LEADERSHIP AND GOVERNANCE

MANA WHAKAHAERE

LEADERSHIP AND GOVERNANCE

MANA WHAKAHAERE

In this section we introduce our Board and Executive Leadership Team and present our Corporate Governance Statement.

We also outline our approach to remuneration, Workforce of the Future, and assurance and risk management.

CONTENTS

Our Board of Directors and Executive Leadership Team lead the organisation and give effect to our purpose, strategy and objectives.

READ MORE PG2

Our Corporate Governance Statement explains how we complied with the NZX Corporate Governance Code during FY26, and includes further information about our governance framework, Board and committee structure, risk management, and assurance and shareholder engagement policies and practices.

READ MORE PG6

Our Workforce of the Future Policy delivers on our commitment to attracting, retaining, and developing talent that reflects the communities we serve.

READ MORE PG21

Our Remuneration Report details the remuneration structures, key performance indicators, short and long-term incentives, and our directors and executive remuneration policies.

READ MORE PG23

Our FY27 Group Scorecard aligns to our strategy, with five KPIs to ensure alignment and strong focus on the key things that will create the most value.

READ MORE PG27

YOUR BOARD OF DIRECTORS

SCOTT ST JOHN
CHAIR

A N P S

Tenure:

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

Last elected: 19 Sep 2025

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 Jarden from 2002 to 2017.

Scott holds an honorary Doctor of Business (D.Bus. (Hon)) from the University of Auckland.

MARK BINNS
DIRECTOR

S

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 National Infrastructure Funding and Financing Limited and Hynds Limited and is a director of Auckland International Airport.

ROB HAMILTON
DIRECTOR

A

Tenure:

First appointed: 1 Apr 2025

Last elected: 19 Sep 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

A S

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; energy industry; commercial experience.

Hannah is an environmental scientist working in; resource management (including water and climate change); health and safety; risk management.

Hannah worked extensively in engineering and construction project management, hazardous substances management and ground water contamination, environmental management in mining, downstream oil and manufacturing.

She has both international and local experience – formerly President of Asia Pacific Region for a global engineering company and member of the global board, operating extensively across Australia, Asia and the Pacific.

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

Committee Membership key:

A Audit and Financial Risk Committee
N Nominations and Corporate Governance Committee
P People and Performance Committee
S Safety and Enterprise Risk Committee
Chair of the committee

Tenure key:

< 3 years
3-6 years
6+ years

YOUR BOARD OF DIRECTORS

ADRIAN LITTLEWOOD
DIRECTOR

N P S

Tenure:

First appointed: 1 Aug 2023

Last elected: 19 Sep 2023

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

Adrian has wide experience across the infrastructure, property, and technology sectors, including large-scale project management, corporate and market strategy, and leadership of large organisations in rapidly changing environments.

Adrian's executive experience includes 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.

Adrian is currently an independent director of Craigs Investment Partners.

SUSAN PETERSON
DIRECTOR

A N P

Tenure:

First appointed: 1 Sep 2022

Last elected: 19 Sep 2025

Key skills*: Commercial experience; large organisation and cultural leadership; AI; data and digitisation; retail and mass market business leadership; risk governance; M&A and capital structure.

Susan is an experienced business leader, who has helped companies to drive growth through technology, innovative customer solutions and organisational culture. She currently chairs Kiwibank and Vista Group and is an independent director of Xero and Kiwi Group Capital. 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.

RACHEL TAULELEI
DIRECTOR

P

Tenure:

First appointed: 20 Aug 2025

Last elected: 19 Sep 2025

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

Rachel, CNZM, is a prominent business leader, and advocate for the Māori economy and values-based business models. She is co-founder of Oho, a business design and brand strategy agency, and was formerly CEO of Kono, a Māori-owned food and beverage company. Rachel was also the North American Trade Commissioner, and founded Yellow Brick Road, a sustainable seafood venture.

Rachel has broad governance experience. She currently sits on the board of The Warehouse Group, Wellington International Airport and ANZCO Foods. Rachel also chairs New Zealand Rugby's Appointments and Remuneration Panel, and acts as an advisor to Movac.

JASPER VAN HALDER
FUTURE DIRECTOR

Term: 1 Dec 2025 to 30 Nov 2026

Key skills*: Corporate transformation; innovation and growth, venture investment; legal and governance.

Jasper is Chief Innovation Officer at Ravensdown, and is the CEO of Agnition, Ravensdown's corporate venture capital division. He has experience in corporate transformation, innovation and growth across a range of industries, having held senior roles at McKinsey & Company in Australia and New Zealand and as a corporate lawyer in Europe. Jasper also serves on several boards in the private and not-for-profit sectors.

As a Future Director, Jasper is invited to attend Mercury Board and Committee meetings, although he does 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.

Committee Membership key:

- A Audit and Financial Risk Committee
- N Nominations and Corporate Governance Committee
- P People and Performance Committee
- S Safety and Enterprise Risk Committee
- ● Chair of the committee

Tenure key:

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

YOUR BOARD OF DIRECTORS CONT.

PAST DIRECTORS

JAMES MILLER A N
DIRECTOR[1]

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.

MIKE TAITOKO P
DIRECTOR[2]

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.

LORRAINE WITTEN A
DIRECTOR[3]

Tenure:

First appointed: 1 Sep 2022

Last elected: 22 Sep 2022

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

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

[1] James Miller was a director of Mercury from 2 May 2012 to 19 September 2025.

[2] Mike Taitoko was a director of Mercury from 28 August 2015 to 19 September 2025.

[3] Lorraine Witten was a director of Mercury from 1 September 2022 to 15 September 2025.

Committee Membership key:

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

Tenure key:

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

YOUR EXECUTIVE LEADERSHIP TEAM

The Executive Leadership Team leads our business to deliver on strategy, ensuring we continue to succeed while also positioning us for future opportunities and challenges.

Together, they provide leadership for our people, while guiding Mercury through a changing operating environment.

STEW HAMILTON
CHIEF EXECUTIVE

RICHARD HOPKINS
CHIEF FINANCIAL OFFICER

MICHELE MAUGER
CHIEF PEOPLE OFFICER

SURAIYA PHILLIMORE-SMITH
CHIEF CUSTOMER OFFICER

KEVIN TAYLOR
CHIEF OPERATING OFFICER – GENERATION

CATHERINE THOMPSON
CHIEF STRATEGY AND CORPORATE AFFAIRS OFFICER

TIM THOMPSON
EXECUTIVE GENERAL MANAGER – WHOLESALE

MATT TOLCHER
EXECUTIVE GENERAL MANAGER – GENERATION DEVELOPMENT

Craig Neustroski, formerly Chief Strategy and Transformation Officer, left Mercury in July 2026.

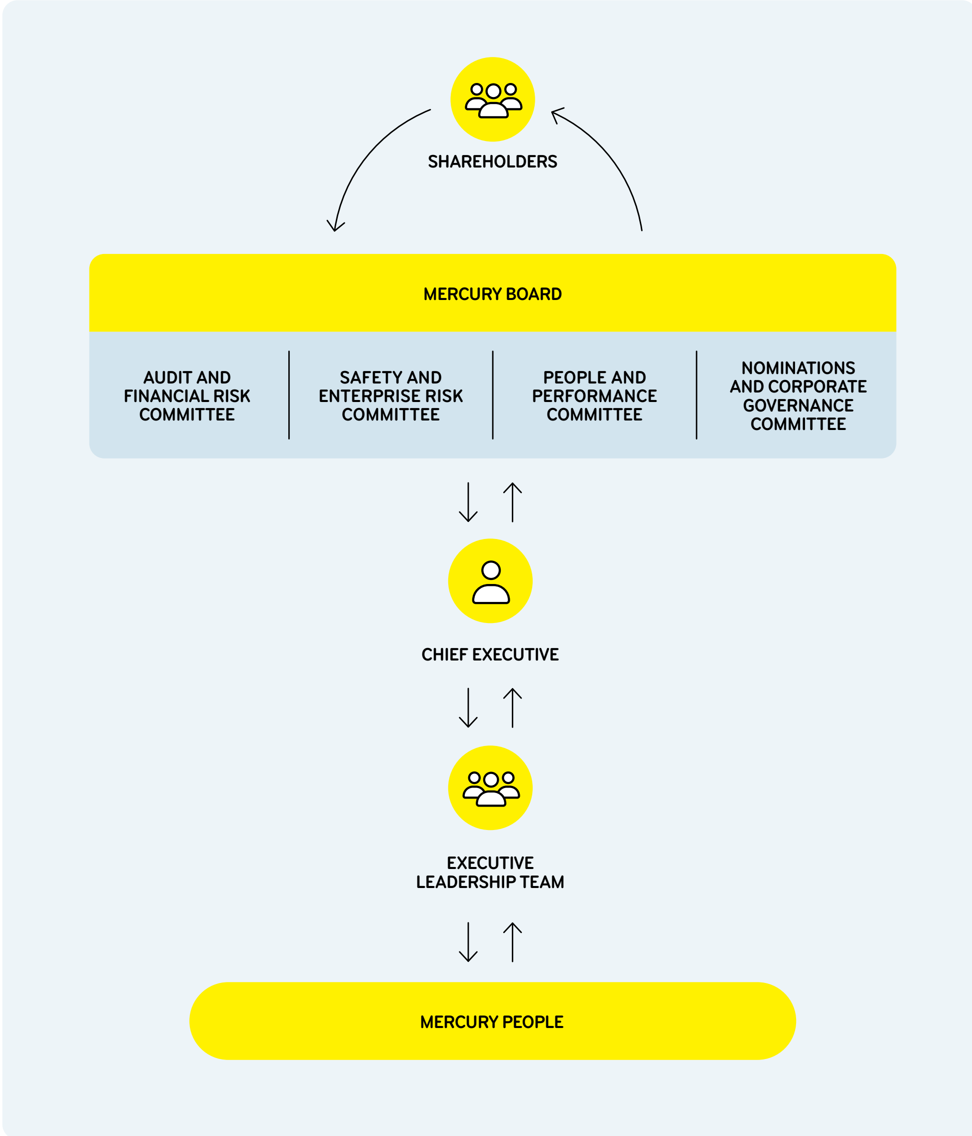
CORPORATE GOVERNANCE FRAMEWORK

This Corporate Governance Statement reports against the NZX Corporate Governance Code dated 31 March 2026 and has been prepared in accordance with NZX Listing Rule 3.8.1. It was approved by the Board of Mercury NZ Limited on 18 August 2026. 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 FY26 balance date of 30 June 2026. This statement sets out the extent to which Mercury followed the NZX Corporate Governance Code during FY26, including any exceptions. It also describes Mercury's governance framework, Board and Committee structure, governance policies, risk management and assurance arrangements and shareholder engagement practices.

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. Mercury is listed on the NZX Main Board and has an ASX Foreign Exempt Listing.

Mercury has an ASX Foreign Exempt Listing and is therefore primarily regulated by the NZX Listing Rules and exempt from complying with most ASX Listing Rules. Mercury also has regard to the ASX Corporate Governance Principles and Recommendations (fourth edition) where appropriate. Mercury's FY26 Annual Report and this Corporate Governance Statement should be read together. The Annual Report includes related disclosures, including director profiles, the Remuneration Report, the Workforce of the Future disclosures, Directors' disclosures, NZX and ASX waiver disclosures and other statutory disclosures.

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).



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. As at 30 June 2026, Mercury's Board comprised seven non-executive directors, namely Scott St John, Chair, Mark Binns, Rob Hamilton, Hannah Hamling, Adrian Littlewood, Susan Peterson, and Rachel Taulelei. Rob Hamilton and Rachel Taulelei were elected by shareholders at the 2025 Annual Shareholders' Meeting (ASM). James Miller, Mike Taitoko and Lorraine Witten ceased as directors in September 2025.

To enable Mercury to achieve its strategic goals, the Board strives to include an effective combination and diversity of skills, backgrounds and experience. The Board also focuses on ensuring that its culture reflects Mercury's values to foster alignment with the wider business.

Brief biographies of each director are included at the beginning of this section.

Chair

Scott St John is the Chair of the Board. First appointed as a director in 2017 and 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 six future directors. Jasper van Halder is Mercury's latest future director, having been appointed on 1 December 2025. 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. In making this determination, the Board considered the NZX Listing Rules, the factors in Table 2.4 of the NZX Corporate Governance Code, each director's interests, positions, associations and relationships, and each director's length of tenure.

Throughout FY26, no director determined by the Board to be independent was subject to any of the factors set out in Table 2.4, and the Board did not take into account any conflict management arrangements when determining director independence.

RESPONSIBILITIES AND DELEGATIONS

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. Core responsibilities of the Board are also outlined in the table below.

Strategy and Planning	Environmental and Health, Safety and Wellbeing	Financial Performance and Integrity	Executive Oversight	Risk and Audit	Ethics, Culture and Corporate Behaviour	The Chief Executive and ELT are responsible for:
• Establishing clear strategic goals with appropriate supporting business plans and resources • Monitoring strategy implementation	• 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	• Monitoring financial performance and the integrity of financial reporting	• Appointing the Chief Executive and overseeing the appointment of the ELT • Setting delegated authority levels for the Chief Executive and ELT	• Approving Mercury's Risk Management Framework, including the Risk Appetite Statement • 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	• Setting the expectations for a healthy, inclusive and high-performance culture • Mercury's adherence to high standards of corporate behaviour, responsibility and ethics	• 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

MERCURY'S BOARD CONT.

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.

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 section of Mercury's FY26 Integrated Report.

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). Consistent with Mercury's majority Crown ownership, the Board and the Nominations and Corporate Governance Committee consult with shareholding Ministers, through the Treasury, during the director appointment and nomination process, taking into account any feedback received from shareholding Ministers.

We notify 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. Mark Binns, Hannah Hamling, and Adrian Littlewood, each having served for three years since they were last elected in 2023, will retire at the September 2026 ASM and stand for re-election in accordance with the NZX Listing Rules. Scott Scoullar has been appointed as a director of Mercury with effect from 1 September 2026 and will stand for election at the September 2026 ASM.

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

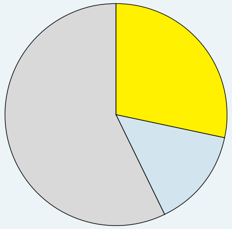
All new directors participate in a comprehensive induction programme to familiarise them with our business and the energy and telecommunications industries. The induction programme covers key Mercury policies and internal frameworks and includes sessions run by ELT members on their business areas and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

The Board receives regular briefings on our 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 our 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 our business, and sessions focussing on the broader environment including future trends and innovation. During FY26 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.

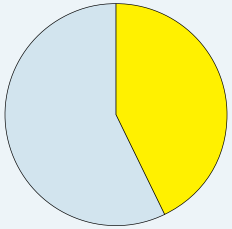
KEY BOARD STATS

TENURE



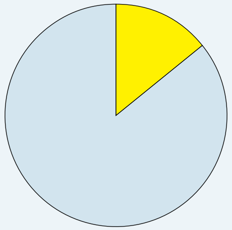
KEY:
- 6+ years (28.57%)
- 3-6 years (14.29%)
- < 3 years (57.14%)

GENDER



KEY:
- Female (42.86%)
- Male (57.14%)
- Gender diverse (0%)

ETHNICITY



KEY:
- Māori (14.29%)
- European/Other (85.71%)

MERCURY'S BOARD CONT.

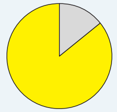
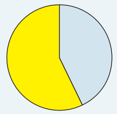
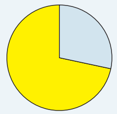
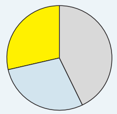
BOARD SKILLS MATRIX

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.

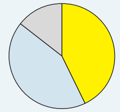
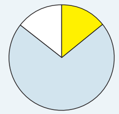
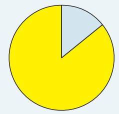
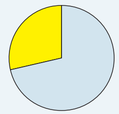
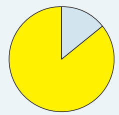
During the reporting period, the Nominations and Corporate Governance Committee has considered and reviewed the skills of the Board and updated the Board skills matrix. The skills matrix has been reviewed in FY26 to align with our updated strategic framework. How well the Board performs is a function 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. The Board fosters collaborative and open discussion and each director is expected to contribute broadly. The key skills which individual directors contribute to the 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.

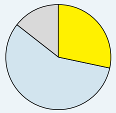
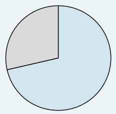
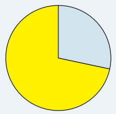
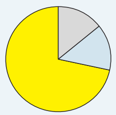
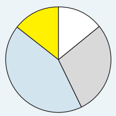
SKILL AND EXPERIENCE CATEGORY	COLLECTIVE SCORE
Strategy and capital allocation	
Significant commercial experience across different industries and economic cycles	
Major project investment and experience	
M&A and capital structure experience	
Climate Change and natural resource management (including water)	

KEY: None Some Medium Substantial

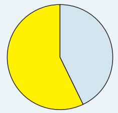
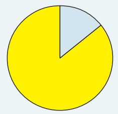
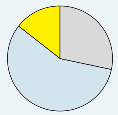
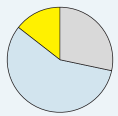
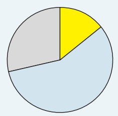
The skills matrix presented here includes data for all current directors as at 30 June 2026.

SKILL AND EXPERIENCE CATEGORY	COLLECTIVE SCORE
Energy and adjacent industries	
Energy industry experience	
Wholesale markets trading (energy and other commodities)	
Governance and risk management	
Governance experience, including listed companies	
Finance, accounting, and audit committee experience	
Risk management process and experience, including cyber-security, climate-related and structural asset integrity	

MERCURY'S BOARD CONT.

SKILL AND EXPERIENCE CATEGORY	COLLECTIVE SCORE
Stakeholders	
Community relationships across market segments and demographics	
Partner relationships	
Government relationships	
Shareholder and investment community relationships	
Iwi relationships and connectivity	

KEY: None Some Medium Substantial

SKILL AND EXPERIENCE CATEGORY	COLLECTIVE SCORE
People leadership	
Health, safety and wellbeing governance	
Large organisation and cultural leadership experience	
Retail and customer	
Understanding and maximising value in retail distribution networks at scale	
Technology, digital and innovation	
AI, automation and digitisation	
Disruption and innovation in energy and other sectors	

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 was completed in September 2025. The next external review is anticipated to occur in 2027.

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 (PPC), and the Nominations and Corporate Governance Committee (NCGC). 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. The Committee Charters are available in the Corporate Governance section of our website.

ADDITIONAL COMMITTEES

We regularly assess 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.

During the year ended 30 June 2026, the Board established one temporary committee for a discrete project. The table below details the directors that were members of that temporary committee and the number of meetings attended.

Committee member	Meetings attended
Scott St John	1
Mark Binns	1
Robert Hamilton	1

Committee attendance table

P People and Performance Committee					
Membership and Meetings					
Members as at 30 June 2026: At least three directors, majority independent non-executives	**Meetings in FY26:** At least 3 annually				
	Aug 25	Nov 25	Mar 26	Jun 26	Out of cycle[1] Dec 25
Susan Peterson (Chair)	●	●	●	●	●
Adrian Littlewood	●	●	●	●	●
Scott St John	●	●	●	●	●
Rachel Taulelei	N/A	●	●	●	●
Rob Hamilton	N/A	N/A	N/A	N/A	Observer
Mark Binns	N/A	N/A	N/A	N/A	Observer

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 2026: At least three directors, majority independent non-executives	**Meetings in FY26:** At least 1 annually		
	Nov 25	Mar 26	Jun 26
Scott St John (Chair)	●	●	●
Susan Peterson	●	●	●
Adrian Littlewood	●	●	●

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.

MERCURY'S BOARD CONT.

S Safety and Enterprise Risk Committee				
Membership and Meetings				
Members as at 30 June 2026: At least three directors, all independent non-executives	**Meetings in FY26:** At least 3 annually			
	Aug 25	Nov 25	Feb 26	May 26
Hannah Hamling (Chair)	●	●	●	●
Adrian Littlewood	●	●	●	●
Mark Binns	●	●	–	●
Scott St John	●	●	●	●
Rachel Taulelei	N/A	Observer	Observer	N/A

Purpose

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					
Membership and Meetings					
Members as at 30 June 2026: At least three directors, majority independent non-executives	**Meetings in FY26:** At least 3 annually				
	Aug 25	Nov 25	Feb 26	May 26	Out of cycle[1] Jun 26
Rob Hamilton (Chair)	●	●	●	●	●
Hannah Hamling	●	●	●	●	●
Susan Peterson	●	●	●	●	●
Scott St John	●	●	●	●	●
Rachel Taulelei	N/A	Observer	N/A	N/A	N/A

Purpose

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.

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


NGĀ TAMARIKI GEOTHERMAL STATION

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 FY26 audit on his behalf. The NZX Listing Rules require rotation of the key audit partner at least every five years. EY were first appointed as auditors in May 1999. Emma has been the key audit partner since 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 ASM and is available to shareholders to answer questions relevant to the audit.

INTERNAL AUDIT AND RISK ASSURANCE

We have 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 our operations. The internal audit plan is designed, updated and approved by the SERC, and the AFRC in consultation with the Head of Risk Assurance 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 meet with the Internal Audit function as required without management present.

During FY26, 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: Payroll, Telco Compliance, Market Disclosures, Employee/Direct Contractor onboarding and cessation, LCOM Billing, Medically Dependent and Vulnerable Customers, 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 and independent validation of operational, health, safety and wellbeing risks and controls.

TIMELY AND BALANCED DISCLOSURE

Shareholders and markets

We are 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. We provide 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 our 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 FY26 financial statements. The Board has provided a similar letter of representation to EY as the Auditor.

Our Integrated Report follows the Integrated Reporting framework. It covers financial and non-financial information, including material environmental, social and governance matters. We include 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 FY26 Greenhouse Gas Emissions Inventory.


KAIWERA DOWNS WIND FARM

ASSURANCE AND MANAGING RISK CONT.

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 our 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 PPC. The AFRC oversees external auditing and reporting of financial and climate-related risks; the PPC oversees specified people-related risks, including culture and psychological safety; and the SERC oversees overall internal assurance, risk management frameworks and compliance.

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.


WAIPAPA HYDRO STATION

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.

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 agreed 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 our risk management committees, frameworks, policies and processes 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 our 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 is 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 Head of Risk Assurance who has the independence to determine the effectiveness of risk management, assurance and internal audit. The Head of Risk Assurance has multiple reporting lines to the Chief Financial Officer, the SERC Chair and the AFRC Chair. Both the SERC and AFRC task the Head of Risk Assurance to ensure healthy and robust debate and interaction between management, risk assurance advisors and audit providers.

The Board delegates responsibility for managing risk to the Chief Executive. The Chief Executive has responsibility for the implementation and operation of adequate risk assurance, internal control, and audit systems within Mercury. 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 Whistleblower Policy and procedures.

As noted above, the SERC is responsible for overseeing, reviewing and providing advice to the Board on our risk management frameworks, policies and processes. The Head of Risk Assurance 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 2026.

Mercury's Constitution and relevant Charters and Policies are available in the Corporate Governance section of our website.

ASSURANCE AND MANAGING RISK CONT.

OUR KEY RISKS

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

HEALTH, SAFETY AND WELLBEING

We undertake activities that potentially involve significant safety risks. When we think about health, 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, Mōkai 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 AND REGULATORY

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 for an extended period, there is an increased risk of regulatory intervention by policy makers. Regulatory intervention has the potential to impact on Mercury's retail/wholesale/commercial sales and profitability.

Regulatory changes to the wholesale and retail market structure and pricing regimes, including heightened scrutiny of retail pricing, competitive neutrality and the integrated gentailer model, may also affect how Mercury manages its integrated business model of generation and retailing electricity, gas and telco service. This 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, suppliers, policy makers and the broader community is a key priority.

In addition to the risks mentioned elsewhere in this statement, the following circumstances threaten Mercury's reputation and lead to a loss of business revenues and an associated reduction in our 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 and development activities.
- ↗ 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 significantly impact on Mercury's social licence to operate.

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 that can impact on our ability to successfully deliver our generation development pipeline projects and major plant refurbishment programme (e.g. wind turbines, geothermal turbines, generators, transformers).

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 and declining gas reserves).
- ↗ Growth of intermittent renewable generation, and the availability and cost of firming capacity needed to manage periods of low renewable output.
- ↗ 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 commercial and industrial customers, or a New Zealand energy 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 important 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, extreme flooding or other natural perils that could cause failure of one or more of our power stations.
- Material failure of generators, 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 incident 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, or reputational impacts from any loss of service, or resulting impacts on safety, our environment or community.

Artificial Intelligence

AI has the potential to disrupt our business in new and novel ways. AI is a significant opportunity for Mercury to improve asset performance, customer care, productivity, risk insight and energy transition capability, but it also introduces material risks around cyber security, data governance, decision quality, regulatory compliance, third-party reliance and trust. The key question we are actively considering is where AI can be used safely, transparently and with clear human accountability.

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 $1.1 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, and the like) 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.

Natural gas supply

New Zealand's rapidly declining domestic natural gas reserves create increasing supply and price risk for Mercury and our customers. As a gas retailer, reduced availability may increase procurement costs, constrain our ability to offer competitive gas products and accelerate the need to support customers to transition to alternative energy sources. For larger commercial and industrial customers, declining gas supply may affect fuel security, operating costs and investment decisions, particularly where electrification alternatives are not readily available. The potential development of LNG import infrastructure may improve longer-term security of supply, but could introduce higher and more volatile fuel costs, infrastructure and contracting commitments, and uncertainty over how these costs are ultimately shared across gas users and the electricity sector.

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 us. We also face the challenge of an ageing workforce in several key operational areas and attracting capability and talent to provide succession remains a key priority.

ROTOKAWA GEOTHERMAL STATION

ASSURANCE AND MANAGING RISK CONT.

Board approved Risk Management Framework

RISK MANAGEMENT POLICY	RISK APPETITE STATEMENTS
CONSOLIDATED RISK REPORT	RISK MATRIX

BOARD

BOARD
- Accountable for governing risk

COMMITTEES

AUDIT AND FINANCIAL RISK COMMITTEE (AFRC)
- Oversees and monitors financial and climate-related risk

SAFETY AND ENTERPRISE RISK COMMITTEE (SERC)
- Oversees and monitors all other risk (i.e. other than financial, climate-related and people risk management)

PEOPLE AND PERFORMANCE COMMITTEE (PPC)
- Oversees and monitors people risk

CHIEF EXECUTIVE

CHIEF EXECUTIVE
- Board delegates responsibility for managing risk to the Chief Executive
- Chief Executive is accountable to the Board, SERC and AFRC for the implementation and operation of adequate risk assurance, internal control, and audit systems

MANAGEMENT

EXECUTIVE LEADERSHIP TEAM (ELT)
- Oversees and owns Business Unit risks and controls
- Implements and owns operating Business Unit risk management activities, internal controls, and risk reporting systems

HEAD OF RISK ASSURANCE
- Oversees implementation of the enterprise risk management framework, promotes risk awareness and maturity, provides independent assurance over its effectiveness
- Reports to the Chief Executive, SERC and AFRC on the adequacy of Mercury's risk management practices

RISK MANAGEMENT COMMITTEE
- Establishes, promotes and implements enterprise risk management (processes, controls, systems, reporting, assurance and awareness)

OPERATIONS

BUSINESS UNITS

Owns and manages day-to-day risks and controls

MERCURY HEAD OFFICE, 33 BROADWAY

ARAPUNI DAM

ENGAGING WITH INVESTORS

OUR INVESTOR RELATIONS PROGRAMME

We are committed to open and effective communication with our stakeholders and owners by providing comprehensive and 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, 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.

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

MERCURY GEOTHERMAL INVESTOR DAY 2026

We hosted a geothermal investor day for institutional investors in May 2026, aligned with the announcement of our geothermal growth strategy. The event included presentations from management on our plan to scale our geothermal platform, including appraisal drilling at Ngā Tamariki and Rotokawa. The programme also provided an overview of Mercury's broader geothermal portfolio, development pipeline, and long-term growth options, including next-generation geothermal. Feedback from participants was positive, and materials from the event, including a presentation and summary, were made available on our website.

GOVERNANCE ROADSHOW

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. Our 2026 ASM will be held in Auckland on 18 September 2026 and once again will be held in a hybrid format (in person and online). This approach was successful at the 2022-25 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. The 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 FY25 statement outlines the work undertaken during FY25 to assess and address the risk of modern slavery in our operations and supply chain and identified the following key focus areas for FY26. 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	Conflicts of interest must be avoided, except with the prior consent of Mercury. Mercury people are required to declare conflicts with their manager. We take practical preventative action wherever possible – for example, by substituting project managers in circumstances of possible conflict with contractors and suppliers. Our directors declare all potential conflicts of interest prior to appointment and, if applicable at each Board meeting in relation to specific agenda items.
Bribery and corruption	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 Delegation Policy, donations to political parties are prohibited. 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 awareness and corruption training for finance and key procurement staff. We also undertake a 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.
Use of Mercury's assets	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.
Whistleblowing	We provide a framework for the protection of employees wishing to disclose serious wrongdoing. This is described in Mercury's Whistleblowing Policy. The policy was updated in FY2025, and Deloitte is engaged to provide an external and independent disclosure reporting platform and supporting services. 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.
Trading in company securities	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. The Chief Executive and ELT members are prohibited, by the Trading in Company Securities Policy, from entering transactions in associated products which limit the economic risk of participating in unvested entitlements under Mercury's Long-Term Incentive Plans.
Market disclosures	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.

Our governance and responsible business practices	
Privacy	We are committed to 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 managed within our Risk Management Framework. 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. Privacy issues are reported to the Risk Management Committee on a quarterly basis. We also have a Cyber Security Manager who is responsible for ensuring that appropriate systems and processes are in place for the storage and security of personal information.
Sustainability and Environmental Policy	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. A deep understanding of what matters to these stakeholders 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.
Takeover Response Policy	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 any analogous scheme of arrangement) is, or is likely to be, proposed by another person.

WORKFORCE OF THE FUTURE

We are 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 continues to underpin our commitment to attracting, retaining, and developing talent that reflects the communities we serve.

Our Workforce of the Future Policy, available in the Corporate Governance section of our website, guides our approach, bringing together initiatives that engage our people, build external partnerships, grow capability, and support a diverse, inclusive, and belonging culture. This work is guided by the following principles:

- ↗ Commitment to diversity: We value and actively promote diversity at all levels of our organisation, fostering an open and transparent culture.
- ↗ Holistic approach: We adopt a comprehensive approach that integrates into every aspect of the employee lifecycle.
- ↗ Inclusive work environment: We are dedicated to creating a flexible, inclusive, and safe workplace that embraces individual differences and empowers everyone to reach their full potential.
- ↗ Leadership alignment: Our leadership is committed to Workforce of the Future initiatives, and it is demonstrated in their behaviours and decisions.
- ↗ Embracing diverse talent: We strive to attract, retain, and grow a talented, diverse workforce that represents Aotearoa New Zealand by implementing an inclusive recruitment and development strategy, allowing us to attract our workforce talent from all areas of the community.
- ↗ Investment in people and communities: We invest in people and communities to achieve equitable, long-term outcomes, working in partnership across our sector to do so.
- ↗ Respecting Te Ao Māori: Mercury has a unique whakapapa and relationships with tāngata whenua. We commit to empowering our kaimahi to engage with Te Ao Māori confidently, and to evolve our partnerships and ways of working to make positive impacts.

In addition to our cultural recognition initiatives, employee-led networks, and engagement and education programmes, we are leveraging external partnerships to help accelerate leadership development, mentoring and talent pipelines for underrepresented groups. External partnerships include Global Women and Champions for Change and WING (Women in Geothermal), promoting advancement and visibility of women; Toi ki Tua, focused on Māori talent pathways in the Bay of Plenty, and TupuToa, focused on Māori and Pasifika graduates entering the corporate workforce. We actively participate in cross-sector initiatives to scale our 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.

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

Our key priority remains ensuring our workforce is representative of New Zealand. This will be achieved through focused actions to enhance our young talent pathways, develop inclusive leaders, and ensure our talent acquisition practices reflect our long-term targets.

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 2025 actuals (female/male)	June 2026 actuals (female/male)	Gap to 2030
	All employees	40:40:20	51% / 49%	51% / 49%	
	People leaders	40:40:20	45% / 55%	49% / 51%	
	ELT	40:40:20	25% / 75%	33% / 67%	
	Board	40:40:20	33% / 67%	43% / 57%	
	Gender pay equity	Our target is 100% +/- 5%	97.5%	96.8%	
	Gender pay equity weighted approach	Our target is 100% +/- 5%	99.9%	99.8%	
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 2025 actuals	June 2026 actuals	
	Māori Employees People leaders	 15% 15%	 7% 8%	 7% 10%	
	Asian Employees People leaders	 15% 15%	 20% 10%	 21% 10%	
	Pasifika Employees People leaders	 10% 10%	 4% 2%	 4% 1%	
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.		42.2	42.8	

At 30 June 2026, the proportion of women on the ELT (who represent Mercury's Officers, including the Chief Executive) increased to 33% or three out of nine (as at 30 June 2025 this was 25% or two out of eight). The proportion of women on the Board at balance date has also increased, to 43%, or three out of seven (as at 30 June 2025 this was 33.3%, or three out of nine). No Directors or ELT/Officers self-identify as gender diverse (also the case as at 30 June 2025).

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 personal priority: Māori, Pacific, Asian and European/Other.

At 30 June 2026, our gender pay equity was 96.8% (as at 30 June 2025 this was 97.5%). 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 31.8% (as at 30 June 2025 this was 34.4%).

This year we have introduced an additional gender pay equity reporting measure to enhance insight on our standard approach. Standard approach: compares the average position in range (PIR), relative to the role's band midpoint, of female fixed remuneration against the average PIR of male fixed remuneration. At 30 June 2026, our gender pay equity was 96.8% (as at 30 June 2025 this was 97.5%).
New weighted approach: calculates pay equity for each remuneration band, weights each band's result by its share of total employees, then sums these weighted results to produce one overall pay equity figure. Using the weighted approach, our FY26 gender pay equity result was 99.8% (as at 30 June 2025 this was 99.9%).

Pay equity by ethnicity compared to "other" ethnicity was Māori 97.67%, Asian 98.52% and Pasifika 94.95% (as at 30 June 2025 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 20.41%, Asian 7.08% and 39.41% for Pasifika (as at 30 June 2025 this was Māori 25.4%, Asian 9.1% and Pasifika 38.5%).

The Board believes that for this reporting period we have continued to make progress towards achieving our Workforce of the Future objectives. However, the Board acknowledges the challenges associated with increasing people leader ethnicity diversity and remains committed to the continued focus required.

REMUNERATION REPORT

Dear Shareholder

As Chair of the People and Performance Committee (PPC), it is my pleasure to present our Remuneration Report.

While Mercury continues to accelerate the building and expansion of critical national infrastructure to support New Zealand's electrification ambitions for economic growth, we have remained focused on ensuring that we can attract, retain, and develop the high-performing workforce we need.

PERFORMANCE AND PAY

We are pleased with the strong operational and financial outcomes achieved throughout the year.

As noted in the Annual Report, Mercury has delivered a net profit after tax of $321 million, which represents an increase of $320 million from last year. EBITDAF was $1,068 million, an increase of $282 million from last year, reflecting disciplined investment, effective cost management, the strength of Mercury's integrated portfolio, and the commitment and capability of our people.

Operating costs were $370 million, a reduction of $26 million from last year. The lower costs primarily reflect lower employee costs following operating-model changes and the completion of major generation maintenance programmes.

The remuneration outcome of our short-term incentive (STI) for the year reflected strong performance against our Group Scorecard targets. The Group Scorecard outcome was assessed at 125% of target (78.1% of maximum opportunity). The Chief Executive's individual performance assessment resulted in an award of 125% of his STI target opportunity.

The remuneration outcome for the FY24-FY26 long-term incentive (LTI) was assessed at 34.5%. The absolute total shareholder return (TSR) performance hurdle was not met, resulting in zero vesting for this component, while 69% was achieved for the Relative TSR component based on performance against the disclosed peer group. The Board did not consider it appropriate to exercise any discretion in respect of the STI and LTI outcomes. More detailed information on the STI and LTI outcomes for both the Chief Executive and Chief Financial Officer can be found on pages 26-31.

LEADERSHIP APPOINTMENTS

In the past year we were delighted to welcome three new executives, Catherine Thompson as Chief Strategy and Corporate Affairs Officer, Michele Mauger as Chief People Officer, and Suraiya Phillimore-Smith as Chief Customer Officer. Each of these leaders brings extensive experience and capability to our executive team.

We also farewelled Fiona Smith as our Chief People Experience Officer. We warmly thank Fiona for her leadership and commitment to the success of Mercury and extend our very best wishes to her for the next chapter of her career.

EXECUTIVE REMUNERATION REVIEW AND CHANGES

Over the last 18 months, the Committee undertook an independent review of our executive remuneration structure and how it might more effectively support the successful delivery of the strategy. The Committee was motivated to ensure that there was a tighter connection between pay and performance. As part of that review, Scott and I engaged with some of our investors and stakeholders, including the New Zealand Shareholders' Association, to listen to their thoughts. We want to thank those involved for the time they gave us during this process. Their feedback helped to shape our new executive remuneration structure.

As a result of the review, the executive STI structure was adjusted away from awarding the STI all in cash, to instead awarding part in cash and part in equity that is deferred for one year. This new structure is intended to better incentivise performance over time and to provide an opportunity for executives to be more closely aligned to the interests of shareholders.

In addition, the executive remuneration structure has been rebalanced to increase the proportion of performance pay by increasing their LTI opportunity as a percentage of base pay. For the Chief Executive, this has resulted in his LTI opportunity increasing from 40% to 60% of his base salary. While the performance period of the LTI remains three years and the LTI performance metrics are unchanged, the peer group was expanded to 11 industry relevant companies from across Australasia. We introduced a one-year hold period to align the LTI timeframe with the delivery of Mercury's 2030 strategy.

The Committee has reviewed and simplified our FY26 Group Scorecard to reduce the number of key performance indicators (KPIs) to align with Mercury's five strategic priorities. We also introduced an Executive Minimum Shareholding Policy, whereby the Chief Executive and Chief Financial Officer are required to accumulate and maintain a holding in Mercury shares equivalent to at least 50% of their annual base remuneration (before tax) within a five-year period.

The cumulative effect of these changes is that a greater proportion of an executive's total reward depends on the delivery of sustained shareholder value, further strengthening the alignment between executive reward and performance.

More details of the Executive Minimum Shareholding Policy and all the changes to the executive remuneration structure and KPIs are included in the Remuneration Report.

PAY EQUITY

As part of our ongoing commitment to a fair and equitable workplace we completed our annual review of gender pay equity. This review resulted in related compensation increases for approximately 36 employees.

We have also included an additional weighted pay equity measure. We believe that the addition of this measure provides greater insight into our progress.

EMPLOYEE SHARE SCHEME AND ENERGY/TELCO BENEFITS

We are pleased to have announced our new Employee Share Scheme and an enhanced employee product and service offering. These initiatives will enable everyone at Mercury to experience first-hand what it is like to be both a Mercury shareholder and a Mercury customer. We believe that these changes will strengthen our team's collective commitment to delivering outstanding shareholder and customer outcomes.

DIRECTORS' FEES

The setting of the Chair, Director and Board Committee fees is governed by Mercury's Non-Executive Director Remuneration Policy which is reviewed periodically to ensure it remains appropriate. There were no changes to Director remuneration during FY26. It has been three years since we last reviewed Director remuneration and we will look to do this in FY27. More detail can be found on page 32 of this report.

NOTE OF APPRECIATION

On behalf of all my colleagues on the Committee, I would like to warmly thank our team for their dedication, commitment, and support over the course of the year. It has been a successful year and their ongoing support is greatly appreciated. We are looking forward to an exciting year ahead.

SUSAN PETERSON
CHAIR, PEOPLE AND PERFORMANCE COMMITTEE

EXECUTIVE REMUNERATION

EXECUTIVE REMUNERATION GOVERNANCE

Mercury's Board is committed to an Executive Remuneration Framework that supports a high-performance culture, aligns executive reward with Mercury's strategy, and creates sustainable value for our shareholders. The Board is committed to transparency in its Executive Remuneration Policy and practice.

The PPC assists the Board in fulfilling its responsibilities relating to Mercury's People strategy, policies and practices, and the remuneration and performance plan of the Chief Executive and Executive Leadership Team (ELT). More on PPC's responsibilities and members of the Committee is available in the 'Board Committees' section of our Corporate Governance Statement. The PPC operates under a written charter, available on our website.

The PPC reviews annual performance outcomes for all ELT members and recommends these to the Board for approval. Reviews take into account external benchmarking against comparable market peers, along with each individual's performance, skills, expertise, and experience.

USE OF DISCRETION

The Board retains absolute discretion in the assessment of performance-based remuneration, including whether STI and LTI performance hurdles have been met.

It reviews outcomes in the context of the full year, considering any factors that affected results, and may apply specific adjustments in its final assessment. This includes malus and clawback provisions, allowing the Board to reduce or extinguish STI or LTI outcomes if an adverse event occurs.

The Board also retains absolute discretion over how variable remuneration is treated when employment ends.

The Board did not apply discretion to the FY26 STI or FY24-26 LTI outcomes. All outcomes reflect the performance results of the FY26 STI Group Scorecard and the FY24-26 LTI plan.

CHANGE IN CONTROL

In a change of control situation, the Board has discretion to adjust the terms of grants or unvested share rights under the LTI and STI schemes. This may include adjusting eligibility criteria or performance conditions, or permitting early exercise of share rights.

EXECUTIVE REMUNERATION POLICY

Mercury's current Executive Remuneration Policy is available on our website. We are reviewing this Policy and the updated Policy will be available on our website once the review has been completed.

Mercury's new Executive Remuneration Framework is intended to support the outcomes in the adjacent table through a set of guiding principles.

EXTERNAL AND INDEPENDENT ADVICE

In FY26, Mercury obtained independent external advice from PricewaterhouseCoopers (PwC) to support its comprehensive executive remuneration review, which commenced in FY25.

PwC also provided independent executive benchmarking data, calculated LTI volume-weighted average share prices to support grant date allocations and vesting outcomes, and independently assessed LTI performance outcomes against the relevant measures.

This Remuneration Report discloses employees who received remuneration and other benefits, in their capacity as employees, which was or exceeded $100,000 per annum, in brackets of $10,000, as required by the Companies Act 1993. This can be found on page 31.

REMUNERATION BENCHMARKING

PwC provided Mercury with benchmark remuneration data from a core comparator group of Australasian listed companies. This group reflects companies of comparable scale, complexity, and/or industry to Mercury, includes Australasian energy, utility, and retail-focused companies.

The peer group include: AGL Energy, APA Group, Auckland International Airport, Channel Infrastructure, Chorus, Contact Energy, Genesis Energy, Meridian Energy, Origin Energy, Spark, and Vector. PwC matched each Mercury executive role to comparator roles with broadly similar accountabilities. PwC also provided benchmarking data from other selected NZX companies to ensure broad alignment.

PRINCIPLE	DESIRED OUTCOME
Competitive	• Attract and retain high quality talent by offering packages benchmarked against a market peer group of companies. • Attract international, low cost of capital investors.
Aligned	• Align performance of management with delivery of long-term sustainable shareholder value. • Align behaviours of management with shareholder goals and risk appetite.
Reward Performance	• Motivate delivery of successful outcomes by linking the quantum of reward with the quantum of business performance outcomes as measured by shareholder value.
Fair and Flexible	• Fairly distribute and reward performance, based on the relative influence of the individual on the business outcomes and the impact on our ability to fund the reward.
Simplicity	• Create transparency and clarity of expectation through the selection of a focused set of targets.

EXECUTIVE REMUNERATION CONT.

EXECUTIVE REMUNERATION COMPONENTS

Total remuneration for all ELT members is made up of three components: fixed remuneration, short-term performance incentive, and long-term performance incentive. Mercury's remuneration philosophy is to align pay with performance.

SHORT-TERM PERFORMANCE INCENTIVE

The STI is a variable and at-risk reward designed to motivate and reward executives for individual performance and delivery against the Group Scorecard in a specific financial year.

Each ELT member's STI target is set annually as a percentage of their base salary. In FY26, the STI target percentage was 50% for the Chief Executive and Chief Financial Officer (CFO), and 40% for other ELT members.

There are two performance measures applied to all ELT members' STI awards. 70% is based on performance against a Group Scorecard which includes the business priorities for the next 12 months, with the objective of aligning the ELT's focus with the company's priorities. The remaining 30% is based on individual performance. The Board retains absolute discretion to assess how these performance measures are assessed.

Consistent with our pay for performance philosophy, the minimum STI opportunity is 0%, the target STI opportunity is 100% and maximum STI opportunity is 160%. There will be no STI payment made if there is a fatality or the normalised hydrology/wind adjusted EBITDAF does not reach 80% of the EBITDAF target.

The Executive STI plan was updated in FY26 as part of the executive remuneration review to include a deferred equity component. From FY26, executive STI awards consists of a cash component and a deferred equity component. 70% of the Chief Executive and CFO's STI performance outcome is awarded in cash, and 30% is awarded in share rights.

For all other Executives, 75% of their STI performance outcome is awarded in cash and 25% is awarded in share rights. STI share rights are deferred for one year, following which they will be converted to ordinary shares, subject to the application of Board discretion. STI awards are subject to good conduct, malus and claw back provisions and the Board retains absolute discretion over all elements of the STI plan.

Executive Remuneration Components

	FIXED REMUNERATION	SHORT-TERM INCENTIVE	LONG-TERM INCENTIVE
PURPOSE	Attract and retain Executives with the experience and leadership capability required to deliver our strategy.	To motivate and reward performance against the Group Scorecard together with individual performance over the financial year.	Equity opportunity in the form of Performance Share Rights to incentivise and reward the delivery of long-term shareholder value.
FY26 APPROACH	Fixed remuneration consists of base salary and benefits including insurance, KiwiSaver, and vehicle as applicable.	Rewarding performance with cash incentives and deferred share rights (equity component). Performance assessed against a Group Scorecard based on business priorities for the next 12 months and against individual performance. Following Performance assessment, the STI outcome is split into (1) Cash component and (2) Equity component. The equity component is subject to a one-year deferral period.	Performance measured by total shareholder return against (1) relative TSR: a peer group and (2) absolute TSR: the cost of equity plus 1%, in each case over the three-year performance period. The performance outcome is then held for a further one-year period before the share rights vest to align Executives to the FY30 strategy.

Breakdown of Chief Executive's and CFO's FY26 STI

STI TARGET	DESCRIPTION	PERFORMANCE MEASURES
50% of base salary	• 70% cash component • 30% equity component (deferred share rights)	• 70% based on FY26 Group Scorecard • 30% based on individual performance

EXECUTIVE REMUNERATION CONT.

FY26 STI GROUP SCORECARD OUTCOMES

KPIs aligned with Mercury's strategy were selected for the FY26 Group Scorecard and weighted to reflect their relative importance. Performance was assessed against three levels: Threshold (50%), Target (100%) and Stretch (160%). Following consideration of performance against each KPI, the Board approved an overall FY26 Group Scorecard outcome of 125% of target, equivalent to 78.1% of the maximum opportunity.

The Board determined that Stretch performance was achieved for KPIs 1, 4 and 5, while Target performance was achieved for KPIs 2 and 6, as outlined in the table below. For the Delivery of Generation Development Projects KPI, performance was assessed at 90% of Target. All three projects within this KPI progressed to plan, supporting an assessment at the upper end of Threshold performance. However, the Final Investment Decision (FID) target was not achieved.

While the Stretch target for perceived sector confidence was achieved, the Board acknowledged the importance of maintaining a continued focus on strengthening market confidence.

In determining the overall outcome, the Board considered performance across the full scorecard and all relevant factors for the year. These considerations are reflected in the final assessment.

The Board did not exercise discretion in determining the FY26 Group Scorecard outcome.

FY26 Group Scorecard

GOAL	WEIGHTING	KPIS	KPI TARGETS	KPI OUTCOME
Financial growth	50%	1 EBITDAF[1] (worth 25%)	• Threshold: $921.5m • Target: $950m • Stretch: $997.5m	• EBITDAF Stretch target achieved. EBITDAF of $1,057m achieved and exceeded Stretch target of $997.5m by $59.5m. • OUTCOME 160% of target; 100% of maximum.
		2 TOTEX (OPEX + Stay in Business CAPEX) (worth 25%)	• Threshold: +3% • Target: OPEX $370m and Stay in Business (SIB) CAPEX $150m • Stretch: -5%	• TOTEX Target achieved. OPEX of $370m and $150m SIB CAPEX achieved and landed right on target. • OUTCOME 100% of target; 62.5% of maximum.
Deliver more reliable and renewable energy	20%	3 Delivery of generation development projects	• Threshold: 2 of 3 on plan (KWK, KD2, OEC5) (safety, budget, programme) • Target: + additional 1 FID reached to support system reliability • Stretch: + strategy to deliver 1.5TWh/year of additional geothermal generation by 2035 endorsed by the board	• Threshold target achieved and exceeded. 3 out of 3 Threshold target projects on plan with target landing top end of the threshold. • FID Target not met. • Stretch target achieved. Strategy to deliver additional geothermal generation endorsed by the Board. • OUTCOME 90% of target; 56.3% of maximum.
Accelerate shift to low-carbon future	10%	4 CO_2e emissions, firming and demand capacity from electricity and energy system	• Threshold: 13,000 (16,000 annualised) tonnes CO_2e of Scope 1 emissions reinjected • Target: Increase portfolio firming and flexibility by 40MW • Stretch: + Memorandum of Understanding in place for 0.5 PJ of biogas development and 1TWh of new demand or electrification opportunities identified	• Threshold, Target and Stretch targets achieved. • CO_2e outcome of 13,490 tonnes achieved against Threshold target of 13,000. • Greater than 50MW achieved against Target of 40MW. • Stretch target achieved. • OUTCOME 160% of target; 100% of maximum.
Rebuild sector and customer confidence	10%	5 Perceived confidence in the sector's ability to meet NZ's energy transition needs	• Threshold: Maintain baseline (+/- margin of error) • Target: Improve baseline of 44% by 2% • Stretch: 5% lift in baseline over 12 months	• Stretch target achieved. • Perceived confidence lifted 6% from baseline of 44% to 50%. • OUTCOME 160% of target; 100% of maximum.
Our people	10%	6 Safety and culture performance	• Threshold: Total recordable injury frequency rate (TRIFR) less than 0.5 • Target: Culture Performance Index at target of 70% • Stretch: Culture Performance Index increase by 5%	• TRIFR Threshold target of less than 0.5 was exceeded with a TRIFR outcome of 0.31 achieved. • Culture Performance outcome was 73%. Target of 70% met but Stretch target of 75% not met. • OUTCOME 100% of target; 62.5% of maximum.

[1] EBITDAF normalised for positive and negative annual variations in hydrology and wind. For FY26, normalised EBITDAF was $1,057 million.

FY27 GROUP SCORECARD

The FY27 Group Scorecard is aligned with Mercury's strategy and comprises five key performance indicators (KPIs), providing clear focus on the priorities expected to deliver the greatest value.

Each KPI has defined Threshold, Target and Stretch performance levels, corresponding to 50%, 100% and 160% achievement respectively, with weightings reflecting the relative value and importance of each measure.

STI outcomes may range from 0% to 160%, depending on performance against the Group Scorecard.

No STI payment will be made where there has been a permanent disabling injury or fatality, or where normalised hydrology/wind adjusted EBITDAF is less than 80% of target.

The Board retains absolute discretion over STI outcomes to ensure that final payments appropriately reflect performance over the relevant financial year.

The maintenance of good conduct together with malus and clawback provisions apply.

FY27 Group Scorecard

GOAL	WEIGHTING	KPIS	KPI TARGETS
Financial growth	50%	1 EBITDAF[2]	• Threshold: -3% from Target • Target: $1,080m • Stretch: +5% from Target
Deliver more reliable and renewable energy and Accelerate shift to low-carbon future	20%	2 Advancing the Plan to 3.5TWh of new renewable energy production by 2030	• Threshold: Deliver FY27 growth CAPEX projects to plan • Target: Achieve a major milestone on a keystone growth project • Stretch: 1TWh of new demand or electrification opportunities identified
Rebuild sector confidence	10%	3 Perceived confidence in the sector's ability to meet NZ's energy transition need (Talbot Mills' survey)	• Threshold: Maintain baseline target of 50% • Target: Score shifts >2% from baseline • Stretch: Score shifts >5% from baseline
Safety	10%	4 Total recordable injury frequency rate (TRIFR)	• Threshold: <0.6 • Target: <0.4 • Stretch: <0.3
Our people	10%	5 Culture Amp Workplace Engagement Index (WEI)	• Threshold: WEI shifts no more than -3% from baseline • Target: WEI baseline maintained • Stretch: WEI shift >5% from baseline

[2] EBITDAF normalised for positive and negative annual variations in hydrology and wind.

EXECUTIVE REMUNERATION CONT.

LONG-TERM PERFORMANCE INCENTIVES

LTIs give the ELT an equity opportunity designed to incentivise the delivery of shareholder value.

Under the LTI plan, Performance Share Rights are granted annually with performance measured over three years. The LTI plan is dividend protected, and ELT members are granted a number of Performance Share Rights determined by dividing the grant's face value by the value of one Mercury share at the grant's commencement date.

Subject to meeting performance hurdles, each Performance Share Right converts to one ordinary share at vesting. The LTI outcome is capped at 100%, though ELT members may also receive additional shares representing dividends paid over the vesting period. ELT members are responsible for all personal tax obligations on shares received.

The Board retains absolute discretion over the final LTI outcome, allowing appropriate adjustments where unanticipated circumstances positively or negatively impact performance over the three-year period.

As part of the Executive remuneration construct review, a new LTI plan was introduced. The first grant under this new LTI plan is the FY26-FY28 LTI grant, which commenced on 1 July 2025. Performance Share Rights continue to be granted annually with performance measured over three years but are now subject to a one-year hold period before any shares vest and are issued. The Tranche 1 peer group was also expanded to an industry peer group of 11 companies from across Australasia.

Our prior peer group, which is still applicable to FY24-FY26 and FY25-FY27 LTI grants, consists of Contact Energy, Meridian Energy, Genesis Energy, and Manawa Energy. With Manawa Energy ceasing to trade and delisted on 7 July 2025, it could no longer be included in our peer group and performance hurdle for the relative tranche.

For the FY26-FY28 LTI grant commencing 1 July 2025, the value represented 60% of the Chief Executive's base salary and 40% of base salary for the CFO and other ELT members.

Tranche	Performance hurdles for FY26-FY28 LTI grant
Tranche 1	50% of the grant is based on Mercury's TSR relative to the performance of an industry peer group comprising AGL Energy, APA Group, Auckland International Airport, Channel Infrastructure, Chorus, Contact Energy, Genesis Energy, Meridian Energy, Origin Energy, Spark and Vector. There is no positive TSR performance gate on this tranche but Mercury's TSR must be at the 50th percentile of the comparator group for any award to be made on this component.
Tranche 2	50% of the grant is based on Mercury's absolute TSR against the company's cost of equity over the vesting period, plus 1%.

EXECUTIVE REMUNERATION CONT.

KEY TERMS OF CHIEF EXECUTIVE'S EMPLOYMENT AGREEMENT

Item	Individual conditions
Employment agreement	Ongoing individual employment agreement
Base salary	Subject to annual review
Performance pay	Eligible to participate in Mercury's STI and LTI schemes
Notice period	Six months' notice
Termination of employment	Six months' notice
Post employment restraint of trade	Six months

CHIEF EXECUTIVE'S REMUNERATION

Chief Executive's remuneration (FY25 and FY26)

Chief Executive	Salary[3] $	Benefits[4] $	Subtotal $	Pay for performance $				Total remuneration $
				STI (Cash)	STI (Equity $ Value)	LTI	Subtotal	
Stew Hamilton								
FY26	1,276,568	61,810	1,338,378	546,875	234,375[5]	43,815[6]	825,065	2,163,443
FY25	1,129,180	44,384	1,173,564	456,106	N/A	0[7]	456,106	1,629,670
Vince Hawksworth (departed)								
FY25	1,172,258	66,648	1,238,906	0	N/A	0[7]	0	1,238,906

[3] Actual salary paid includes holiday pay paid as per NZ legislation. The base salary for Stew Hamilton for FY26 was $1,100,000 for the period 1 July 2025 to 31 August 2025 and $1,250,000 from 1 September 2025. The base salary for Stew Hamilton for FY25 in the Chief Executive role was $1,100,000. Stew Hamilton started in the Chief Executive role from 31 August 2024. The base salary for Vince Hawksworth for FY25 was $1,349,460. FY25 actual salary for Vince Hawksworth includes approximately four months' notice in lieu paid out on termination as agreed by the Board. As part of ensuring a smooth Chief Executive transition process, Vince agreed to be available during this four-month period as required.

[4] Benefits include KiwiSaver and insurance.

[5] The FY26 STI equity value relates to the value of the STI deferred share rights that will be issued to Stew Hamilton for the FY26 performance year.

[6] The FY26 LTI value relates to the grant for the FY24–FY26 performance period ending 30 June 2026. Performance against the LTI measures for FY24-FY26 was assessed as 34.5%. The value shown is the total value of 34.5% of the share rights issued to Stew Hamilton at the time of the grant on 25 September 2023. 34.5% of the share rights for the FY24-FY26 grant will transfer to Stew Hamilton after this integrated report is published. The market value of the vested share rights will be calculated at transfer date and will be reported in our FY27 integrated report.

[7] The FY25 LTI value relates to the grant for the FY23–FY25 performance period ending 30 June 2025. Performance against the LTI measures for FY23–FY25 was assessed as 0%. No share rights transferred to Stew Hamilton or Vince Hawksworth for the FY23-FY25 grant.

Five-year summary – Chief Executive's remuneration

Chief Executive		Total remuneration paid $[8]	Percentage STI against maximum %	Percentage vested LTI against maximum %	Span of LTI performance period
Stew Hamilton	FY26	2,163,443	78.1	34.5	2023 – 2026
	FY25	1,629,670	58.9[9]	0	2022 – 2025
Vince Hawksworth (departed)	FY25	1,238,906	0	0	2022 - 2025
	FY24	2,581,479	60	35	2021 – 2024
	FY23	3,846,111	81	100	2020 – 2023
	FY22	2,072,443	77	Not eligible	Not eligible

[8] Total remuneration paid including salary, benefits, STI and LTI payments.

[9] For FY25, Stew Hamilton's STI includes a combined assessment against the maximum he could achieve for the two months that he was in the Executive GM Generation role and ten months in the Chief Executive role.

Breakdown of Chief Executive's pay for performance (FY26)

	Description	Performance measures	Percentage achieved by Stew Hamilton
STI[10]	Set at 50% of base salary. Based on a combination of key financial and non-financial performance measures 70% Cash component/30% Equity component (deferred share rights)	70% based on the company shared goals (weighted 10-50%)	125%
		30% based on individual measures	125%
LTI[11]	FY24-FY26 grant set at 25% of base salary. Share rights issued at 25 September 2023 with value of $127,000. Volume weighted average price (VWAP)[12] of $6.4895.	50% relative TSR performance against industry peer group – Contact Energy, Meridian Energy, and Genesis Energy	69%
		50% absolute TSR against the company's cost of equity over the vesting period, plus 1%	0%

[10] The above STI percentages achieved by Stew Hamilton is the percentage STI against target. The percentage achieved by Stew Hamilton against the maximum STI percentage of 160% for both measures is 78.1%. The above STI cash component for FY26 will be paid in FY27 and the STI equity component will be issued to Stew Hamilton in share rights in FY27.

[11] The above LTI outcome for FY24-FY26 was assessed as 34.5%. The associated vested share rights will be issued in shares to Stew Hamilton in FY27.

[12] The volume weighted average price calculated across the 10 trading days from the Commencement Date of 1 July 2023.

EXECUTIVE REMUNERATION CONT.

Chief Executive's long-term performance incentives

LTI[13]	Performance period	Grant year	Share rights issued date	Number of share rights issued on grant	Value of share rights on grant date $[14]	Number of share rights vested including dividend shares[15]	Value of shares on transfer date $[16]	Share transfer date
FY22-FY24	1 July 2021 to 30 June 2024	FY22	9 September 2021	17,723	118,744	6,990	46,309	22 August 2024
FY23-FY25	1 July 2022 to 30 June 2025	FY23	16 September 2022	21,194	122,247	0	0	Not applicable
FY24-FY26	1 July 2023 to 30 June 2026	FY24	25 September 2023	19,570	127,000	7,714	To be determined on transfer date	August 2026
FY25-FY27	1 July 2024 to 30 June 2027	FY25	22 October 2024	69,730	439,996	To be determined after vesting date	To be determined on transfer date	August 2027
FY26-FY28	1 July 2025 to 30 June 2028	FY26	16 April 2026	122,149	749,995	To be determined after vesting date	To be determined on transfer date	August 2029
FY27-FY29	1 July 2026 to 30 June 2029	FY27	To be determined on issue	To be determined on issue	To be determined on issue	To be determined after vesting date	To be determined on transfer date	August 2030

[13] This table includes the LTI grants made to Stew Hamilton both during and prior to his appointment as Chief Executive. The grant for the FY27-29 LTI will be made during the course of FY27. Details will be included in the FY27 Remuneration Report.

[14] The value of share rights on the grant date is calculated using the volume weighted average price of Mercury shares over the 10 trading days from the commencement date of the grant.

[15] Vesting is subject to the performance hurdles being met. See page 119 for the performance hurdles.

[16] The value of share rights on the transfer date is calculated using the number of vested share rights including dividend shares multiplied by the volume weighted average price of Mercury shares over the 5 days prior to the share transfer date.

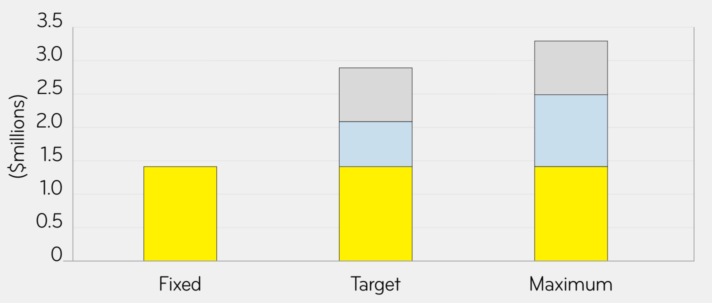
KIWISAVER

The Chief Executive is a member of KiwiSaver. As a member of this scheme, the Chief Executive is eligible to contribute and receive a company contribution of 3.5% of gross taxable earnings. For FY26, the company's KiwiSaver contribution for Stew Hamilton was $53,687.

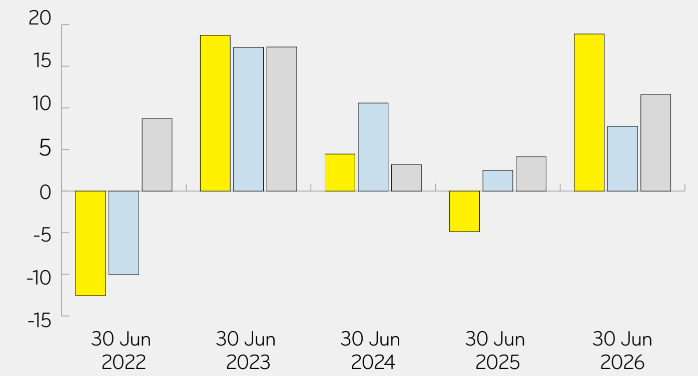
FY27 CHIEF EXECUTIVE'S REMUNERATION REVIEW

The FY27 remuneration package for the Chief Executive is shown in the following graph.

FY27 FIXED VS PERFORMANCE PAY FOR CHIEF EXECUTIVE



FIVE-YEAR SUMMARY – TSR PERFORMANCE (COMPANY VS PEER GROUPS[17])



[17] The "Gentailer Peers" group applies to LTI grants prior to FY26 and consists of Contact Energy, Meridian Energy and Genesis Energy. The "All Peers" group applies to LTI grants made from FY26 and consists of AGL Energy, APA Group, Auckland International Airport, Channel Infrastructure, Chorus, Contact Energy, Genesis Energy, Meridian Energy, Origin Energy, Spark and Vector.

EXECUTIVE REMUNERATION CONT.

CHIEF FINANCIAL OFFICER'S FY26 REMUNERATION

Richard Hopkins' FY26 STI was set at 50% of base salary. 70% of Richard Hopkins' STI is based on performance against the Group Scorecard and 30% based on individual performance. The percentage outcome achieved for Richard Hopkins for the FY26 STI was 125% on the Group Scorecard and 125% on the individual measures. 70% of Richard Hopkins' performance outcome will be awarded in cash and 30% will be awarded in share rights.

Chief Financial Officer	Salary[18] $	Benefits[19] $	Subtotal $	Pay for performance[20] $				Total remuneration $
				STI (cash)	STI (equity $ value)	LTI	Subtotal	
Richard Hopkins	712,387	32,203	744,589	306,250	131,250	N/A	437,500	1,182,089
William Meek[21] (departed)						125,743	125,743	125,743

[18] Actual salary paid includes holiday pay paid as per NZ legislation.

[19] Benefits for Richard Hopkins include KiwiSaver and insurance. The company's KiwiSaver contribution for Richard Hopkins was $28,018.

[20] The STI cash component for Richard Hopkins relates to FY26, but paid in FY27. The FY26 STI Equity value relates to the value of the STI deferred share rights that will be issued to Richard Hopkins for the FY26 performance year.

[21] William Meek, Mercury's former CFO, departed Mercury on 31 March 2025. The FY26 LTI value relates to the grant for the FY24–FY26 performance period ending 30 June 2026. Performance against the LTI measures for FY24-FY26 was assessed as 34.5%. The value shown is the total value of 34.5% of the share rights issued to William Meek at the time of the grant on 25 September 2023. 34.5% of the share rights for the FY24-FY26 grant will transfer to William Meek after this integrated report is published. The market value of the vested share rights will be calculated at transfer date.

SHARE OWNERSHIP

The Chief Executive's and CFO's ownership of Mercury shares as at 30 June 2026 are:

Executive	Number of shares owned (excludes shares held in trust for the LTI scheme)	Change in shares owned since 30 June 2025
Chief Executive – Stew Hamilton[22]	11,989.28	+4,166.28
CFO – Richard Hopkins	30,900	+30,900

[22] Stew Hamilton's shares include shares held in both a personal capacity and held by a custodian.

MANDATORY EXECUTIVE MINIMUM SHAREHOLDING

In FY26, we introduced an Executive Minimum Shareholding Policy. Under this new policy approved by the Board in December 2025, Chief Executive Stew Hamilton and CFO Richard Hopkins are required to accumulate and maintain a holding in Mercury shares that is equivalent to at least 50% of their annual base remuneration before tax. They are required to achieve the minimum shareholding by the later of: the 5th anniversary of the date this policy was first approved (five years from December 2025) and the 5th anniversary of their appointment to the ELT. Both Stew Hamilton and Richard Hopkins currently meet these new minimum shareholding requirements. This policy is available to view on our website.

EMPLOYEE REMUNERATION

During FY26, the company paid remuneration[23] in excess of $100,000 including benefits to 734 employees (not including directors) in the following remuneration bands:

Remuneration band $[24]	Currently employed	No longer employed	Total
100,000-110,000	71	6	77
110,001-120,000	52	6	58
120,001-130,000	78	8	86
130,001-140,000	90	4	94
140,001-150,000	65	12	77
150,001-160,000	47	8	55
160,001-170,000	43	3	46
170,001-180,000	53	6	59
180,001-190,000	19	1	20
190,001-200,000	23	2	25
200,001-210,000	16	3	19
210,001-220,000	14	1	15
220,001-230,000	9	1	10
230,001-240,000	13	-	13
240,001-250,000	11	-	11
250,001-260,000	6	1	7
260,001-270,000	6	1	7
270,001-280,000	10	-	10
280,001-290,000	3	-	3
290,001-300,000	6	-	6
300,001-310,000	3	1	4

Remuneration band $[24]	Currently employed	No longer employed	Total
310,001-320,000	1	-	1
320,001-330,000	6	-	6
330,001-340,000	2	1	3
340,001-350,000	2	-	2
350,001-360,000	1	-	1
360,001-370,000	2	-	2
370,001-380,000	1	-	1
380,001-390,000	3	-	3
390,001-400,000	-	1	1
410,001-420,000	2	-	2
480,001-490,000	1	-	1
490,001-500,000	1	-	1
520,001-530,000	2	-	2
530,001-540,000	1	-	1
760,001-770,000	1	-	1
920,001-930,000	-	1	1
930,001-940,000	1	-	1
940,001-950,000	1	-	1
1,790,001-1,800,000	1	-	1
Total	**667**	**67**	**734**

[23] The remuneration bands above include STI payments made to employees during FY26 in respect of FY25 performance. The FY23-FY25 LTI award vested during FY26; however, as the performance assessment outcome was 0%, no value was attributed to the vested shares and therefore no associated share value is included above.

[24] The remuneration bands above include 13 employees who received redundancy payments in FY26.

TOTAL REMUNERATION RATIO

The total remuneration ratio for FY26 between employee (median) and Chief Executive was 1:23. This is based on, for employees, actual remuneration paid in FY26 (employee median was $94,599) and for the Chief Executive, the amount specified in the table on page 120, $2,163,443.

1:23

DIRECTOR REMUNERATION

DIRECTOR REMUNERATION

Mercury has a Non-Executive Director Remuneration Policy which can be found on the Corporate Governance section of our website.

The directors' remuneration is paid in the form of directors' fees. The Board Chair receives a base fee which covers attendance at all Committee meetings. Additional fees are payable to directors for service as a Committee Chair or Committee member, recognising the increased responsibilities and time commitment associated with these roles. The approved fees for Board and committee roles during FY26 are set out below. The total pool of directors' fees includes headroom which may be used to pay ad hoc compensation to directors for significant additional work performed outside usual Board and committee responsibilities (e.g. special projects). No additional compensation was paid in FY26.

The total pool of fees able to be paid to directors is subject to shareholder approval and currently stands at $1,231,450 for a Board of eight directors. Directors' fees were last reviewed in 2024. There has been no change to the directors' fee pool in FY26. We will look to complete a review of directors' fees in FY27. The comparator group used by PwC in 2024 is summarised in PwC's summary report which can be found on the Corporate Governance section of our website.

Under Mercury's Non-Executive Director Remuneration Policy, Non-Executive Directors are expected to achieve and maintain a minimum shareholding in Mercury equivalent to their fixed annual base fee after tax, generally within three years of appointment.

Mercury meets directors' reasonable travel and other costs associated with Mercury business. Mercury does not pay any retirement benefits and does not offer share incentives or share options to directors. Details of directors' interests in Mercury securities can be found on page 125 of our FY26 Integrated Report.

The following people held office as directors during the year to 30 June 2026 and the remuneration set out in the table was received during the period. The number of meetings and attendance rate by directors during the year to 30 June 2026 was as follows:

Director	Board		Audit & Financial Risk Committee		Safety & Enterprise Risk Committee		People & Performance Committee		Nominations & Corporate Governance Committee		Total[1]
No. of meetings	11[4]		5[2]		4		5[3]		3		
	Fees $	Meetings attended	Fees $	Meetings attended	Fees $	Meetings attended	Fees $	Meetings attended	Fees $	Meetings attended	Fees $
Scott St John	(Chair)	11	-	5 (ex officio)	-	4 (ex officio)	-	5 (ex officio)	-	3 (ex officio)	230,000
Mark Binns	114,000	10	-	-	10,000	3	-	1 (observer)	-	-	124,000
Robert Hamilton	114,000	11	24,250	5 (2 as chair)	-	-	-	1 (observer)	-	-	138,250
Hannah Hamling	114,000	11	13,000	5	20,000	4 (chair)	-	-	-	-	147,000
Adrian Littlewood	114,000	11	-	-	10,000	4	11,000	5	4,500	3	139,500
Susan Peterson	114,000	11	13,000	5	-	-	22,000	5 (chair)	6,000	3	155,000
Rachel Taulelei Joined as a director on 20 August 2025. Fees are representative of part-year payments.	98,167	9	-	1 (observer)	-	3 (observer)	8,250	4	-	-	106,417
James Miller Resigned as a director on 19 September 2025. Fees are representative of part-year payments.	28,500	2	7,000	1 (chair)	-	-	-	-	1,500	-	37,000
Mike Taitoko Resigned as a director on 19 September 2025. Fees are representative of part-year payments.	28,500	2	-	-	-	-	2,750	1	-	-	31,250
Lorraine Witten Resigned as a director on 15 September 2025. Fees are representative of part-year payments.	23,750	2	2,708	1	-	-	-	-	-	-	26,458
Total	978,917	-	59,958	-	40,000	-	44,000	-	12,000	-	1,134,875

Approved Board and committee fees for FY26

	Chair fees $	Member fees $
Board	230,000	114,000
Audit and Financial Risk Committee	28,000	13,000
Safety and Enterprise Risk Committee	20,000	10,000
People and Performance Committee	22,000	11,000
Nominations and Corporate Governance Committee	-	6,000

For reference: Future Director Jasper Van Halder was paid $11,667 in relation to his role as future director in FY26. Jasper Van Halder's position as future director began on 1 December 2025 and will end on 30 November 2026.

[1] Disclosure Committee meetings are not reported because they occur on an ad-hoc, as-required basis.

[2] This includes four regular Audit and Financial Risk Committee meetings and one out of cycle meeting relating to climate-related disclosures.

[3] This includes four regular People and Performance Committee meetings and one out of cycle meeting relating to executive remuneration.

[4] This includes nine regular Board meetings and two out of cycle meetings.

NZX CORPORATE GOVERNANCE CODE INDEX

Mercury's NZX Corporate Governance Code Index identifies where Mercury's disclosures against each NZX Code recommendation can be found.

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, p19-20
1.2	Financial product dealing policy	Acting Ethically and Responsibly	Our Governance and Responsible Business Practices, p20
Principle 2 – Board Composition and Performance			
2.1	Board charter	Mercury's Board	Responsibilities, p7
2.2	Board nomination and appointment	Mercury's Board	Selection, Nomination and Appointment, p8
2.3	Director agreements	Mercury's Board	Selection, Nomination and Appointment, p8
2.4	a. Director profiles, tenure and ownership interests	Your Board of Directors Directors' Disclosures	p2-3 FY26 Integrated Report, p124
	b. Director meeting attendance	Remuneration Report	Director Remuneration, p32
	c. Director independence	Mercury's Board	Independence, p7
2.5	Diversity policy	Workforce of the Future	p21
2.6	Director training	Mercury's Board	Induction and Development, p9
2.7	Director performance	Mercury's Board	Board Skills Matrix, p9-10 Reviewing Performance, p11
2.8	Majority independence directors	Mercury's Board	Independence, p7
2.9	Independent chair	Mercury's Board	Independence, p7
2.10	Chair/CEO separation	Your Board of Directors Your Executive Leadership Team	p2-3 p4
Principle 3 – Board Committees			
3.1	Audit committee	Mercury's Board	Board Committees, p11-12
3.2	Attendance at audit committee by employees by invitation	Mercury's Board	Board Committees, p12
3.3	Remuneration committee	Mercury's Board	Board Committees, p11
		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.*	
3.4	Nomination committee	Mercury's Board	Board Committees, p11
3.5	Other standing committees	Mercury's Board	Board Committees, p11
3.6	Takeover protocol	Acting Ethically and Responsibly	Our Governance and Responsible Business Practices, p20
Principle 4 – Reporting and Disclosure			
4.1	Continuous Disclosure policy	Acting Ethically and Responsibly	Our Governance and Responsible Business Practices, p20
4.2	Code of ethics, charter	Acting Ethically and Responsibly	The Mercury Code and Our Governance and Responsible Business Practices, p19-20
4.3	Balanced, clear and objective financial reporting	Notes to the Consolidated Financial Statements	FY26 Integrated Report, p39
4.4	Non-financial disclosure	Climate Statement	FY26 Integrated Report, p65
Principle 5 - Remuneration			
5.1	Director remuneration policy	Remuneration Report	Director Remuneration, p32
5.2	Executive remuneration policy	Remuneration Report	Executive Remuneration, p24
5.3	CEO remuneration	Remuneration Report	Chief Executive's Remuneration, p29
Principle 6 – Risk Management			
6.1	Risk management	Assurance and Managing Risk The Risks We Face	Our Key Risks, Risk Management Framework and Committee Responsibilities, p13-17 FY26 Integrated Report, p14
6.2	Health and safety risks	The Risks We Face Health, Safety and Wellbeing	FY26 Integrated Report, p14 FY26 Integrated Report, p23
Principle 7 - Auditors			
7.1	Audit framework	Assurance and Managing Risk	Audit Plan and Role of Auditor, p13
7.2	External auditor attends annual meeting	Assurance and Managing Risk	Audit Plan and Role of Auditor, p13
7.3	Internal audit	Assurance and Managing Risk	Internal Audit and Risk Assurance, p13
Principle 8 – Shareholder Rights and Relations			
8.1	Investor website	www.mercury.co.nz/investors	
8.2	Shareholder communications	Engaging With Investors	p18
8.3	Right to vote	Other Disclosures	FY26 Integrated Report, p131
8.4	Pro rata offers	N/A during the reporting period	
8.5	Notice of meeting	The Notice of Meeting for 2026 will be released on NZX and posted on our website	

Mercury