

**Channel Infrastructure NZ Limited  
Annual Meeting of Shareholders  
Tuesday 10<sup>th</sup> May 2022 at 2.00pm**

**Chairman Simon Allen's address**

Welcome ladies and gentlemen to the first Annual Shareholder Meeting under the new company name, Channel Infrastructure NZ Limited. My name is Simon Allen, I am the Chairman of the Board of Directors of Channel Infrastructure.

I am pleased to confirm that we have a quorum of shareholders and therefore I declare the 2022 Annual Shareholders' Meeting officially open.

On behalf of your directors, the Chief Executive and all of our people at Channel Infrastructure, I extend a warm welcome to you, and thank you for joining us online today. The Board decided to hold today's meeting virtually only, following careful consideration of what was in the best interests of the company and its shareholders given that Covid continues to be widespread in the community. We do value the opportunity for the Board and Management to meet shareholders in person and our preference is to move back to a hybrid format for the 2023 Annual Shareholders Meeting.

Joining us online today are my fellow Channel Infrastructure directors: **Lindis Jones, Vanessa Stoddart, Paul Zealand, James Miller, Lucy Nation, Andrew Holmes, Anna Molloy, and John Bourke**. We are also joined by our Chief Executive Officer, **Naomi James**, and members of our Corporate Leadership Team, as well as representatives of our external auditors (Ernst & Young), legal advisors (MinterEllisonRuddWatts) and share registrar (Computershare Investor Services Limited).

Today's meeting is being held online via the Computershare Online Meetings platform, which I'm sure you have all become familiar with over the last few years.

Moving on to the formal agenda for today's meeting:

Ahead of the formal business of the meeting, Naomi and I will say a few words about Channel Infrastructure, our 2021 achievements and the areas of focus for our new business going forward. I will then explain the process for voting on resolutions via Computershare's online platform.

We will then move to the resolutions set out in the Notice of Meeting, where we will cover each resolution in turn and invite questions specific to those items.

Following that, we will address general questions from shareholders. Please note that while you can submit questions from now on through the online platform, I will not address them until the relevant time in the meeting. Please also note that if we receive multiple questions on one topic we may amalgamate these together. Finally, due to time constraints we may run out of time to answer all your questions. If this happens, we will answer them in due course via email.

Now, moving on to my formal address.

Since we last met, when you, our shareholders voted in favour of the transition in our business to the import-terminal, there has been much change at Marsden Point.

However, before we take a look at where the business is today, it is worth reflecting on where we have come from, and why we took steps to change the way that we operate.

Shareholders, as you know, over the last two years, we have faced the most difficult operating environment in the Company's history.

In April 2020, following the commencement of Naomi as our new CEO, the Board initiated a strategic review to determine the optimal business model and capital structure.

The Strategic Review looked at a broad range of options, from opportunities to improve the competitiveness of refining operations through to the option of converting to a fuel import business model.

From the beginning, the Board's priority was to realise full value for the Company's assets and deliver more sustainable returns 'through the cycle' after below cost of capital returns from refinery operations over the previous 10 years. We committed to support our workforce, and the wider community through what would be a significant change to our operations, and at the same time, we maintained our commitment to continue to support the delivery of secure, competitive fuel to New Zealand.

The simplification of refinery operations at the start of 2021 created time to negotiate new agreements with customers, which were fair for our shareholders, and gave us time to prepare for a planned transition.

Over the past year, the Board and Leadership team have worked extremely hard to deliver on the agreed way forward for our business, which was of course the conversion to the import terminal model. This involved securing the necessary lender, shareholder and customer approvals and agreements, undertaking detailed planning to enable our change, and working closely with stakeholders to prepare for

a planned transition to mitigate the impacts of these changes on our people and community.

After significant planning and preparations, we have this year been able to safely shutdown the refinery and commence terminal operations as we relaunched as Channel Infrastructure, a company that now has a strong base for long-term sustainable operations at Marsden Point.

The Strategic Review and decision to convert our operations has involved very significant change in our business and for our people and I want to pay tribute to the way that the whole team have stepped up to this challenge and the professionalism and dedication they have shown every single day – both to keeping themselves and each other safe through this period of change and maintaining secure fuel supply for New Zealand.

With the change to Channel Infrastructure, which successfully took place on 1 April, we have fundamentally reset what we do, and the financial and risk profile of our business. This reset was necessary to establish a sustainable business that has a strong role to play in New Zealand's fuel supply chain, long into the future.

Our customer contracts with their fixed fee and take-or-pay protection, together with lower operating costs means we can expect significantly lower earnings volatility.

Less complex and hazardous operations mean Channel Infrastructure has lower operational risk and significantly reduced on-going maintenance capex requirements.

And last, but certainly not least, we have reduced the Company's exposure to the high costs of electricity, eliminated our need for natural gas, and significantly cut our carbon emissions, delivering a measurable impact on New Zealand's wider climate ambitions.

Together these measures deliver a long-term sustainable operating model allowing us to focus on deleveraging to 3-4X Net debt to EBITDA supporting a return to dividends for you, and to start moving forward with a focused growth strategy for the future.

The Channel Infrastructure team has a clear direction and a path to get us there.

Shareholders, our vision is to be New Zealand's leading fuel infrastructure company. We are passionate about keeping New Zealand moving today and, as our energy needs as a nation change, we are ready to meet the needs of tomorrow's fuel and energy markets.

To get there we have a strong plan to leverage our existing capabilities – through the delivery of safe, reliable, low-cost operations and by embedding the high-performance culture that we are so very proud of.

As a business, we will transform to deliver value by operating with a competitive cost of capital while realising the real value of our infrastructure.

And, we are positioning for future growth.

We are committed to using Channel Infrastructure's highly strategic assets and transport energy infrastructure to support New Zealand in meeting its fuel needs now, and in the future as those needs change and develop.

With a fundamental re-set of the business model, it was appropriate that the Board undertook a review of existing corporate governance structures to ensure that they are both consistent with best practice and appropriate for Channel Infrastructure moving forward.

The Channel Infrastructure Board recognises the importance of fit-for-purpose corporate governance practices and processes. This includes board composition, to provide accountability to shareholders for the company's actions and performance, to strengthen our business culture and to strive to continuously improve our performance and deliver returns for shareholders.

With the transition to Channel Infrastructure and an import terminal business, we recognised the need for a different skill set on the board going forward. Therefore, the board has commenced a refresh, appointing two new directors with skills and experience aligned with the business, operations and strategic direction of the company, and further increasing the diversity on the board.

With her background in chemical engineering and investment management, Anna Molloy brings a combined skill set that is well suited for Channel Infrastructure. Andy Holmes brings deep understanding of terminal businesses, regional fuel supply chains, and the aviation fuel sector which will be particularly valuable.

Anna and Andy's continued roles as directors will be voted on by shareholders later in this meeting, and the board strongly recommends shareholders vote in favour of the election of Anna and Andy.

John Bourke, who brought particular refining expertise to the board, stands down from the board at this meeting. On behalf of the Board, I thank John for the insights and experience he brought to the Refining NZ Board as the company shut down refining operations and converted to the import terminal.

The board refresh is being undertaken as a staged transition and throughout, we will continue to maintain a strong independent board, with 6 of the 8 directors being independent directors – assuming shareholders approve the election of those directors being voted on today. We will also cease the historical practice of inviting nominations from the three customer shareholders of candidates for appointment as directors.

In addition, we have today published a new Corporate Governance Statement, which includes changes to our board sub-committee structure to support the board in its oversight of financial and non-financial risks, with climate change and ESG matters enhanced in a new board charter.

With the Corporate Governance Review now complete and changes being implemented, it's a natural time for new board leadership, and so I will step down from the board later this year. I'm delighted to announce that James Miller will take over from me as chairman of the board at that time. With James' extensive experience in capital markets, downstream energy sector and governance positions within leading NZX listed companies I have no doubt I am passing the baton to the right person.

With that, I will hand you over to our Chief Executive Naomi James.

ENDS