

Channel Infrastructure NZ Limited

Annual Meeting of Shareholders

Thursday 27th April 2023 at 2.00pm

Chairman James Miller's address

Welcome ladies and gentlemen to Channel Infrastructure's Annual Shareholders Meeting. My name is James Miller, I am the Chairman of the Board. I am pleased to confirm that we have a quorum of shareholders and therefore I declare the 2023 Annual Shareholders' Meeting open.

On behalf of your directors, the CEO and all of our people at Channel Infrastructure, I extend a warm welcome to you either here with us at SkyCity or online. We do value the opportunity for the Board and Management to meet shareholders in person so I'm delighted to be moving back to a hybrid format for today's meeting.

Joining us here in person today are my fellow Channel Infrastructure directors: Anna Molloy, Andrew Holmes, Lucy Nation, Vanessa Stoddart, and Paul Zealand. Lindis Jones is joining us online, as he needed to be in Australia for operational reasons.

As you will remember from last year's Annual Meeting, 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, and so we began a board refresh.

At the same time, we saw our former Chair, Simon Allen announce his intention to step down, and he subsequently finished as Channel Chair on 1 July. I want to take a moment to acknowledge Simon for his 8-years of service leading the company through a significant period of change for the business. At last year's ASM, we also saw John Bourke step down, and we welcomed Anna Molloy and Andy Holmes to our Board.

I'm confident we have a strong and capable Board who have the right skill set, to support our management team to drive our strategy forward – providing the infrastructure to support New Zealand's decarbonisation and lowering our cost of capital. We will continue our focus on planned Board succession and renewal, to maintain a strong independent Board with the right skills to take the business into its exciting future.

Today's resolutions include no director's nominations as there is no retirement by rotation this year.

We are also joined by our new CEO, Rob Buchanan, and members of our Management Team, as well as representatives of our external auditors (Ernst & Young), legal advisors (MinterEllisonRuddWatts) and share registrar (Computershare).

Moving on to today's agenda. Ahead of the formal resolutions, I will talk to our 2022 achievements, our focus on delivering a sustainable business model and on driving future returns for you and importantly our CEO transition. I will then welcome our new CEO Rob Buchanan who will talk to the 2022 operating performance, focus for this year, and future growth opportunities. Online voting is now open and shareholders attending online may cast their vote at any time, until I close the voting later in the meeting.

Two years ago, you voted overwhelmingly in favour of a transition to an import terminal, with a commitment from us that this would be the best way to deliver sustainable returns. 2022 has

provided you the proof that this was the right decision, and I am proud that the team have delivered all that was promised to you.

Channel Infrastructure has had an incredible year with the transformation of the business, the financial results we have delivered and the sustainable business model we now have in place. We have delivered against all of the 2022 priorities.

We safely completed the shut-down of the refinery operations and transitioned to an import terminal on 1 April last year.

The conversion project – which includes the decommissioning of the refinery, as well as the transitioning of our workforce continues to track to plan and to budget and is now significantly de-risked. A large proportion of the work is complete and the budget is locked in. The commissioning of contracted new private storage is also progressing well, with c.45 million litres of additional private storage capacity due to be commissioned in the third quarter of this year.

We have successfully supported our workforce through significant change, with the extensive programme of workforce transition support, and I'm proud to say that 97 per cent of those who left the business in 2022 have been supported into their next opportunity. Alongside this work we have been successful in retaining key talent and also developing talent through a significant period of change.

Our refinancing programme was successfully completed. The refinancing of our bank debt increased the lender group from 2 to 5 banks and, together with the successful \$100 million dollar bond issue, this shows a strong support from the capital markets for our new business model. This has diversified our funding sources, extended tenor and lowers our cost of capital to align with that of an infrastructure business. And our new business model is already delivering growth with additional private storage revenue contracted.

We have delivered the first profit in over three years and this, along with strong cash flow, has meant a return to dividends for shareholders within one year of conversion (earlier than the 1-2 years we had anticipated at the time of the shareholder vote).

By now our shareholders would have received a fully imputed dividend of 7 cents per share – comprising a 5 cent ordinary dividend and a 2 cent special dividend. This represented an annualised dividend yield of some 6.5% for the first nine months of terminal operations.

Our improved financial and risk profile has been reflected in our share price - in a year when the market declined 12% and our previous refinery peers delivered a total shareholder return of negative 10%, it was extremely pleasing that our new business model and delivery of strategic initiatives resulted in a 52% share price increase in 2022, following the 71% increase we experienced in 2021 and saw us return to the NZX50 in March this year.

Over the past year, Channel Infrastructure has made a number of changes to its Board and governance processes to align with its new business, operations and strategy. We have also committed to climate disclosure and reporting, and made significant improvements in our climate change governance through 2022.

We chose to make our first act as Channel Infrastructure the publication of the company's first Sustainability Report, which was aligned with the recommendations of the Taskforce on Climate-related Financial Disclosures and was published more than a year ahead of mandatory reporting. We have an on-going commitment to climate action, and to ensure a long-term sustainable future for our business.

A few weeks ago we published an updated Governance Statement, which reflects a revised Health, Safety, Environment and Operations board sub-committee. This new structure allows our directors with specialist expertise in these areas to increase their time and focus on the continued improvement of health, safety and environmental risks at Channel.

In November last year we announced a change in CEO. As with all of the change we have navigated over recent years, this too was carefully planned for, with the Board approving a 3-year Business Plan ahead of Naomi's departure, and Naomi and Rob working together for 2 months, to ensure a smooth and seamless handover.

Naomi James, our previous CEO, finished with Channel at the end of March. Naomi's leadership during the most difficult time in the company's history was nothing short of first class. I join the entire Board in thanking Naomi. Naomi joined us at a time of immense uncertainty for the business and leaves us with a long-term sustainable business model in place, a range of exciting growth opportunities ahead, and a talented and committed team at Marsden Point.

Rob joined the team at the end of January, and took over as CEO from the 6th of March this year. Rob has deep experience in the energy and infrastructure sector and, along with the team at Marsden Point, will continue to execute, and deliver on, Channel Infrastructure's strategy and plan to drive the business forward.