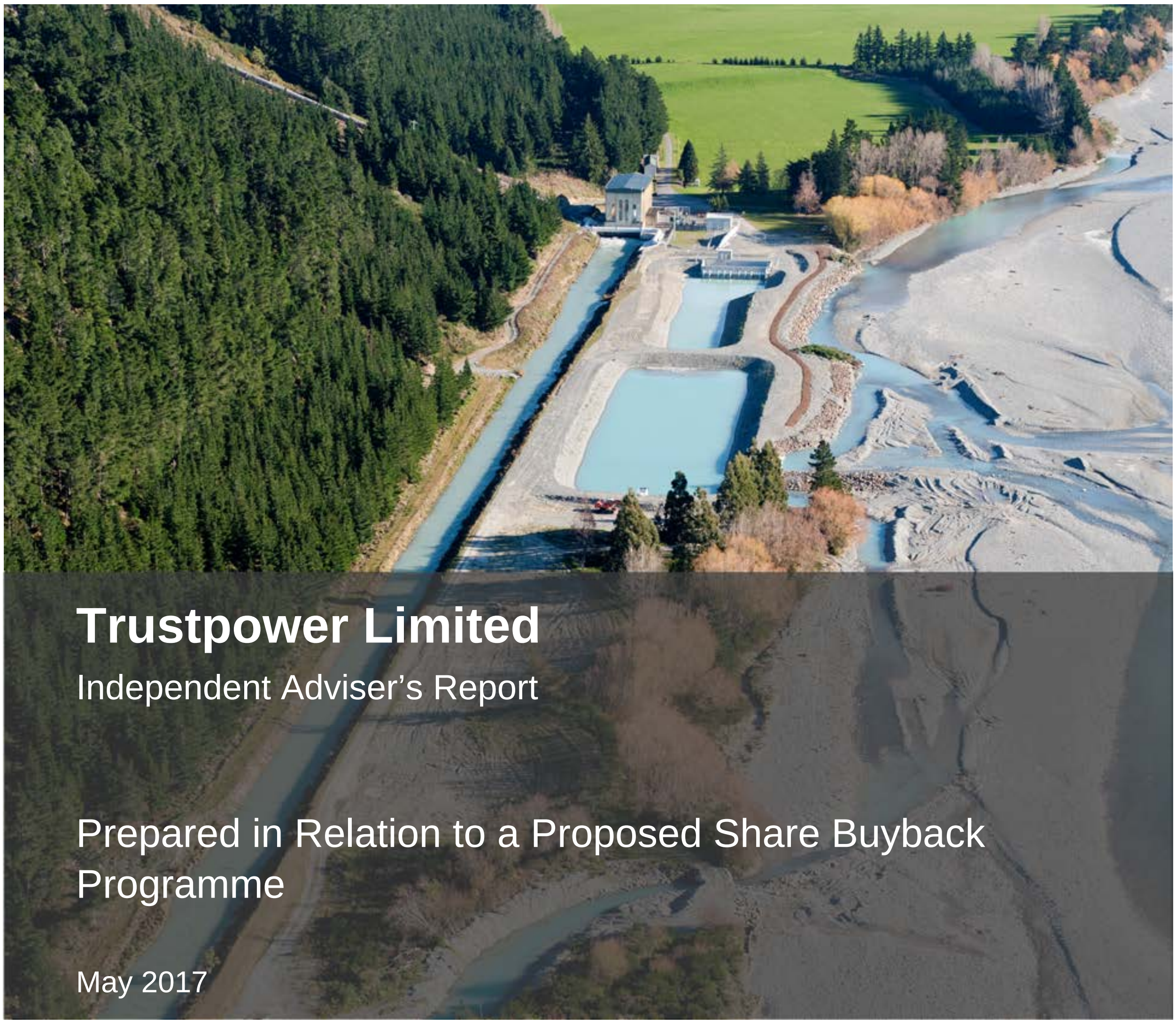

Trustpower Limited

Independent Adviser's Report

Prepared in Relation to a Proposed Share Buyback Programme

May 2017

Statement of Independence

Northington Partners Limited confirms that it:

- Has no conflict of interest that could affect its ability to provide an unbiased report; and
- Has no direct or indirect pecuniary or other interest in the proposed transaction considered in this report, including any success or contingency fee or remuneration, other than to receive the cash fee for providing this report.

Northington Partners Limited has satisfied the Takeovers Panel, on the basis of the material provided to the Panel, that it is independent under the Takeovers Code for the purposes of preparing this report.

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Abbreviations and Definitions

Buyback Programme	Trustpower's proposal to buy back up to 5 million Trustpower shares by on-market transactions over a three year period
Code	The Takeovers Code
Demerger	The demerger of Trustpower (formerly Bay Energy Limited) into two separate groups, Trustpower and Tilt Renewables, effective 31 October 2016
EBITDAF	Earnings before interest, tax, depreciation, amortisation and fair value adjustments
Exemption Notice	Takeovers Code (Class Exemptions) Notice (No 2) 2001
FY	Financial year ending 31 March
Independent Adviser's Report	This report prepared by Northington Partners
Infratil	Infratil Limited
Infratil Energy	Infratil Energy Limited
Infratil Entities	Renew Nominees Limited, Infratil Energy Limited and Infratil Investments Limited
Infratil Investments	Infratil Investments Limited
Non-associated Directors	The four independent directors of Trustpower being Richard Aitken, Sam Knowles, Susan Peterson and Geoff Swier
Northington Partners	Northington Partners Limited
NPAT	Net Profit After Tax
NZX	NZX Limited
NZX Listing Rules	NZX Main Board Listing Rules
NZX Main Board	The main board equity securities market operated by NZX
Relevant Directors	Marko Bogoievski and Alan Bickers
Renew	Renew Nominees Limited
TECT	Tauranga Energy Consumer Trust
TECT Holdings	TECT Holdings Limited
Tilt Renewables	Tilt Renewables Limited, the holding company for Trustpower's former Australasian wind generation assets which were separated following the Demerger
Trustpower or Company	Trustpower Limited
VWAP	Volume Weighted Average Price

1.0 Introduction

1.1. Background to Trustpower

Trustpower Limited (“**Trustpower**” or “**Company**”) is listed on the NZX Main Board, being the main board equity securities market operated by NZX Limited (“**NZX**”). The Company has a number of related business lines: it is a renewable energy generator and retailer in regions throughout New Zealand, a retailer of telephone and internet services to approximately 249,000 customers across the country and provides water to irrigation companies based in Canterbury.

Trustpower is majority owned by Infratil Limited (“**Infratil**”) which controls 51.04% of the shares on issue via three wholly-owned subsidiaries: Renew Nominees Limited (“**Renew**”), Infratil Energy Limited (“**Infratil Energy**”) and Infratil Investments Limited (“**Infratil Investments**”) – collectively the “**Infratil Entities**”. Tauranga Energy Consumer Trust (“**TECT**”) owns or controls a further 26.8% (via its subsidiary TECT Holdings Limited (“**TECT Holdings**”) and the remainder of the shares are owned by a large number of smaller shareholders. More details on the shareholder register are set out in Section 2.2.

The Company currently has a total of seven directors, four of whom are deemed to be independent directors (the “**Non-associated Directors**”) pursuant to the NZX Main Board Listing Rules (“**NZX Listing Rules**”). The remaining three directors are potentially associated with either Infratil or TECT and are therefore not independent. These directors are as follows:

- Paul Ridley-Smith: Mr Ridley-Smith is Chairman of the Trustpower board and a senior executive at Morrison and Co, the manager of Infratil.
- Marko Bogoievski: Mr Bogoievski is the Chief Executive and director of Infratil and certain Infratil subsidiaries.
- Alan Bickers: Mr Bickers is potentially associated with TECT and TECT Holdings.

Messrs Bogoievski and Bickers (“**Relevant Directors**”) also hold a small number of shares in Trustpower.

By virtue of its NZX listing, Trustpower is a “code” company and it is therefore subject to the Takeovers Code (“**Code**”). As summarised below, the Company is potentially looking to buy back some of its shares via a process which requires shareholder approval in line with specific provisions of the Code.

1.2. Buyback Programme

Trustpower is proposing a share buyback programme whereby the Company may acquire up to 5 million of the Company's shares by way of offers made through NZX's order matching market during the period of three years following the Annual Meeting ("the **Buyback Programme**").

Both Infratil and TECT have previously advised the Company that they are unlikely to sell any shares into the Buyback Programme. A consequence of this non-participation in any buybacks is that the voting rights controlled by both entities would increase by a small margin.

Prior to the demerger transaction in 2016, Trustpower operated a number of share buyback schemes previously approved by shareholders, as shown in Table 1.

Table 1: Share Buybacks for Former Trustpower Business

Period	Aggregate Maximum Shares	Actual Shares Repurchased	Actual Shares Repurchased as % of Maximum Sought
Jul-14 to Jul-17	5,000,000	10,000	0.2%
Jul-11 to Jul-14	5,000,000	1,802,351	36.0%
Jul-08 to Jul-11	5,000,000	1,103,417	22.1%

The proposed structure of the Buyback Programme is set out in the notice of meeting which will be sent to all Trustpower shareholders. Key features are as follows:

- Offers may be made in the three-year period following 25 July 2017, being the date of the Annual Meeting.
- The Company will pay the prevailing market price for the shares at the time of purchase.
- The Company is not obliged to make offers, and reserves the right to cease making offers at any time.
- Whether shares are bought back at all will depend on market conditions and other factors prevailing at the relevant time.
- The Company will regularly reassess the situation and seek to purchase shares at prices that in its view represent the best value for shareholders.
- The Company will disclose the number of shares, and the price at which it bought them, before 9.30am on the business day following the purchase being made.
- The Company will not purchase any shares while it possesses any information which is not generally available to the market, and which, if it were so available would have a material effect on the price of the Company's shares. If the Company acquires such sensitive information, it will cease acquiring shares until the information is publicly disclosed.
- The Company intends to hold the shares acquired as treasury stock. Treasury stock comprises shares acquired and held by the Company in itself and which would otherwise be cancelled on acquisition. Subject to certain restrictions, treasury stock can be transferred, reissued or cancelled by the Company.

1.3. Regulatory Requirements and Scope of this Report

If the Infratil Entities, TECT and the Relevant Directors do not participate in the Buyback Programme, then any shares acquired under the Buyback Programme will result in a small increase in the proportionate shareholding of each entity. The Takeovers Code is relevant because (subject to certain exceptions) rule 6(1), the "fundamental rule" of the Code, states that:

a. a person who holds or controls no voting rights, or less than 20% of the voting rights, in the Company may not become the holder or controller of an increased percentage of the voting rights in the Company unless, after that event, that person and that person's associates hold or control in total not more than 20% of the voting rights in the Company; and

b. a person who holds or controls 20% or more of the voting rights in the Company may not become the holder or controller of an increased percentage of the voting rights in the Company.

Clause 4 of the Takeovers Code (Class Exemptions) Notice (No 2) 2001 ("**Exemption Notice**") provides that a person is permitted to retain their increased voting rights if the Buyback Programme is approved by an ordinary resolution of shareholders (subject to other conditions as set out in clause 4 and Schedule 1 of the Exemption Notice). If shareholder approval is not received, the affected entities would be required to reduce their shareholding percentage to pre-buyback levels within six months.

Trustpower has determined that it is in the best interests of the Company to seek shareholder approval for the Buyback Programme. Clause 3(g) of Schedule 1 of the Exemption Notice requires that the notice of meeting containing the resolution in respect of the Buyback Programme must include or be accompanied by an Independent Adviser's Report that complies with Rule 18 of the Code.

Northington Partners Limited ("**Northington Partners**") was approved by the Takeovers Panel on 17 May 2017 to prepare the Independent Adviser's Report. The report is provided for the benefit of shareholders not associated with Infratil, the Infratil Entities, TECT, TECT Holdings and the Relevant Directors ("**Non-associated Shareholders**"). None of these entities are entitled to vote on the relevant resolution.

1.4. Summary of Our Assessment

Our full assessment of the merits of the Buyback Programme for Trustpower shareholders is set out in Section 2, and summarised below in Table 2.

Table 2: Summary of Merits for Trustpower Shareholders

Item	Key Conclusions	Further Information
Rationale for the Proposed Buyback Programme	▪ The Buyback Programme provides Trustpower with the potential to acquire its own shares when the Directors believe that the market price is lower than the fundamental underlying value of the Company. ▪ Some market participants believe that a share buyback provides a signal from the Company that its shares are undervalued, and that the buyback therefore provides support for the share price. ▪ A share buyback also provides the Company with the ability to adjust its capital structure, replacing equity with lower-cost debt funding.	Section 2.1
Impact on the Control Position of Trustpower	▪ The maximum number of shares that can be acquired under the Buyback Programme is 5.0 million shares, representing approximately 1.6% of the total shares on issue. ▪ Assuming that the Infratil Entities, TECT and the Relevant Directors do not participate in the Buyback Programme and the maximum number of shares are acquired, Infratil's control position will increase from 51.04% to 51.87% and TECT's control position will increase from 26.80% to 27.24%. ▪ In our view, these changes will have no impact on the effective control position of the Company.	Section 2.2
Impact on Share Price and Liquidity	▪ If a significant number of the maximum allowable number of shares are acquired under the Buyback Programme, there may be a modest improvement in the short-medium term liquidity of the Trustpower shares. However, on-going liquidity may be marginally reduced as a result of the reduction in the number of free float shares that are outstanding. ▪ We note that the previous buyback programs implemented by Trustpower have not been extensively utilised. In the three buyback periods since 2008, between 0.2% and 36.0% of the possible maximum number of shares have been acquired by the Company.	Section 2.3
Financial Impacts	▪ Even if the maximum number of shares is acquired under the Buyback Programme, we suggest that the impact on the financial performance and position of the Company will be largely immaterial. ▪ The Buyback Programme may result in a very minor increase in earnings per share and gearing, and is likely to have no impact on dividends.	Section 2.4

After consideration of all relevant factors, we conclude that the potential benefits of the proposed Buyback Programme outweigh any negative factors, and we therefore suggest that the Buyback Programme is in the best interests of the Non-associated Shareholders.

However, we also note that shareholders are not compelled to approve a proposal simply because there are few negatives. Shareholders can vote against a proposal in order to allow the status quo to continue having taken into account reasons for and against that course of action. We recommend that all Non-associated Shareholders fully consider our assessment of the merits of the Buyback Programme as set out in Section 2.0 below.

2.0 Evaluation of the Merits of the Proposed Buyback Programme

2.1. Rationale for the Proposed Buyback Programme

The Non-associated Directors have recommended shareholders approve the Buyback Programme for the following reasons:

- The relative increase in shareholdings of Infratil, TECT and their associates is not material to the control of the Company.
- The Company's willingness to buy back shares when it considers that they are undervalued by the market should be viewed positively by shareholders and market analysts and is a positive way of enabling shareholder value to be improved for all shareholders.
- A forced sale by the Infratil Entities, TECT and the Relevant Directors that may be necessary without shareholder approval for the Buyback Programme may not be in the best interests of the Company.

Other general factors often considered by companies when considering buybacks include:

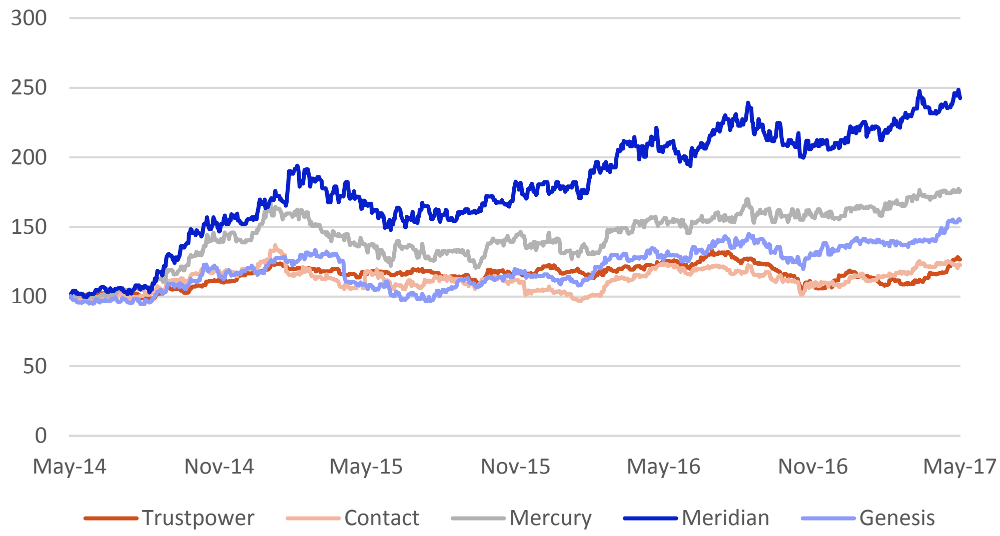
- Purchasing a company's own shares is an efficient use of capital if it believes the market is undervaluing the company or there is better value in the company's own shares relative to other investment opportunities; and
- A capital management strategy to increase leverage to create a more efficient capital structure and optimise a company's cost of capital.

Share Price

Share buybacks are often utilised by companies in an attempt to add value to shareholders through proactive capital management. There is some evidence to suggest that a buyback provides a signalling effect to the market about the company's prospects and that management believes the best investment it can make is in its own shares.

As shown in Figure 1, the Trustpower shares have generally underperformed relative to its peers in the three years to 26 May 2017. The Buyback Programme may enable the Company to purchase its own shares when the Board considers they are undervalued and act as support for Trustpower's share price by creating buy-side demand. To the extent that the Board will undertake the Buyback Programme when it considers Trustpower shares to be undervalued, the Buyback Programme should provide support for the Company's share price.

Figure 1: Trustpower Total Shareholder Return Relative to its Peers (Rebased to 100)



Source: IRESS

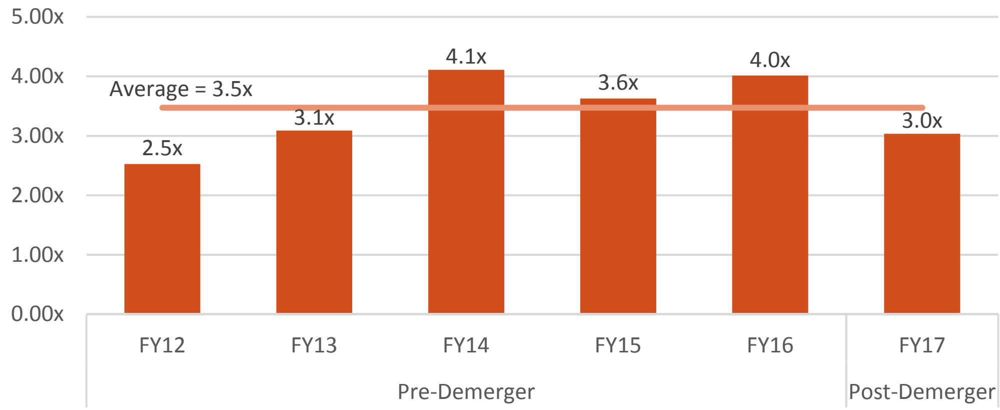
Capital Structure

Debt is a cheaper source of capital than equity, and companies seek to optimise their cost of capital by utilising an appropriate mix of debt and equity capital in their capital structure. The Buyback Programme effectively exchanges Trustpower equity for debt, providing a number of potential benefits and trade-offs:

- Interest payments on debt are tax deductible with the after-tax cost of debt being lower than Trustpower's cost of equity, thereby reducing Trustpower's average cost of capital.
- Debt serves as an extra source of financial discipline to the Company as it requires a fixed interest and repayment schedule irrespective of Trustpower's underlying performance.
- The level of debt utilised is balanced against the increased risk from financial leverage and distress which could occur if the Company's earnings decline but its debt obligations remain fixed. Therefore, companies will often look to utilise an efficient mix of debt and equity capital which balances the benefits of debt relative to the additional risk of financial leverage.

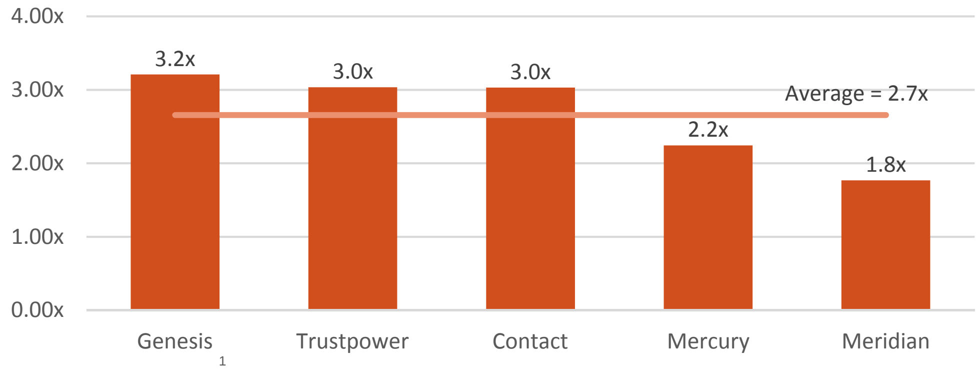
Following the demerger of Trustpower into two separate groups (Trustpower and Tilt Renewables) in October 2016 ("**Demerger**"), Trustpower has a more conservative capital structure relative to the five years prior to the Demerger. This is illustrated in Figure 2 which highlights average net debt to EBITDAF of 3.5x relative to 3.0x at 31 March 2017 and Trustpower's target ratio of between 2.5 to 4.0 times. Trustpower's debt to EBITDAF ratio is also in line with those of its peers, as illustrated in Figure 3.

Figure 2: Historical Net Fixed Debt Obligations Relative to EBITDAF for Trustpower



Source: Trustpower Annual Reports

Figure 3: Net Fixed Debt Obligations Relative to EBITDAF for Trustpower's Peers



Source: Annual Reports for each company
Net Fixed Debt Obligations includes Capital Bonds for Mercury and Genesis.
[1] Genesis reflects expected ratio post acquisition of Nova Energy.

Given the relatively small size of the Buyback Programme, the increased debt used to fund the buy-backs will have a negligible impact on the financial position of the Company (see Section 2.4).

We also note that the majority of Trustpower's capital expenditure prior to the Demerger related to Australian wind projects associated with Tilt Renewables. Indications from the Company and broker consensus forecasts suggest that the medium-term capital expenditure outlook is significantly more modest, with limited growth capital needed over and above ordinary maintenance capital expenditure. Furthermore, broker consensus forecasts would indicate that even after expected dividends, Trustpower should generate sufficient free cash flows to repay debt over the medium-term in the absence of any new large development projects or acquisitions. Consequently, we suggest that Trustpower has ample capacity to return capital to shareholders in the event that the Buyback Programme is implemented.

2.2. Impact on the Control Position of Trustpower

Trustpower has 312,973,000 fully paid ordinary shares on issues held by over 12,000 shareholders. The top 5 shareholders as at 5 May 2017 is set out in Table 3.

Table 3: Top Five Shareholders in Trustpower

Shareholder	Number of Shares	Shareholding (%)
Infratil (via Infratil Entities)	159,742,389	51.04%
TECT	83,878,838	26.80%
New Zealand Superannuation Fund	4,597,151	1.47%
Citibank Nominees (New Zealand)	3,552,384	1.14%
Accident Compensation Corporation	3,064,263	0.98%
Other Shareholders	58,137,975	18.58%
	312,973,000	**100.00%**

Source: IRESS

Infratil, TECT and the Relevant Directors have indicated that they are unlikely to sell any of their holdings into the Buyback Programme. On this basis, Table 4 outlines the minimum and maximum shareholding positions of each entity if no shares are bought back and if the entire 5,000,000 shares were bought back, assuming no other changes to the share capital of Trustpower.

Table 4: Shareholding Range of Infratil, TECT and Relevant Directors after the Buyback Programme

Shareholder	Minimum Shareholding (Zero Shares Acquired)	Maximum Shareholding (5 Million Shares Acquired)
Infratil Limited	51.04%	51.87%
Tauranga Energy Consumer Trust	26.80%	27.24%
Marko Bogoievski	0.01%	0.01%
Alan Bickers	0.00%	0.00%
Other Shareholders	22.16%	20.90%
	100.00%	**100.00%**

Source: IRESS, Northington Partners' Analysis

The Buyback Programme would not increase the shareholdings of Infratil or TECT over any threshold that increases their relative control over Trustpower, or reduce the control of any other shareholders. Infratil and TECT both hold voting rights in excess of 25%, allowing each of them to unilaterally veto any special resolutions. Infratil, with over 50% of the voting rights, can also unilaterally determine the outcome of any ordinary shareholder resolution.

The potential maximum increase in voting rights for Infratil and TECT from the Buyback Programme (0.83% and 0.44%, respectively) does not change their ability to affect the outcomes of ordinary or special resolutions. The shareholdings of the Relevant Directors are also clearly too small to have any impact, either individually or in concert with the relevant associated party.

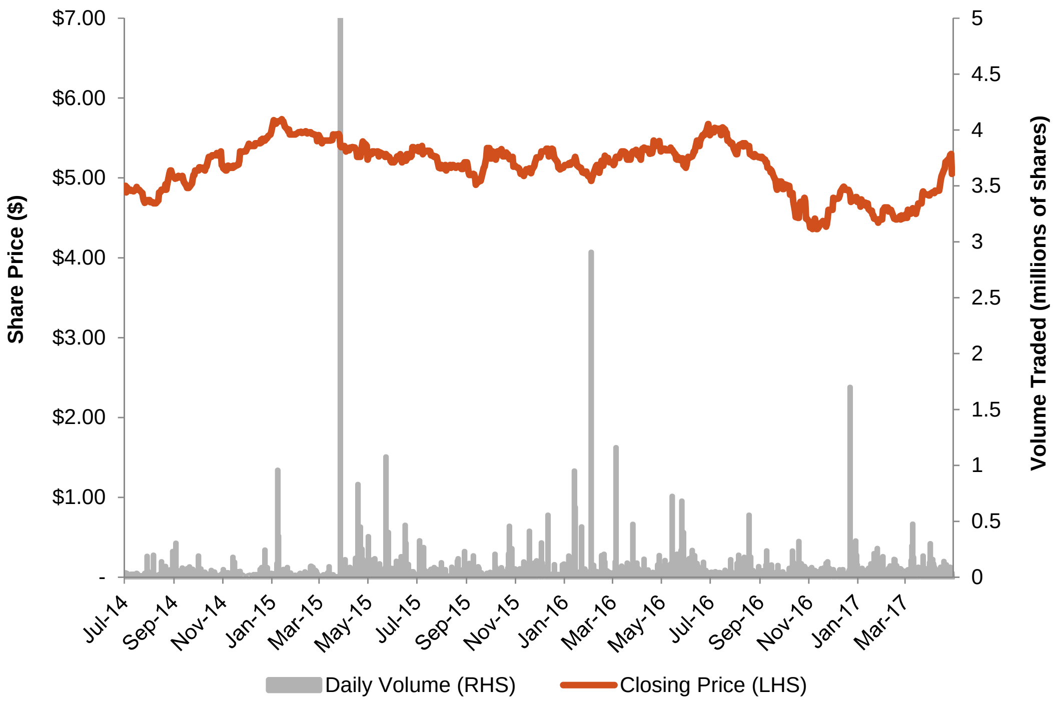
Other potential implications from a control viewpoint include:

- the change in voting rights for Infratil or TECT is very unlikely to have any impact on potential takeover interest in the Company.
- We are advised by the Non-associated Directors that the Buyback Programme will not have any impact on the composition of the Board or on the level of influence of Infratil, TECT, or the Relevant Directors, on Trustpower's operations.

2.3. Impact on Share Price and Liquidity

Figure 4 sets out the share price of Trustpower and the daily volume traded from 28 July 2014 (being the start date of the previous buyback period) to 26 May 2017. The share price and volumes have been adjusted to reflect the demerger which occurred on 27 October 2016. During this period Trustpower's shares traded between $4.36 and $5.73, with a volume weighted average price ("**VWAP**") of $5.18.

Figure 4: Trustpower Daily Share Price and Volume Traded



Source: IRESS

The large volume traded in April 2015 was due to a block sale of 20 million shares.

Trustpower shares are relatively illiquid for a company of its size. This reflects that 77.8% of the shares are held by Infratil and TECT and the top five shareholders collectively own 81.4% of the shares on issue. An analysis of the trading volumes, VWAP and liquidity is set out in Table 5 below for each period of Trustpower's three previous buybacks.

Table 5: Liquidity Metrics and Price of Previous Buybacks

Period	Jul-08 to Jul-11	Jul-11 to Jul-14	Jul-14 to Jul-17
Shares Repurchased (000s)	1,103	1,802	10
Total Shares Traded on Market (000s)	24,725	22,040	65,611
Shares Repurchased as % of Total Shares Traded	4.5%	8.2%	0.0%
Median Daily Market Volume (000s)	17	16	32

Period	Jul-08 to Jul-11	Jul-11 to Jul-14	Jul-14 to Jul-17
Equivalent Days of Trading Contributed by Buyback	63	109	0
Buyback VWAP	$7.12	$6.91	$6.60
Market Trading VWAP Over Period	$7.35	$7.19	$7.07
Buyback Discount to Market VWAP	3.2%	4.1%	7.2%

Source: IRESS, Company Filings

Based on the information presented in Table 5, the buyback programs for the periods ending July 2011 and July 2014 have had a positive impact on liquidity. The shares acquired in each of these periods pursuant to the buyback programs have represented 4.5% and 8.2% of all shares traded during the respective period. The number of shares acquired in the most recent period was very low and therefore had little impact on liquidity, although we note that trading volumes in general have improved through time (based on median daily trading volume).

The potential impact of the proposed Buyback Programme on future liquidity is difficult to predict. On the one hand, if the maximum number of shares are acquired over the period, the associated trades could represent a reasonable proportion of all shares traded. On the other hand, if the Buyback Programme further reduces Trustpower's free float by up to 5,000,000 shares, on-going liquidity may be negatively impacted.

On balance, we do not expect the net effect on liquidity will be material, especially if the number of shares acquired via the Buyback Programme is in line with the previous buyback periods.

2.4. Financial Impacts

For illustrative purposes, we have analysed the financial impact of the Buyback Programme based on the following assumptions:

- Trustpower repurchased the maximum 5,000,000 shares on 1 April 2016 (to allow for an evaluation of the full year impact on a pro-forma basis) at a price of $4.67 per share, being the VWAP of Trustpower shares over the 6 months to 26 May 2017, at a total cost of $23.35 million.
- The Buyback Programme is fully debt funded at an interest cost of 4.2%, being Trustpower's average effective interest rate for FY2017. This results in an additional annual interest cost of $0.7 million.

We have examined the impact on Trustpower's FY2017 earnings per share and financial leverage (debt to EBITDAF), as summarised in Table 6 below. This clearly shows that the Buyback Programme would only have a negligible impact on Trustpower's FY2017 underlying earnings per share (increased by 1.0% to $0.370) and leverage (increased from 3.0 times to 3.1 times).

Table 6: Pro Forma Impact of Buyback on Financial Performance

($m)	FY17 Actual	Buyback Impact	FY17 Pro Forma Post-Buyback
EBITDAF	217.8	-	217.8
Profit After Tax	92.5	(0.7)	91.8
Underlying Earnings after tax	**114.6**	**(0.7)**	**113.9**
Basic EPS (cents)	29.6	0.2	29.8
Underlying EPS (cents)	**36.6**	**0.4**	**37.0**
Total Equity	1,418.4	(23.4)	1,395.0
NTA Per Share	$4.53		$4.53
Gearing	32.1%		33.2%
Net Debt / EBITDAF	3.0x		3.1x

If the total share purchases made under the Buyback Programme is lower than the allowable maximum and are spread over the three-year period, then the financial impacts are likely to be even more insignificant.

Given the limited impact on earnings, the Buyback Programme is not expected to impact future dividends.

2.5. Potential Outcome and Implication of the Buyback Programme not Being Approved

None of the Infratil Entities, TECT, or the Relevant Directors can vote on the ordinary resolution in relation to the Buyback Programme. That means that the outcome will be dependent on the votes cast by the holders of the other 22.16% of the shares outstanding.

In the event that the Buyback Programme is not approved, then the Buyback Programme will not proceed. In this case, Trustpower could determine to return capital to shareholders through other mechanisms (such as a special dividend) or proceed with the Buyback Programme without shareholder approval. This approach would require Infratil, TECT and the Relevant Directors to reduce their shareholding percentage to the pre-buyback level within 6 months in accordance with the Exemption Notice.

We consider this scenario may potentially be disadvantageous to Non-associated Shareholders as it may reduce the Company's flexibility to support Trustpower's share price and the potential forced sales by Infratil and TECT may place downward pressure on Trustpower's shares. The Non-associated Directors have also concluded that "it may not be in the best interests of the Company to undertake a buyback knowing that it will force certain shareholders to sell shares in the Company".

Appendix 1. Sources of Information Used in this Report

Other than the information sources referenced directly in the body of the report, this assessment is also reliant on the following sources of information:

- Annual reports for Trustpower for 2012, 2013, 2014, 2015 and 2016;
- Audited financial statements for Trustpower for the period FY2012 to FY2017;
- Discussions with senior management personnel of Trustpower;
- The Trustpower website;
- A draft notice of annual meeting to be sent to Trustpower shareholders, containing details of the Buyback Programme;
- Various other documents that we considered necessary for the purposes of our analysis.

We have had discussions with Trustpower's management in relation to the nature of the business operations, and the specific risks and opportunities of the Company for the foreseeable future. We believe that it has been provided with all the information believed necessary for the preparation of this report.

Appendix 2. Declarations, Qualifications and Consents

Declarations

This report is dated 31 May 2017 and has been prepared by Northington Partners at the request of the Non-associated Directors of Trustpower to fulfil the requirements of the Takeovers Panel in relation to the Buyback Programme. This report, or any part of it, should not be reproduced or used for any other purpose. Northington Partners specifically disclaims any obligation or liability to any party whatsoever in the event that this report is supplied or applied for any purpose other than that for which it is intended.

Prior drafts of this report were provided to Trustpower for review and discussion. Although minor factual changes to the report were made after the release of the first draft, there were no changes to our methodology, analysis, or conclusions.

This report is provided for the benefit of all Trustpower shareholders that are being asked to consider the proposed Buyback Programme, and Northington Partners consents to the distribution of this report to those people.

Our engagement terms did not contain any term which materially restricted the scope of our work.

Qualifications

Northington Partners provides an independent corporate advisory service to companies operating throughout New Zealand. The company specialises in mergers and acquisitions, capital raising support, expert opinions, financial instrument valuations, and business and share valuations. Northington Partners is retained by a mix of publicly listed companies, substantial privately held companies, and state owned enterprises.

The individuals responsible for preparing this report are Greg Anderson B.Com, M.Com (Hons) and Ph.D and Jonathan Burke B.Com (Hons), BCM. Each individual has a wealth of experience in providing independent advice to clients relating to the value of business assets and equity instruments, as well as the choice of appropriate financial structures and governance issues.

Northington Partners has been responsible for the preparation of numerous independent reports in relation to takeovers, mergers, and a range of other transactions subject to the Takeovers Code and NZX Listing Rules.

Independence

Northington Partners has not been previously engaged on any matter by Trustpower or (to the best of our knowledge) by any other party to the Buyback Programme that could affect our independence. None of the Directors or employees of Northington Partners have any other relationship with any of the directors or substantial security holders of the parties involved in the Buyback Programme.

The preparation of this independent report will be Northington Partners' only involvement in relation to the Buyback Programme. Northington Partners will be paid a fixed fee for its services which is in no way contingent on the outcome of our analysis or the content of our report.

Northington Partners does not have any conflict of interest that could affect its ability to provide an unbiased report.

Disclaimer and Restrictions on the Scope of Our Work

In preparing this report, Northington Partners has relied on information provided by Trustpower. Northington Partners has not performed anything in the nature of an audit of that information, and does not express any opinion on the reliability, accuracy, or completeness of the information provided to us and upon which we have relied.

Northington Partners has used the provided information on the basis that it is true and accurate in material respects and not misleading by reason of omission or otherwise. Accordingly, neither Northington Partners nor its directors, employees or agents, accept any responsibility or liability for any such information being inaccurate, incomplete, unreliable or not soundly based or for any errors in the analysis, statements and opinions provided in this report resulting directly or indirectly from any such circumstances or from any assumptions upon which this report is based proving unjustified.

We reserve the right, but will be under no obligation, to review or amend our report if any additional information which was in existence on the date of this report was not brought to our attention, or subsequently comes to light.

Indemnity

Trustpower has agreed to indemnify Northington Partners (to the maximum extent permitted by law) for all claims, proceedings, damages, losses (including consequential losses), fines, penalties, costs, charges and expenses (including legal fees and disbursements) suffered or incurred by Northington Partners in relation to the preparation of this report, except to the extent resulting from any act or omission of Northington Partners finally determined by a New Zealand Court of competent jurisdiction to constitute negligence or bad faith by Northington Partners.

Trustpower has also agreed to promptly fund Northington Partners for its reasonable costs and expenses (including legal fees and expenses) in dealing with such claims or proceedings upon presentation by Northington Partners of the relevant invoices.

Northington
Partners