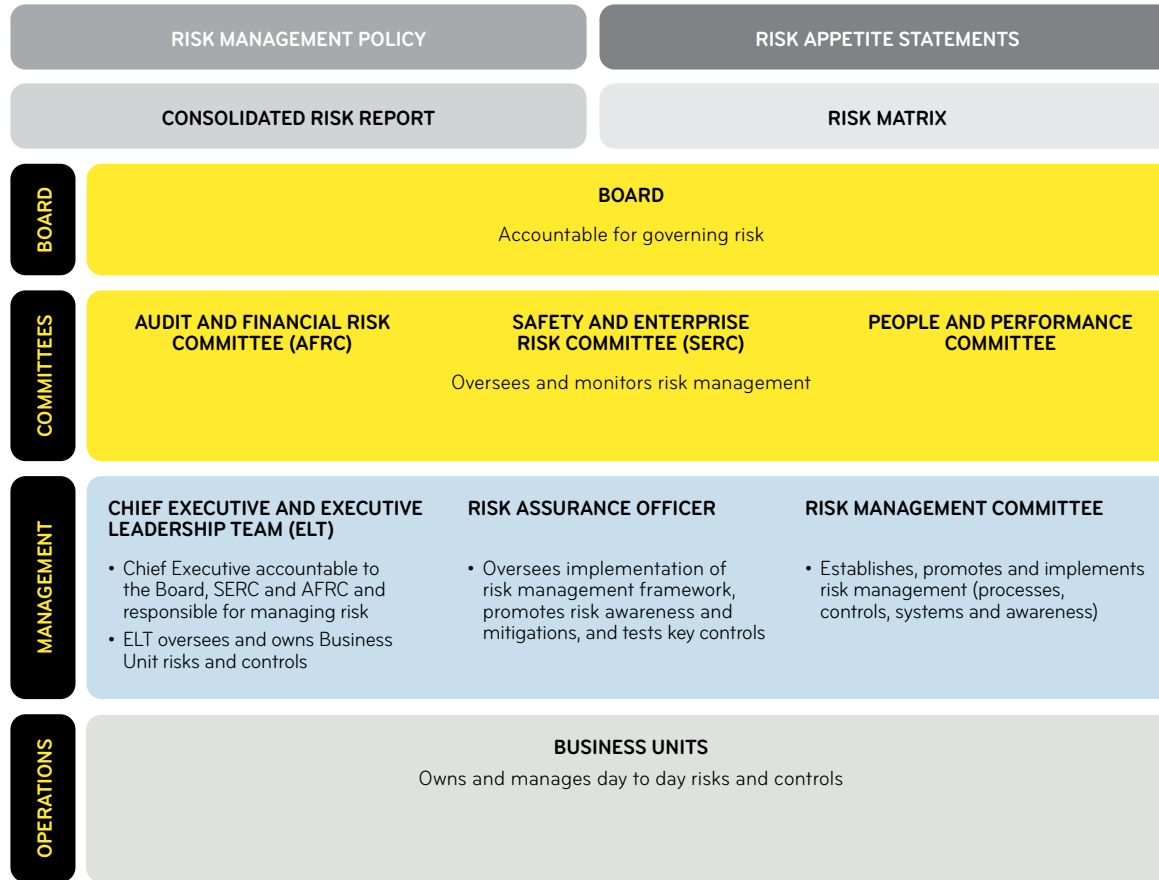
PEOPLE

Attracting, developing, and retaining capable, adaptable and high performing people who can contribute to our strategic priorities remains a focus for Mercury. Mercury also faces the challenge of an aging workforce in several key operational areas and attracting capability and talent to provide succession remains a key priority.



ASSURANCE AND MANAGING RISK CONT.

BOARD APPROVED RISK MANAGEMENT FRAMEWORK



ENGAGING WITH INVESTORS

OUR INVESTOR RELATIONS PROGRAMME

We are committed to open and effective communication with our stakeholders and owners by providing comprehensive relevant information. We take the steps set out in our Market Disclosure Policy to achieve this.

We communicate with our investors in various ways, including the [Investor section](#) of our website, annual shareholders' meetings (ASM) and webcasts, our annual and interim reports, regular information disclosures, and analyst and investor briefings and road shows. Our aim is to clearly communicate our strategic direction, including articulating our strategic priorities and how these leverage our competitive advantages.

We also run a programme to build understanding and appropriate measurement of our performance among investors and research analysts. That programme aims to be responsive, clear, timely, consistent, even-handed and accurate, and is designed to ensure appropriate access to management and directors.

Summary records of matters discussed at meetings with investors and analysts are kept for internal use, unless a recording or transcript of the presentation is published on our website.

WEBSITE

Our [website](#) contains a comprehensive set of investor-related information and data including stock exchange and media releases, interim and annual reports, investor presentations and webcasts, and shareholder meeting materials. We will continue to build environmental, social and governance (ESG) website content to meet the increasing demand for transparent disclosures of its performance across these areas and the management of long-term risks and opportunities.

Shareholders can direct questions and comments to Mercury through the website or contact: investor@mercury.co.nz

MERCURY INVESTOR DAY 2025

Mercury hosted a two-day investor event for institutional investors in Rotorua on 10 and 11 June 2025.

Day one included presentations from management on Mercury's strategy refresh and how Mercury will be Better Today, Building Tomorrow and Brighter Together. Day two included a visit to Mercury's Ngā Tamariki OEC5 geothermal site. Mercury's Chair, Scott St John, and directors Adrian Littlewood and Susan Peterson attended the investor event.

Feedback from the event was positive and Mercury intends to hold another Investor Day in FY27.

GOVERNANCE ROADSHOW

Mercury held a series of investor meetings during August 2025, primarily with institutional investors. The governance roadshow aims to provide an overview of Mercury's activities and significant governance matters during the year. Materials from the roadshow can be found on our website.

ANNUAL SHAREHOLDERS' MEETING AND WEBCAST

An ASM is held in New Zealand at a time and location which aims to maximise participation by shareholders. Mercury's 2025 ASM will be held in Auckland on 19 September 2025 and once again will be held in a hybrid format (in person and online). This approach was successful at the 2022-24 ASMs and is considered by the New Zealand Shareholders' Association as the most effective approach to enable meaningful shareholder participation.

ELECTRONIC COMMUNICATIONS

We encourage shareholders to provide email addresses to enable them to receive shareholder materials electronically. Communicating electronically

is faster and more cost effective. Most of our shareholders receive information electronically. However, we understand that this does not suit everyone. We also provide a hard copy Integrated Report to shareholders who wish to receive it.



ACTING ETHICALLY AND RESPONSIBLY

TIKANGA MATATIKA ME TE TAKOHANGA

The Mercury Code and the policy framework described below support our promises to each other and define our commitment to our customers, our people and community, and our investors. The Mercury Code, Modern Slavery Statement, and all Policies referred to in the table on the following page are available on the [Corporate Governance section](#) of our website.

THE MERCURY CODE

Mercury people strive to do what's right. We have put in place the Mercury Code to ensure that our people know what the 'right thing to do' is. The Mercury Code is our version of a code of conduct and ethics and documents the behaviours we require to embed and sustain our culture to successfully deliver our strategy and achieve our Purpose of taking care of tomorrow: connecting people and place today.

The Mercury Code underpins everything we do. It requires all Mercury people, including directors and employees, to act honestly and with integrity and fairness at all times, and to strive to foster those standards within Mercury.

A Mercury employee is expected to apply the Mercury Attitude. This attitude shapes our decisions, our actions and our interactions with each other. Our Mercury Attitude aligns our direction to achieve our Purpose.

The Mercury Code is reviewed by our Board at least every two years. All Mercury employees are required to complete an annual re-certification training on applying the Mercury Code. This is an interactive e-learning module which tests employees on their understanding of applying the Mercury Code in different situations. A 100% score is required to pass the module.

Directors are required, in the performance of their duties, to give proper attention to the matters before them and to act in the best interests of Mercury at all times.

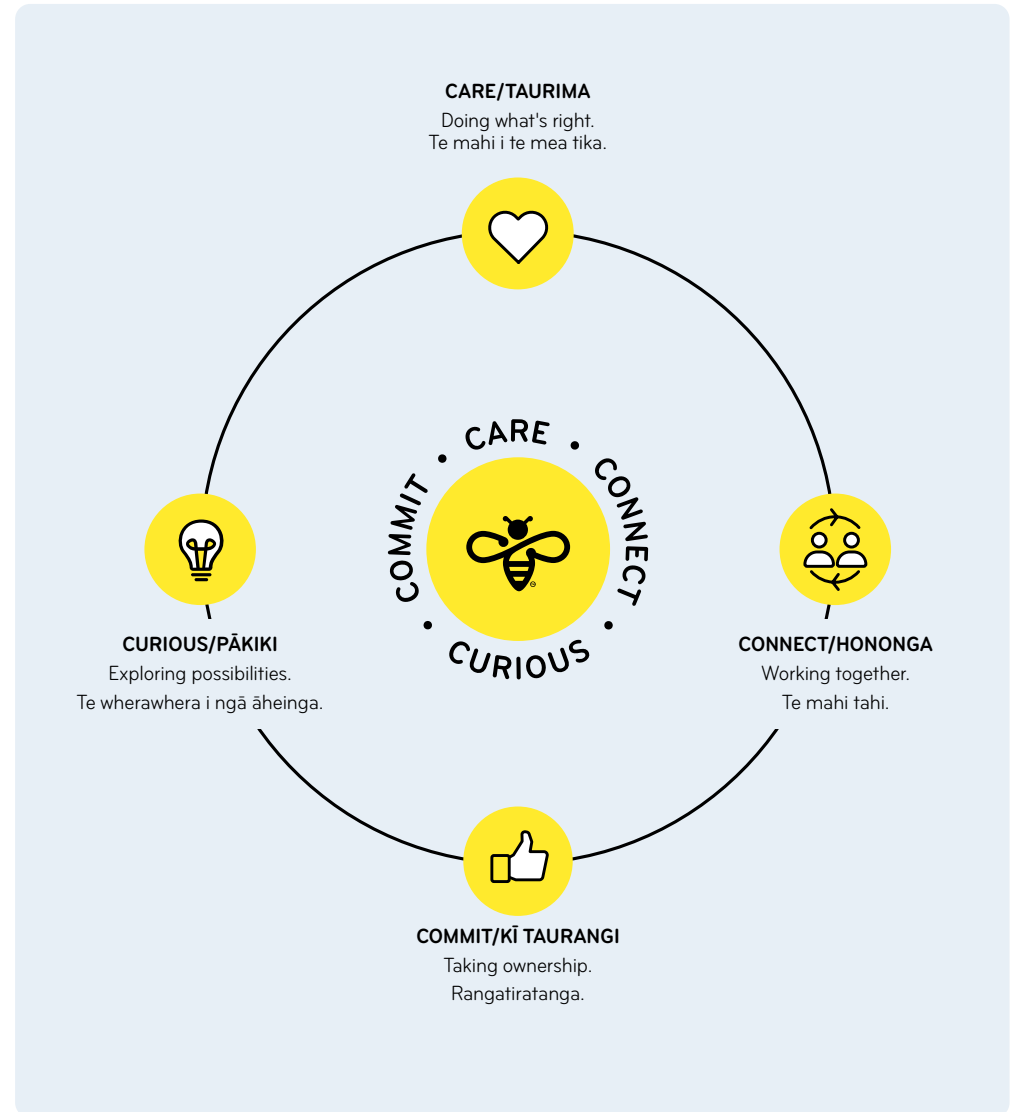
SUPPLIER CODE OF CONDUCT

We also want to ensure that we work with suppliers who share our commitment to acting ethically and doing the right thing. Our Supplier Code of Conduct describes the way we work with our suppliers and what we expect in return. The Supplier Code of Conduct includes our commitments and our expectations in relation to social responsibility, health and safety, compliance with all applicable modern slavery laws, environmental responsibility, and business integrity.

MODERN SLAVERY

Mercury acknowledges the importance of assessing and addressing the risk of modern slavery in our operations and supply chain. We continue to publish a modern slavery statement, in line with our obligations under the Australian Modern Slavery Act 2018. Our FY24 statement outlines the work undertaken during FY24 to assess and address the risk of modern slavery in our operations and supply chain and identified the following key focus areas for FY25.

The areas set out in the table on the following page are of fundamental importance to Mercury to ensure good governance and responsible business practices are followed.



ACTING ETHICALLY AND RESPONSIBLY CONT.

Our governance and responsible business practices	
Conflicts	<p>Conflicts of interest must be avoided, except with the prior consent of Mercury. Mercury people are required to declare conflicts of interest and are encouraged to proactively discuss potential conflicts with their manager. Mercury takes practical, preventative action wherever possible—for example, by substituting project managers in circumstances of possible conflict with contractors and suppliers.</p> <p>Our directors declare all potential conflicts of interest prior to appointment and, if applicable, at each Board meeting in relation to specific agenda items.</p>
Bribery and corruption	<p>The acceptance of bribes, including gifts or personal benefits of material value which could reasonably be perceived as influencing decisions, is prohibited under the Mercury Code. Under Mercury's Delegations Policy, donations to political parties are prohibited.</p> <p>Anti-corruption awareness is also covered in finance training required to be completed by all Mercury employees and contractors, with further in-depth training required for anyone holding commitment authority on behalf of Mercury. In addition, we hold fraud and corruption awareness training for finance and key procurement staff and in FY25 we held our first Mercury fraud awareness week education campaign. Our Risk Assurance plan approved by the SERC and AFRC also includes periodic internal finance-related assurance reviews designed to identify any areas of fraud and corruption risk.</p>
Use of Mercury assets	<p>The Mercury Code places restrictions on the use of corporate information, assets and property. All persons covered by the Mercury Code are encouraged to report any breach or suspected breach of the Code.</p>
Whistleblowing	<p>We provide a framework for the protection of employees wishing to disclose serious wrongdoing. This is described in Mercury's Whistleblowing Policy. In FY25 we updated the Whistleblowing Policy and engaged Deloitte to provide an external and independent disclosure reporting platform and supporting services.</p> <p>Employees are also encouraged to voice concerns with their manager, the HR team, the General Counsel, other managers or directors regarding any ethical or irresponsible behaviour, even if it does not meet the threshold of serious wrongdoing.</p>
Trading in company securities	<p>Mercury's Trading in Company Securities Policy sets out the rules and restrictions relating to trading in Mercury securities by directors, employees and contractors, including the prohibition on insider trading. The Policy is closely monitored by the Company Secretary and overseen by the SERC.</p> <p>The Chief Executive and ELT members are prohibited, by the Trading in Company Securities Policy, from entering into transactions in associated products which limit the economic risk of participating in unvested entitlements under Mercury's Long-Term Incentive Plans.</p>

Our governance and responsible business practices	
Market disclosures	<p>Our Market Disclosure Policy ensures we maintain a fully informed market through communication with the markets, investors and stakeholders and by giving them equal and timely access to material information.</p>
Privacy	<p>We are committed to the safeguarding and proper use of personal information. We have a comprehensive Privacy Policy, which is reviewed every two years, and a robust privacy framework. Privacy is afforded significant consideration within Mercury and is managed in accordance with our risk management framework.</p> <p>Our General Counsel is Mercury's Privacy Officer and is responsible for implementing our Privacy Policy, promoting awareness of privacy matters, monitoring matters on a day-to-day basis, and escalating matters as required to our Chief Executive, with notification to our Risk Management Committee.</p> <p>Privacy issues are reported to the Risk Management Committee on a quarterly basis. We also have a Group Information Security Manager who is responsible for ensuring that appropriate systems and processes are in place for the storage and security of personal information.</p>
Sustainability and Environmental Policy	<p>Our Sustainability and Environmental Policy sets out the core principles and values that we apply to ensure sustainable decision-making across the business. We recognise that we operate in a complex environment where strong, enduring relationships with partners and stakeholders are essential to achieving our business objectives and creating long-term value. It is through deep understanding of what matters materially to these stakeholders that informs our approach. Under the Policy, we commit to integrating sustainability through principles relating to our five-pillar strategy: Kaitiakitanga Stewardship, Kiritaki Customer, Ngā Tāngata Our People and Kōtuitanga Partnerships, Arumoni Commercial.</p>
Takeover Response Policy	<p>We have a Takeover Response Policy to guide the Board and management if the Company receives a takeover notice or the Company becomes aware that a takeover offer in respect of the Company (or an analogous scheme of arrangement) is, or is likely to be, proposed by another person.</p>





Gemma Smith.

WORKFORCE OF THE FUTURE

We are proud to be building a future-ready workforce grounded in inclusivity, belonging, purpose and performance. Research shows that diverse perspectives drive innovation, strengthen decision-making, and enhance performance. This knowledge underpins our strategic commitment to attracting, retaining, and developing talent that reflects the communities we serve, to build our workforce resilience.

Our approach is guided by our Workforce of the Future Policy and Framework, available in the [Corporate Governance section](#) of our website. This framework supports our long-term ambition to access, grow, and retain the best talent and create a workplace where everyone can thrive.

To deliver on our workforce of the future roadmap, we have identified three key priorities:

- Inclusive Leadership – Equipping our leaders with the mindset and capabilities to foster inclusive environments and lead diverse teams.
- Evolving Our Talent Ecosystem – Creating pathways that support growth, representation, and development at all levels.
- A Connected and Inclusive Culture – Cultivating a workplace where people feel seen, heard, and valued.

These priorities inform how we design our people systems, taking a systemic approach to realise the long-term benefits of our framework. In addition, we are progressing a range of specific initiatives. These include forming new partnerships (i.e. Toi Ki Tua to support Māori interns in the Bay of Plenty), updating our policies (i.e. domestic violence-free), targeted leadership development and mentoring

for underrepresented groups, cultural recognition, employee-led groups, engagement and education. We actively participate in cross-sector initiatives to scale diversity efforts and drive industry-wide progress.

Our progress is governed by measurable objectives set and reviewed by the Board, including specific targets and industry benchmarks to ensure transparency and accountability. Where appropriate, we set aspirational goals to drive performance.

Our key priority for next year is to ensure our workforce is representative of New Zealand. This will be achieved through focussed actions to enhance our young talent pathways (interns, apprentices, early careers, and graduates), developing inclusive leaders and talent acquisition practices to ensure that our workforce representation is reflective of our long-term targets. We recognise that this an aspirational goal for the future.

We maintain a zero-tolerance approach to harassment and discrimination, guided by our comprehensive Anti-Bullying, Harassment and Discrimination Policy.

As we continue to invest in our people and culture, our focus remains on building a workforce that reflects New Zealand and creates long-term value for all our stakeholders.

WORKFORCE OF THE FUTURE CONT.

Objectives	Future years - targets						
Gender We have clear and simple targets for gender diversity of 40:40:20 at all levels. This means we aim for a minimum of 40% female and 40% male, with the balance being any gender. Pay equity We ensure that everyone is rewarded fairly for their work.	Employee group	Our long-term targets	June 2024 actuals (female/male)		June 2025 actuals (female/male)	Progress against targets	
	All employees	40:40:20	49%	51%	51%	49%	●
	People leaders	40:40:20	46%	54%	45%	55%	●
	ELT	40:40:20	29%	71%	25%	75%	●
	Board	40:40:20	37.5%	62.5%	33%	67%	●
	Gender pay equity	Our target is 100% pay equity	96.7%		97.5%		●
Ethnicity Aligned to our goal of having clear and simple targets, we have simplified long-term targets for ethnicity of 15:15:10. This means we aim for a minimum of 15% Māori, 15% Asian and 10% Pasifika at all levels (these are closely aligned to our population demographics and are minimums).	Ethnicity	Our long-term targets	June 2024 actuals		June 2025 actuals		
	Māori						
	Employees	15%	7%	7%	7%	8%	●
	People leaders	15%					●
	Asian						
	Employees	15%	19%	19%	20%		●
People leaders	15%	11%	11%	10%		●	
Pasifika							
Employees	10%	5%	5%	4%		●	
People leaders	10%	2%	2%	2%		●	
Age To ensure our business is diverse in a range of ways, we monitor our age profile to check that we are aligned to the national median.	The median age of the NZ workforce is 41 years (National Labour Force projections, 2024). Benchmark against national median age of the labour force in New Zealand National Labour Force projections.		41.9		42.2		●

At 30 June 2025, the proportion of women on the ELT (who represent Mercury's Officers, including the Chief Executive) was 25% or two out of eight (as at 30 June 2024 this was 28.6% or two out of seven). The proportion of women on the Board at balance date was 33.3%, or three out of nine, including the Chair (as at 30 June 2024 this was 37.5%, or three out of eight). No Directors or ELT/Officers self-identify as gender diverse (also the case as at 30 June 2024).

In order to maintain consistency of measurement against our targets, we have adopted the Stats NZ prioritised ethnic groups. This involves each person being allocated to a single ethnic group based on the groups they have identified with, which are, in order of priority: Māori, Pacific, Asian and European/Other.

At 30 June 2025, our gender pay equity was 97.5% (as at 30 June 2024 this was 96.7%). Gender pay equity is calculated as the average position in range (relative to the role's band midpoint) of female fixed remuneration compared with the average position in range of male fixed remuneration. Our gender pay gap which compares the median hourly rate between males and females was 34.4% (as at 30 June 2024 this was 37%).

Pay equity by ethnicity compared to "other" ethnicity was Māori 98.2%; Asian 98.8% and Pasifika 97.4% (as at 30 June 2024 this was Māori 98.8%; Asian 98.2% and Pasifika 96.7%). The ethnicity pay gap which compares the median hourly rate between each ethnicity and "other" ethnicity was Māori 25.4%; Asian 9.1% and 38.5% for Pasifika (as at 30 June 2024 this was Māori 22.2%; Asian 2% and Pasifika 37.9%).

The Board believes that for this reporting period Mercury has continued to make progress towards achieving our Workforce of the Future objectives. However, the Board notes that continued focus is required.



NZX CORPORATE GOVERNANCE CODE INDEX

NZX CGC Recommendation	Section title	Location
Principle 1 – Ethical Standards		
1.1	Code of ethics	Acting Ethically and Responsibly The Mercury Code and Our Governance and Responsible Business Practices, p15-16
1.2	Financial product dealing policy	Acting Ethically and Responsibly Our Governance and Responsible Business Practices, p16
Principle 2 – Board Composition and Performance		
2.1	Board charter	Mercury's Board Responsibilities, p5
2.2	Board nomination and appointment	Mercury's Board Selection, Nomination and Appointment, p6
2.3	Director agreements	Mercury's Board Selection, Nomination and Appointment, p6
2.4	a. Director profiles, tenure and ownership interests	Your Board of Directors FY25 Integrated Report Directors' Disclosures p2-3 Interests register, p124
	b. Director meeting attendance	FY25 Integrated Report Remuneration Report Director Remuneration, p122
	c. Director independence	Mercury's Board Independence, p5
2.5	Diversity policy	Workforce of the Future p17
2.6	Director training	Mercury's Board Induction and Development, p6
2.7	Director performance	Mercury's Board Board Skills Matrix, p7 Reviewing Performance, p8
2.8	Majority independent directors	Mercury's Board Independence, p5
2.9	Independent chair	Mercury's Board Independence, p5
2.10	Chair/CEO separation	Your Board of Directors FY25 Integrated Report Your Executive Management Team p2-3 p97
Principle 3 – Board Committees		
3.1	Audit committee	Mercury's Board Board Committees, p8-9
3.2	Attendance at audit committee by employees by invitation	Mercury's Board Board Committees, p9
3.3	Remuneration committee	Mercury's Board Board Committees, p8 <i>As an exception to the NZX Corporate Governance Code, Mercury does not comply with Recommendation 3.3 because it does not have a separate remuneration committee. See the Board Committees section of this report for a full explanation of this exception.</i>
3.4	Nomination committee	Mercury's Board Board Committees, p8
3.5	Other standing committees	Mercury's Board Board Committees, p8
3.6	Takeover protocol	Acting Ethically and Responsibly Our Governance and Responsible Business Practices, p16

NZX CGC Recommendation	Section title	Location
Principle 4 – Reporting and Disclosure		
4.1	Continuous disclosure policy	Acting Ethically and Responsibly Our Governance and Responsible Business Practices, p16
4.2	Code of ethics, charters and policies on website	Acting Ethically and Responsibly www.mercury.co.nz/investors/corporate-governance The Mercury Code and Our Governance and Responsible Business Practices, p15-16
4.3	Balanced, clear and objective financial reporting	FY25 Integrated Report Notes to the Consolidated Financial Statements p40-64
4.4	Non-financial disclosure	FY25 Integrated Report Climate Statement p65-93
Principle 5 - Remuneration		
5.1	Director remuneration policy	FY25 Integrated Report Remuneration Report Director Remuneration, p122
5.2	Executive remuneration policy	FY25 Integrated Report Remuneration Report Director Remuneration, p113-121
5.3	CEO remuneration	FY25 Integrated Report Remuneration Report Chief Executive's Remuneration, p118-121
Principle 6 – Risk Management		
6.1	Risk management	Assurance and Managing Risk Our Key Risks, Risk Management Framework and Committee Responsibilities, p10-11 The Risks We Face, p15 FY25 Integrated Report The Risks We Face
6.2	Health and safety risks	FY25 Integrated Report The Risks We Face The Risks We Face, p15 FY25 Integrated Report 4. Ngā Tangata/People Continuing to Pursue Safety Citizenship, p26
Principle 7 - Auditors		
7.1	Audit framework	Assurance and Managing Risk Audit Plan and Role of Auditor, p10
7.2	External auditor attends annual meeting	Assurance and Managing Risk Audit Plan and Role of Auditor, p10
7.3	Internal audit	Assurance and Managing Risk Internal Audit and Risk Assurance, p10
Principle 8 – Shareholder Rights and Relations		
8.1	Investor website	www.mercury.co.nz/investors
8.2	Shareholder communications	Engaging With Investors p14
8.3	Right to vote	FY25 Integrated Report Other Disclosures Information About Mercury NZ Limited Ordinary Shares, p131
8.4	Pro rata offers	N/A during the reporting period
8.5	Notice of meeting	The Notice of Meeting for 2025 will be released on NZX and posted on our website



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