

19 August 2024

Private and confidential

Chris Blenkiron
Chief Executive and General Manager
New Zealand Aluminium Smelters Limited
1530 Tiwai Road
Tiwai Point
INVERCARGILL 9877

FURTHER 20 MW REDUCTION

Background

1. We refer to the following documents:
 - (a) confirmation entitled "Electricity Agreement (Core Agreement)" dated 30 May 2024 between Meridian Energy Limited ("**Meridian**") and New Zealand Aluminium Smelters Limited ("**NZAS**") ("**Core Agreement**") which forms part of a Master Agreement (and Schedule) dated 30 May 2024;
 - (b) demand response agreement dated 30 May 2024 between Meridian and NZAS ("**DR Agreement**");
 - (c) amendment letter dated 24 June 2024 between Meridian and NZAS relating to the Core Agreement and the DR Agreement ("**Amendment Letter**"); and
 - (d) DR Exercise Notice dated 21 July 2024 given by Meridian to NZAS in respect of Option 4 ("**Option 4 Notice**").
2. Words and expressions defined in the Core Agreement or the DR Agreement have the same meanings in this letter, unless the context requires otherwise. In addition, in this letter:
 - (a) "**Amendment Effective Date**" means the date Meridian receives a copy of this letter signed by NZAS and Rio Tinto Aluminium (Holdings) Limited as Corporate Guarantor.
 - (b) "**Further RD Period**" means the period starting at 00.00 hours on the first Business Day after the Amendment Effective Date and ends at the earlier of (i) the time immediately prior to the start of the first Calculation Period after the Amendment Effective Date where Gross Reduction is equal to or greater than 102.5 Units or (iii) 23.59pm on the date which is two days after the Amendment Effective Date.
 - (c) "**Further Reduced Period**" means the period that starts immediately after the end of the Further RD Period and ends immediately before the start of the Further RU Period.
 - (d) "**Further RU Period**" means the last 14 consecutive 24 Hour Periods of the DR Period of the Relevant Option.

- (e) **"Relevant Option"** means the Exercised Option that came into effect as a result of Meridian giving the Option 4 Notice to NZAS.

For clarity, each of the Further RD Period, Further Reduced Period and Further RU Period falls within the DR Period of the Relevant Option.

3. For the purposes of Subpart 7 of Part 13 of the Code, nothing in this letter shall be construed as a restriction on NZAS's ability to on-sell any un-used megawatt quantities without NZAS being subject to any worse terms than if it had consumed the relevant quantity itself.

Further Reduction

4. For each Calculation Period:
- (a) during the Further Reduced Period, NZAS shall reduce Consumption to ensure that the Gross Reduction for the Calculation Period is not less than 102.5 Units;
 - (b) during the Further RD Period, NZAS shall reduce Consumption by an amount that will result in NZAS being able to comply with paragraph 4 above; and
 - (c) during the Further RU Period, NZAS shall reduce Consumption by an amount that will result in Actual Reduction in the Calculation Period that starts immediately after the end of the Further RU Period being not less than the DR Reduction for the Relevant Option.

It is acknowledged that the only consequences should NZAS fail to reduce Consumption in accordance with this paragraph 4 will be the amount payable by Meridian to NZAS under paragraph 5 below will be reduced, and may be reduced to nil in accordance with that paragraph, and that no other consequences or liability for NZAS will flow from such failure whether in terms of this Agreement or the Core Agreement or otherwise, except to the extent set out in paragraphs 10 and 11 below.

5. In respect of each Calculation Period during the Further RD Period, the Further Reduced Period and the Further RU Period, Meridian shall pay to NZAS an amount equal to:

$$\text{Further Reduction} \times \$ \blacksquare \text{ per Unit}$$

6. For the purposes of paragraph 5 above:

"Further Reduction" (expressed in Units) = the lesser of (i) Gross Reduction minus 92.5 Units and (ii) 10 Units

If Gross Reduction minus 92.5 Units is a negative number, then Further Reduction shall be deemed to be zero Units.

"Gross Reduction" means, in respect of a Calculation Period, $M - D$ where "M" and "D" have the meanings given to them in the definition of Actual Reduction, amended as set out in paragraph 7 below.

7. For the purposes of the Relevant Option and for calculating Gross Reduction, the definition of Actual Reduction is amended such that "M" shall be equal to the lower of (i) the average of the Volume Consumed in each Calculation Period during the Reference Period (expressed in Units per Calculation Period); and (ii) 286 Units per Calculation Period.

8. The payment in paragraph 5 above is in addition to the payment required by clause 13 of the DR Agreement and shall for all purposes of the DR Agreement be treated as an additional payment under that clause.
9. Meridian agrees that it will not be entitled to give a DR Cessation Notice under the DR Agreement in respect of the Relevant Option during the remainder of the DR Period for the Relevant Option, unless otherwise agreed between the Meridian and NZAS in writing.

Amendment to the Core Agreement

10. The Notional Quantity for each Calculation Period during the Further RD Period and Further RU Period shall be reduced by an amount equal to the Further Reduction (as defined in paragraph 6 above).
11. The Notional Quantity for each Calculation Period during the Further Reduced Period shall be reduced by an amount equal to 10 Units.
12. The reduction in Notional Quantity in paragraphs 10 and 11 above is in addition to the reduction in Notional Quantity provided for in paragraph 5.1 of the Core Agreement and shall for all purposes of the Core Agreement be treated as an additional reduction in Notional Quantity under that paragraph.

General

13. The amendments to the DR Agreement and the Core Agreement in paragraphs 4 - 12 above shall not have effect unless and until the Amendment Effective Date occurs.
14. All other terms and conditions of the Core Agreement and DR Agreement (each as amended by the Amendment Letter) and the Option 4 Notice will remain in full force and effect.
15. Meridian acknowledges and confirms that it has obtained all necessary authorisations and taken all necessary corporate and other action to authorise the entry into, execution and delivery of this letter and the performance of its obligations under:
 - (a) this letter; and
 - (b) the Core Agreement, DR Agreement (each as amended by the Amendment Letter), as amended by this letter.
16. Would you please acknowledge receipt of this letter and agree to its terms by signing in the place indicated below and returning a copy of this letter to us.
17. This letter shall be governed and construed in accordance with New Zealand law.

Yours Faithfully

Neal Barclay

Authorised signatory

For and on behalf of Meridian Energy Limited (Company No: 938552)

NZAS acknowledgement and agreement

We:

- (a) acknowledge receipt of this letter;
- (b) agree to the terms set out in this letter; and
- (c) confirm that we have obtained all necessary authorisations and taken all necessary corporate and other action to authorise the entry into, execution and delivery of this letter and the performance of our obligations under:
 - (i) this letter; and
 - (ii) the Core Agreement, DR Agreement (each as amended by the Amendment Letter), as amended by this letter.

Stephanus Badenhorst

Director and authorised signatory

For and on behalf of New Zealand Aluminium Smelters Limited (Company No: 156735)

Date:

Corporate Guarantor acknowledgement

The Corporate Guarantor has granted a guarantee in relation to NZAS's obligations under the Core Agreement and DR Agreement (each as amended by the Amendment Letter). The Guarantor acknowledges that it has been informed by NZAS of the amendments to the Core Agreement and DR Agreement set out in this letter and of all other matters relevant to their obligations associated with the terms of this letter and that nothing herein will in any way affect or limit their liability as guarantor in connection with the Core Agreement and DR Agreement (each as amended by the Amendment Letter).

**Rio Tinto Aluminium
(Holdings) Limited**
(ACN: 004 502 694) By:

Signature of Authorised Signatory

Armando Torres, Director

Name of Authorised Signatory

Date: