



Channel

Infrastructure NZ

# Notice of Annual Meeting

The meeting will be held at:

**TIME:**

2.00pm (New Zealand time)

**SCHEDULED DATE:**

Tuesday, 30 April 2024

**PLACE:**

Level 4 Members Lounge,  
Sky Stadium Function Centre,  
Wellington and virtually through  
Computershare Online Meetings  
using the login details explained  
in this Notice of Annual Meeting  
and in the Virtual Meeting Guide  
2024 that accompanies this  
Notice of Annual Meeting.



Notice is hereby given that the Annual Meeting of Channel Infrastructure NZ Limited ("Company" and "Channel Infrastructure") will be held at 2.00pm on Tuesday, 30 April 2024 at Level 4 Members Lounge, Sky Stadium Function Centre, Wellington. You can also attend the Annual Meeting virtually using the instructions explained further below under "Virtual Meeting".

## Key dates

If you do not wish to attend, but would like to vote, you must submit your Proxy Form or online vote so that it is received no later than **2:00pm on Sunday, 28 April 2024**, in accordance with the instructions at the back of this Notice of Annual Meeting and the Proxy Form.

## Business

### A. Presentations

- (i) Chair's Address.
- (ii) Chief Executive's Address.

### B. Resolutions

## Auditor's fees and expenses

To consider and, if thought fit, to pass the following ordinary resolution:

**Resolution 1:** "That Directors be authorised to fix the fees and expenses of Ernst & Young as auditors to the Company for the financial year ending 31 December 2024."

**Directors recommend Shareholders vote FOR this resolution.**

## Election and Re-election of Directors

In accordance with Clause 8.9 of the Company's constitution ("Constitution"), Ms Vanessa Stoddart retires by rotation and being eligible, offers herself for re-election. Under Clause 8.8 of the Constitution, Mr Andrew Brewer and Ms Felicity Underhill were appointed by the Directors and being eligible, offer themselves for election. Accordingly, it is proposed that the Shareholders consider and, if thought fit, pass the following ordinary resolutions for the purposes of NZX Listing Rule 2.7.1:

**Resolution 2:** "That Ms Vanessa Stoddart, who retires by rotation in accordance with clause 8.9 of the Constitution, be re-elected as a Director of the Company".

**Directors recommend Shareholders vote FOR this resolution.**

**Resolution 3:** "That Mr Andrew Brewer, who retires in accordance with clause 8.8 of the Constitution, be elected as a Director of the Company".

**Directors recommend Shareholders vote FOR this resolution.**

**Resolution 4:** "That Ms Felicity Underhill, who retires in accordance with clause 8.8 of the Constitution, be elected as a Director of the Company".

**Directors recommend Shareholders vote FOR this resolution.**

## Shareholder proposal from Mr Karl Barkley

In accordance with clause 7.1.4 of the Company's constitution, the following ordinary resolution has been proposed by shareholder, Mr Karl Barkley (who holds 1,010 shares in the Company). As this is a resolution concerning the management of the Company, under the Companies Act 1993 it is **not binding** on the Board:

### Resolution 5:

- "a. That all work on the decommissioning of the Marsden Point Refinery be suspended once the safety of staff and contractors have been addressed, pending the delivery of an independent report by an appropriately qualified engineering firm, on the costs, benefits and estimated schedule of reinstating the refinery to operating capability, assuming market conditions, including operating costs and customer demand, that were in effect across 2017.
- b. That such report be allocated a budget of NZ\$100,000 with a delivery time of 6 months from the time the contract is let.
- c. That the Board direct management to issue a request for proposals and seek invitations for tender for consideration within 2 months of the meeting date (30 April 2024).
- d. That the report be provided to all Shareholders with a recommendation from Management for consideration at a Special Meeting to be called within 25 working days of receipt of the Report."

**Directors recommend Shareholders vote AGAINST this resolution.**

## Director nominations received

The Company has received a notice from a Shareholder (who holds 127 shares in the Company) nominating Mr Karl Barkley and Mr Daniel Reurich for election as directors of the Company. In accordance with NZX Listing Rule 2.3.2, these nominations must be included in this Notice of Meeting as ordinary resolutions for consideration by Shareholders.

**Resolution 6:** "That Mr Karl Barkley, who is nominated as a director by a Shareholder of the Company in accordance with Listing Rule 2.3.1, be elected as a Director of the Company".

**Directors recommend Shareholders vote AGAINST this resolution.**

**Resolution 7:** "That Mr Daniel Reurich, who is nominated as a director by a Shareholder of the Company in accordance with Listing Rule 2.3.1, be elected as a Director of the Company".

**Directors recommend Shareholders vote AGAINST this resolution.**

By order of the Board



**Chris Bougen**  
General Counsel and Company Secretary

28 March 2024

# Explanatory Notes – Resolutions

All Resolutions are ordinary resolutions. To be passed at this Annual Meeting, these Resolutions require the approval of a simple majority of the votes cast by Shareholders entitled to vote and voting.

## Auditor's fees and expenses (Resolution 1)

Ernst & Young (EY) is the current auditor of the Company. Under the Companies Act 1993, a company's auditor is automatically reappointed unless the Shareholders resolve to appoint a replacement auditor or certain other specified reasons exist for the auditor not to be reappointed.

However, notwithstanding the automatic reappointment of an auditor under the Companies Act 1993, the auditor's fees and expenses must be fixed by the Company at the Annual Meeting, or in the manner that the Company determines at the Annual Meeting.

Therefore, Shareholders are being asked to resolve that the Directors be authorised to fix the fees and expenses of EY for the audit of the Company's financial statements for the year ending 31 December 2024.

**The Board unanimously recommends that Shareholders vote FOR Resolution 1.**

## Election and Re-election of Directors (Resolutions 2 to 4)

**Resolution 2:**

### Re-election of Ms Vanessa Stoddart



**Vanessa Stoddart**  
BCOM/LLB (Hons),  
PGDip Prof Ethics

**Term of Office:**

Ms Stoddart was appointed as an Independent Director on 20 May 2013 and last re-elected at the 2021 Annual Meeting.

**Board Committees:**

Ms Stoddart is Chair of the People and Culture Committee and a member of the Independent Directors Committee.

**Experience:**

Ms Stoddart has extensive experience in transformation, legal and governance roles, including on the board of Waste Management, the Financial Markets Authority, the Ministry of Business, Innovation and Employment and Health NZ, along with previous executive experience at Air New Zealand and Carter Holt Harvey.

**Independent Director and Board support:**

Ms Stoddart is an Independent Director of the Company as defined in the NZX Listing Rules. Ms Stoddart has extensive skills, knowledge, experience and expertise considered necessary for an effective board under the Company's Board Skills Matrix that is aligned to the Company's strategy. The Board is supportive of the re-election of Ms Stoddart as a Director of the Company and **unanimously recommends that Shareholders vote FOR Resolution 2.**

### Resolution 3: Election of Mr Andrew Brewer



**Andrew Brewer**  
B.Eng (Hons)/BSci,  
Diploma Management

#### Term of Office:

Mr Brewer was appointed as a non-Independent Director on 6 December 2023.

#### Board Committees:

Mr Brewer sits on the Health, Safety, Environment and Operations sub-committee.

#### Experience:

Mr Brewer is a highly experienced leader in the operation of downstream oil facilities including world-class terminal operations. He is currently Executive General Manager, Infrastructure, at Ampol Limited where his responsibilities include Ampol's national Australian terminals network and refinery infrastructure. In this portfolio is the Lytton refinery, and the Kurnell Terminal which transitioned under Andrew's leadership in 2014 from refining operations and is the largest terminal in Australia. Andrew has announced he is retiring from Ampol with effect from 30 June 2024.

Andrew brings great value to the Company from his more than 20-years of experience in operating and leading large-scale hydrocarbon refining and terminal operations in Australia, New Zealand and Canada, and prior to that, 20-years of experience in metals smelters. He previously served as Chief Operating Officer at Refining NZ (now Channel Infrastructure), during the Company's Strategic Review.

#### Non-independent Director and Board support:

Mr Brewer is not an Independent Director of the Company as defined in the NZX Listing Rules. Mr Brewer has extensive skills, knowledge, experience and expertise considered necessary for an effective board under the Company's Board Skills Matrix that is aligned to the Company's strategy. The Board is supportive of the election of Mr Brewer as a non-Independent Director of the Company and **unanimously recommends that Shareholders vote FOR Resolution 3.**

### Resolution 4: Election of Ms Felicity Underhill



**Felicity Underhill**  
BA, MA (Dist),  
Ngāti Raukawa

#### Term of Office:

Ms Underhill was appointed as an Independent Director on 15 March 2024.

#### Board Committees:

Ms Underhill sits on the Audit & Finance Committee and a member of the Independent Directors Committee.

#### Experience:

Ms Underhill brings a strong background in the future fuels sector and energy transition to the Company. Following an early career in international roles at Shell, Felicity joined Origin Energy where she transitioned into the green energy sector. In her recent roles with Fortescue, she was accountable for developing a portfolio of renewable energy and green hydrogen production projects across Australia and New Zealand. She has a strong focus on future fuels, innovation and the commercialisation of projects.

Ms Underhill has a Bachelor of Political Science from Victoria University and a Master of Arts (Distinction) in Internal Relations and Conflict Resolution, Brussels School of International Studies. She has held previous governance roles with the Australia Hydrogen Council (Deputy Chair) and chaired various government/industry working groups while in Australia.

#### Independent Director and Board support:

Ms Underhill is an Independent Director of the Company as defined in the NZX Listing Rules. Ms Underhill has extensive skills, knowledge, experience and expertise considered necessary for an effective board under the Company's Board Skills Matrix that is aligned to the Company's strategy. The Board is supportive of the election of Ms Underhill as an Independent Director of the Company and **unanimously recommends that Shareholders vote FOR Resolution 4.**

## Shareholder Proposal (Resolution 5)

### Recommencing refining operations

Mr Karl Barkley, who holds 1,010 ordinary shares in the Company, has given notice to the Company of a proposal for inclusion in the Notice of Meeting, which the Company is required to present to Shareholders in accordance with the Companies Act 1993. Set out below is a statement from Mr Barkley accompanying his proposal.

The Board is not supportive of this proposal for the reasons set out in the box below labelled "Reasons for Board recommendation AGAINST Resolution 5" and **therefore unanimously recommends that Shareholders vote AGAINST Resolution 5.**

For the purposes of section 109 of the Companies Act 1993 and clause 7.1.3 of the Company's constitution, as Resolution 5 concerns matters relating to management of the company, it is **not binding** on the Board even if it were to be passed. Therefore, the Board is not obligated to give effect to it, and for the reasons noted further below, it does not intend to do so.

#### Mr Karl Barkley's statement

Mr Barkley has provided the Company with the following statement in relation to his proposal, which the Company is including in this Notice of Meeting in accordance with the Companies Act:

*Channel Infrastructure currently retains assets that in today's political, economic and global climate (20th March 2024) that warrant consideration of a return to refining at the Marsden Point site. The assets include the partially deconstructed refinery and resource consents for in excess of 30 years of refining opportunity. The change in government includes a change in direction, indicated by the coalition's agreement to investigate restarting refinery operations in New Zealand. With the government promising a focus on rebuilding the economy and being keen to find projects that would bring high skilled New Zealanders back and a clearly expressed mandate for rebuilding the country's transport infrastructure, it is timely for Channel Infrastructure to take pause and reassess its capital investment priorities to include a return to refining.*

*On the 17th of March 2024 at his State of the Nation address, Deputy Prime Minister, Winston Peters, reiterated his commitment to investigating restarting the refinery at Marsden Pt. Minister for Transport, Simeon Brown, in his 2024 General Policy Statement for the Ministry reiterated the commitment to reprioritise climate mitigation policies and instead return to a focus on improving the transport industry, with a strong focus on roading maintenance and upgrades. This means total kilometres travelled is set to increase significantly in the foreseeable future and thus the amount of transport hydrocarbon based fuel demand will continue to increase for sometime before increasing fuel efficiencies and broad sector moves to lower carbon*

*fuels become viable alternatives. Note the 2024 GPS also includes plans to develop a 30 year forward looking transport plan to help with long term planning for both maintenance and new builds within the transport arena increasing demand for bitumen.*

*Recent industry indicators suggest that the shine has come off the electric vehicle market accelerated by the removal of the clean car discounts and the introduction of Road User Charges for EV's and Hybrids. This has resulted in significant slowing of the sales of New EV's and Hybrid EV's in the last 3 - 6 months. If plugin hybrids are allowed to be converted to hybrid only we will see a further reduction in the amount of effectively electricity powered travel. This means that the requirement for petrol, diesel and LPG will remain much higher for much longer than has been previously forecast. The shine going off electric vehicles manufacturing is showing many vehicle manufacturers pulling back on plans to fully commit to EV production and instead retain significant levels of petrol and diesel powered options in production. The upshot of this is transport fuels will be required long into the future.*

*It should be noted that within the 2 years since the refinery was shutdown there have been a number of incidences of contaminated fuel being delivered, particularly noted with A1 Jet fuel sent via the RAP to Auckland Airport creating a significant fuel shortage effecting National and International Flights out of Auckland. There has also been complaints from vehicle mechanics and motorists alike about both poor performance of vehicles. The imported fuels appear to go stale much more quickly and fuel filters and fuel system components are needing to be replaced much more often in both distribution systems and the vehicles themselves. Without a NZ based refinery, seriously contaminated fuel shipments must be sent back for re-refining overseas, and extra shipments ordered, whilst coping with a minimum 18 to 22 day lead time for replacements to be guaranteed to arrive.*

*With respect to Sustainable Aviation Fuels, the set targets can potentially be better and more economically achieved within the context of a full refinery operation through the introduction of wood waste and municipal waste being processed into a bio-oil feedstock that could be blended into the normal refinery processes. This would allow for a much more robust and carefully managed transition to sustainably generated fuels and other refinery products and ensure a capacity to meet sustainable fuels targets. Through blending in sustainable bio-oil feedstock through our only refinery, not only the aviation fuel targets can be met, the entire range of refined fuel products will benefit and this can be at a pace that matches the industry's ability to develop the necessary supply chain efficiencies and ensure that the refined fuels continue to meet quality targets.*

*The claim of being in a transition to zero carbon is loud but not based on technically available solutions for*

*heavy and marine transport, aviation, and even light vehicles, at this stage. The energy security implications of moving towards an technically unachievable target are now being felt in Europe and North America where backtracking on climate transport policies have been seen. As a consequence, the closure of the Marsden Point refinery may have been premature based on overly pessimistic short term view of demand and refining margins alongside an impending pandemic and a government hostile to fossil fuels. It is apparent that there is still time to not only reconsider returning to a refining business model but that it may allow for a much more sustainable and long term viable proposition where by more efficient and sustainable fuel production can be achieved by re-engineering the refinery to operate with a greater capacity to utilize more of the locally extracted*

*sweet light crude whilst still blending in the heavy sour crude to aid the production of heavy fuels, bitumen and related byproducts.*

*Whilst the cost of rebuilding the refinery may seem prohibitive, with a government that is supportive and willing to invest in infrastructure and job growth, and the possibility of building a future proofed refining facility capable of using more sustainable feed stocks, it is indeed time to take advantage and fully press forward to utilise the opportunity at hand.*

As required by clause 9(5) of Schedule 1 of the Companies Act 1993, Mr Barkley's address is 96 Pinnacle Road, RD 5, Gore 9775, New Zealand.

## Reasons for Board recommendation AGAINST Resolution 5

The Board is highly supportive of improving fuel security in New Zealand. However the Board considers this is a matter for the New Zealand Government, and for the fuel companies who are responsible for the importation and sale of fuel in New Zealand, to consider having regard to the cost of providing additional fuel resiliency and the relevant risks and benefits of doing so. The Board notes that the New Zealand Government has already signalled it will be undertaking a broader investigation into fuel security options for New Zealand, and the Company is fully supportive of this wider initiative being the best mechanism to consider these matters.

In respect of the role that Channel Infrastructure can play, the Board considers there are other, more sustainable and financially viable opportunities for the Company to support fuel resilience and security in New Zealand, with the delivery of an additional 100 million litres of tank capacity at Marsden Point as part of storage agreements with its customers an example of this. Of note, the Company commissioned an additional 45 million litres of Jet fuel storage in September 2023, more than doubling available jet fuel storage at Marsden Point.

Further, the Company has an additional 400 million litres of unutilised tank capacity at Marsden Point which could be repurposed for additional in-country storage of the fuels vital to keeping New Zealand moving. The Company is already working with Government and customers to pursue these opportunities, which have the potential to provide additional fuel supply chain resilience for New Zealanders and enhance the value of the Company.

In respect of Mr Barkley's shareholder proposal specifically, the Board notes:

- The Board has already carried out an extensive investigation of the refinery business model during its strategic review over the course of 2020-2021 including extensive engagement with customers, Government and other stakeholders (details of which are set out in the Explanatory Booklet provided to Shareholders and publicly available on [www.nzx.com](http://www.nzx.com) or [www.channelnz.com](http://www.channelnz.com)). The outcome of that review was to propose the conversion of the refinery to an import terminal. The conversion proposal was considered by an independent appraiser and ultimately approved by shareholders at the special meeting held on 6 August 2021, by 99% of the votes cast. Accordingly, Shareholders have already had the opportunity to consider the refinery business model and overwhelmingly voted to cease refining operations and convert to an import terminal.
- The compound annual Total Shareholder Return (from both dividends and share price movements) since Shareholders voted in favour of conversion to an import terminal on 6 August 2021 has been 28.9%, much greater than the compound annual Total Shareholder Return of -6.8% for the 10 years prior to the vote (when the Company was operating as a refinery).
- Channel Infrastructure's revenues are now underpinned by long-term (10-year) contracts indexed to the Producers Price Index with very strong counterparties. Reflecting the strong cashflows and confidence the Board has in the long-term outlook for the Company, the Board has declared a total of 15.5 cents per share of ordinary dividends and 3.5 cents per share of special dividends for the last two financial years. Prior to the conversion to an import terminal, dividends were unpredictable and sporadic reflecting increasing operating costs, substantial on-going capital expenditure requirements and fluctuating refining margins.

- The decommissioning of the refinery is now complete and while some equipment (such as tanks) could be repurposed, the refinery cannot be restarted without significant additional capital expenditure, likely in the scale of billions of dollars.
- The Company has entered into long-term contracts with its current customers to provide terminal services for imported refined fuel. Given these obligations to provide import terminal services, the Board does not consider that there would be any meaningful customers to make a refinery business commercially viable and able to recover, and receive a return on, the substantial amounts of capital investment required.
- The Company is modest in size, with a current market capitalisation of approximately \$560 million. The Board does not consider there would be sufficient interest from current or future shareholders to provide funding for the billions of dollars likely required to build a refinery. Accordingly, rebuilding a modern refinery is not within the financial capacity of the Company.
- Recommencing refining operations is not permitted under the terms of the Company's current banking facilities, risking the availability of finance and the solvency of the Company if the Company was to return to oil refining.
- The refinery workforce has been successfully transitioned, with over 99% of former employees successfully being supported into new opportunities. Recruiting a new workforce with the skills and experience to safely operate an oil refinery would require a global recruitment process likely taking several years and which the Board expects would be very challenging for a refinery with limited or no economic viability.
- Since closure of the refinery, the Company's emissions have reduced by more than 1.2 million tCO<sub>2</sub>e per year. Recommencement of refinery operations would result in a significant increase in emissions, which would result in substantial cost to the Company.
- The larger refineries operating in Asia are as much as 8x larger than Marsden Point, and new refineries currently being built are typically 3–4x larger than Marsden Point's former operating capacity of 90,000 barrels of crude oil per day, with much greater energy and cost efficiency. In addition, these new, more modern refineries are also typically integrated with petrochemical refineries, which further reduces their operating costs and provides more value-add and diversity per barrel of crude oil. Oil refining requires significant amounts of electricity and gas, and with electricity prices in New Zealand often higher than those paid by competing refineries in Asia, and with long term supply of onshore gas in New Zealand now uncertain given the significant reduction in gas exploration in New Zealand in recent years, any new refinery in New Zealand would need long term certainty of availability of these key inputs at a price that is cost competitive with Asian refineries and importing finished product to New Zealand. The Board does not consider investing the very large amounts of shareholder funds (even if they were available) necessary to recommence refining operations in New Zealand could be justified by a company board on a commercial basis, having regard to their directors' duties under the Companies Act. The Board considers there are other, more economically sustainable options for the Company to support improving fuel resilience and security and at better returns for Shareholders.
- The Envisory forecasts prepared for the Company (and available on our website at [www.channelnz.com](http://www.channelnz.com) show significantly declining demand for petrol through to 2050 as the light vehicle fleet electrifies in New Zealand, which suggests that New Zealand would be best to import its precise energy needs rather than be in a position where it has surplus product. This change in mix of domestic demand also presents real technical challenges in operating a refinery to manufacture jet fuel and diesel, while minimising petrol output.
- The Board considers repurposing the Marsden Point site to manufacture sustainable aviation fuel (for which there is substantial and increasing global demand) and other lower carbon fuels represents a better longer-term option for the Marsden Point site, including bringing opportunities for highly-skilled job growth in the Northland region over the longer term.
- Investigating a potential recommencement of refining operations could cause a crisis of confidence and uncertainty amongst Shareholders, customers and the wider community in relation to the future of the Company given the extensive process already undertaken through the earlier strategic review and approval of the conversion proposal by Shareholders.



## Director nominations received (Resolutions 6 and 7)

The Company has received a notice from a Shareholder (who holds 127 shares in the Company) nominating Mr Karl Barkley and Mr Daniel Reurich for election as directors of the Company. In accordance with NZX Listing Rule 2.3.2, these nominations must be included in this Notice of Meeting as ordinary resolutions for consideration by Shareholders.

### Resolution 6:

#### Nomination of Mr Karl Barkley as a director

##### Karl Barkley

Locomotive and Traction Engine Driver Current LTSA, Second-Class Engine Driver Current LTSA, Engineering Trade Certificate 1978, Fitting and Welding Machinist

##### Nomination:

The Company has received a nomination from a Shareholder pursuant to Listing Rule 2.3.1 for the appointment of Mr Barkley as a director of the Company.

##### Statement from Nominee:

The following statement has been provided to the Company by Mr Barkley:

*I, Karl Barkley have a vast experience in the Engineering and Construction Industry. I feel I have a lot to offer Channel Infrastructure NZ LTD as a nominated Board of Director. I have an engaging personality that is suited to sales, project management and team leader positions. I have mentored both apprentices and employees in addition to fellow co-workers. I enjoy working in a team situation and always strive to improve systems with a high regard for Health & Safety. Having owned my own business I understand the importance of hard work and I pride myself on being an honest, reliable and productive member of any team I work for.*

##### Biographical details and experience:

Mr Barkley has work experiences in the engineering and construction field. Mr Barkley states his key credentials to be:

- Experience as fitter/welder, boiler operator and maintenance engineer
- Experience as a business owner including hiring staff
- Strong health and safety adherence
- Involvement in community projects including Chairman of "Save the Kingston Flyer"
- Having stood for ICC Elections
- Sale representative experience in the rural sector

### Independence assessment and Board recommendation:

The Board is not supportive of the election of Mr Barkley as a Director of the Company and **unanimously recommends that Shareholders vote AGAINST Resolution 6**. The reasons for the Board's recommendation are set in the box below labelled "Reasons for Board recommendation AGAINST Resolutions 6 and 7".

The Board is unable to make an assessment of Mr Barkley's independence based on the information provided with the nomination, and therefore no such determination is made.

### Resolution 7:

#### Nomination of Mr Daniel Reurich as a director

##### Daniel Reurich

NZCE – Mechanical Engineering, Ames – C/C++ programming

##### Nomination:

The Company has received a nomination from a Shareholder pursuant to Listing Rule 2.3.1 for the appointment of Mr Reurich as a director of the Company.

##### Statement from Nominee:

*I, Daniel, accept the nomination to the board of directors for Channel Infrastructure.*

##### Biographical details and experience:

Mr Reurich states that his background is in mechanical engineering and later began an Information Technology company which implements and supports Linux and Open Source Software based solutions. Mr Reurich was a council member and later treasurer for the New Zealand Open Source Society and was a co-developer working on Devuan GNU/Linux.

### Independence assessment and Board recommendation:

The Board is not supportive of the election of Mr Reurich as a Director of the Company and **unanimously recommends that Shareholders vote AGAINST Resolution 7**. The reasons for the Board's recommendation are set out in the box below labelled "Reasons for Board recommendation AGAINST Resolutions 6 and 7".

The Board is unable to make an assessment of Mr Reurich's independence based on the information provided with the nomination, and therefore no such determination is made.

## Reasons for Board recommendation AGAINST Resolutions 6 and 7

The Board recommends that Shareholders vote against the nominations of Mr Barkley and Mr Reurich for election as directors (Resolutions 6 and 7) for the following reasons:

- While we appreciate Mr Barkley's and Mr Reurich's interest in the Company, the Board follows a comprehensive and rigorous process for identifying, assessing and interviewing director candidates over several months, which it has been unable to undertake in respect of Mr Barkley and Mr Reurich's candidacy. The Board has assessed the credentials they provided with their nominations against the Company's publicly-available Board Skills Matrix. The Board's conclusion is that the experience and expertise that Mr Barkley and Mr Reurich do have is not aligned with the Company's Board Skills Matrix. In particular, they do not appear to have any experience in any of the management or governance of publicly listed companies, the fuel or infrastructure sector businesses or of high hazard facilities, which is experience the Board considers is critical for Channel Infrastructure directors.
- The Board considers it relevant that the nominees' candidacy has been put forward on the basis of a single issue, being the recommencing of refining operations at Marsden Point. The Board's expectation of any candidate is for governance beyond a single issue. Mr Barkley and Mr Reurich are advocating a change in the business model that (as noted above in the Board's reasons against Resolution 5) the Company is unable to achieve based on the permanent decommissioning of the site, and that building a new refinery would likely be hugely destructive to shareholder value and risk the solvency of the Company.
- The Board considers it currently has the right number of directors and with the right combination of experience and expertise, having regard to the Board Skills Matrix and the Board does not need additional directors which would add additional cost to the Company.
- The Board is therefore not supportive of Mr Barkley's and Mr Reurich's election to the Board and is satisfied that the Board has the right mix of skills, experience, knowledge and expertise to successfully deliver the Company's strategy and create shareholder value.

# Procedural Notes

## Voting entitlements and disqualifications

Provided that they are registered as holding Shares on Channel Infrastructure's share register at 2.00pm on Sunday, 28 April 2024 (being the "**Record Date**"), all Shareholders will be entitled to vote on all Resolutions at the Annual Meeting.

There are no voting restrictions placed on the Resolutions.

## Casting votes

Shareholders may cast their vote in one of three ways:

### A. Personal attendance

If Shareholders wish they can attend the Annual Meeting in person or participate virtually via the Computershare Online Meetings platform <https://meetnow.global/nz> provided by the Company's share registrar, Computershare Investor Services Limited. Persons wishing to attend in person will be required to show proof that they are a holder of Shares in the Company or a validly appointed proxy or corporate representative.

If a Shareholder is a body corporate it may appoint a representative to attend the Annual Meeting on its behalf in the same manner as that in which it could appoint a proxy.

### B. Proxies

A Shareholder entitled to attend and vote at the Annual Meeting is entitled to appoint a proxy to attend and vote instead of the Shareholder. A proxy need not be another Shareholder. A Shareholder may appoint "The Chair of the Meeting" as proxy. The Chair intends to vote any undirected proxies held by him FOR Resolutions 1, 2, 3 and 4, and AGAINST Resolutions 5, 6 and 7.

If you have ticked the "PROXY DISCRETION" box and your named proxy does not attend the Annual Meeting or you have not named a proxy but have otherwise completed the Proxy Form in full, the Chair of the Annual Meeting will act as your proxy. With respect to any other direction the Proxy Form will take effect as a postal vote. The Chair's voting intentions are set out in the paragraph above.

A Proxy Form is enclosed with this Notice of Annual Meeting. If used to appoint a proxy, it must be deposited with the Company not later than 48 hours before the

time for holding the Annual Meeting (i.e., on or before 2:00pm on Sunday, 28 April 2024). A Proxy Form may be deposited with the Company by any of the following methods:

- Depositing it at the Registered Office of the Company;
- Online at [www.investorvote.co.nz](http://www.investorvote.co.nz);
- Delivering it to the Company's share registrar's office at Level 2, 159 Hurstmere Road, Takapuna, Auckland;
- Posting it to the Company's share registrar's office in the supplied reply paid envelope; or
- Emailing it to [corporateactions@computershare.co.nz](mailto:corporateactions@computershare.co.nz).

The Company may however accept late Proxy Forms received before the start of the Annual Meeting at its sole discretion.

### C. Postal voting

Shareholders who are entitled to attend and vote at the Annual Meeting may cast a postal vote instead of attending in person or appointing a proxy.

A Proxy/Voting Form is enclosed with this Notice of Annual Meeting. If used to cast a postal vote, it must be deposited with the Company not later than 48 hours before the time for holding the Annual Meeting (i.e., on or before 2:00pm on Sunday, 28 April 2024), in the same manner as a Proxy Form. The Company may however accept late Proxy/Voting Forms received before the start of the Annual Meeting at its sole discretion.

### Online appointment of proxies and voting

A Shareholder entitled to attend and vote at the Annual Meeting may appoint a proxy online or may vote online on the website of the Company's share registrar, Computershare: [www.investorvote.co.nz](http://www.investorvote.co.nz).

To appoint a proxy or vote online Shareholders will be required to enter their CSN/Securityholder Number,

postcode/country of residence and the secure access Control Number that appears on the front of their Proxy Form. Proxies and votes submitted in this way must be received on or before 2:00pm on Sunday, 28 April 2024. The Company may however accept late online votes received before the start of the Annual Meeting at its sole discretion.

The Company Secretary, Chris Bougen, has been authorised by the Board to receive and count postal votes, including online votes, at the Annual Meeting.

### NZ RegCo

NZ RegCo has not reviewed and approved this Notice of Annual Meeting. NZ RegCo takes no responsibility for any statement in the Notice of Annual Meeting or Explanatory Notes accompanying the Notice of Annual Meeting.

### Virtual meeting

If Shareholders do not wish to attend the Annual Meeting in person, Shareholders can attend and participate in the Annual Meeting online via an internet connection (using a computer, laptop, tablet or smartphone).

Details of how to participate virtually are provided in the accompanying Virtual Meeting Guide, with instructions for accessing the virtual meeting. Shareholders are encouraged to review this guide and download the app prior to the Annual Meeting.

Shareholders will be able to view the presentations, vote on the Resolutions to be put to Shareholders and ask questions, by using their own computers or mobile devices. Shareholders will still be able to appoint a proxy to vote for them or send a postal vote, as they otherwise would, by following the instructions on the Proxy Form and this Notice of Annual Meeting. If a proxy is appointed and attends the Annual Meeting, Shareholders will not be able to vote as the proxy will do that for them.

### Venue location

As part of its ongoing engagement with Shareholders, the Board has decided to reinstate its policy of holding the Annual Shareholder Meetings in different locations each year, to enable wider engagement with Shareholders.

**The physical location for the Annual Meeting is 2:00pm at Level 4 Members Lounge, Sky Stadium Function Centre, Wellington.**



