



REFINING NZ

Channel
INFRASTRUCTURE

Share Purchase Plan Offer Document

2 December 2021

Go to www.shareoffer.co.nz/refiningnz
for more information and to apply online.

This is an important document. You should read the whole document before deciding whether to subscribe for shares. If you have any doubts as to what you should do, please consult your broker, financial, investment or other professional adviser.

This Offer Document may not be distributed outside New Zealand.

NOT FOR RELEASE OR DISTRIBUTION IN THE UNITED STATES



The vision for Channel Infrastructure is to be New Zealand's leading independent fuel infrastructure company; providing solutions to keep NZ moving now and into a low carbon future.

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Important Information

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General information

This Offer Document has been prepared by The New Zealand Refining Company Limited (**Refining NZ**) in connection with an offer of new ordinary shares (**Offer Shares**) under a share purchase plan (the **Offer**).

The Offer is made to Eligible Shareholders under the exclusion in clause 19 of Schedule 1 of the Financial Markets Conduct Act 2013 (**FMCA**).

This Offer Document is not a product disclosure statement or other disclosure document for the purposes of the FMCA or any other law, and does not contain all of the information which may be required in order to make an informed investment decision about the Offer or Refining NZ.

Further important information

A presentation providing further important information in relation to Refining NZ and the Offer has been published by Refining NZ on 29 November 2021 (the **Investor Presentation**). A copy of the Investor Presentation and other information released on 29 November 2021 are available at www.nzx.com under the ticker code "NZR".

The Investor Presentation describes the rationale for the Offer and includes details of certain elements of the estimated financial impact of the private storage services on Refining NZ. The Explanatory Booklet, dated 5 July 2021, concerning Refining NZ's import terminal conversion contains further information concerning Refining NZ, noting that the Investor Presentation updates certain information in it and therefore supersedes it to the extent of any inconsistency.

You should read the Investor Presentation in full, as it contains important information to assist you in making an investment decision in respect of the Offer. You should also read and consider the Explanatory Booklet, dated 5 July 2021, and in particular Section 6 ("Risks to Refining NZ Group's business and plans"), as updated in the Investor Presentation, before making an investment decision.

Additional information available under continuous disclosure obligations

Refining NZ is subject to continuous disclosure obligations under the NZX Listing Rules (**Listing Rules**). Market releases by Refining NZ are available at www.nzx.com under the ticker code "NZR".

You are strongly cautioned not to place undue reliance on any forward-looking statements such as indications of, and guidance on, future earnings and financial position and performance in any market releases made by Refining NZ, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by the outbreak of COVID-19 as well as the significant nature of the changes being undertaken to Refining NZ's business.

In particular, Refining NZ recommends that you read its market announcements (together with the materials attached to those announcements) regarding:

- the Offer released on 29 November 2021 (including the Investor Presentation accompanying that announcement);
- the Explanatory Booklet, dated 5 July 2021 (you should read this together with the Investor Presentation which updates certain information in the Explanatory Booklet. The Investor Presentation supersedes the Explanatory Booklet to the extent of any inconsistency); and
- Refining NZ's most recent annual report (for the year ended 31 December 2020) and its interim financial statements and results (for the six months ended 30 June 2021).

Refining NZ may, during the Offer, make additional releases to NZX. Shareholders should monitor Refining NZ's market announcements during the period of the Offer.

No release by Refining NZ to NZX will permit an applicant to withdraw any previously submitted Application without Refining NZ's prior written consent, whether or not there has been any permissible variation of the Offer.

Market risk

The market price for the Shares may change materially between the date this Offer opens, the date you apply for Offer Shares under the Offer, and the date on which the Shares are issued to you. This is particularly the case given the wide fluctuations and volatility in the share prices for many listed companies in recent times due to the continuing impacts of COVID-19, and the significant nature of the changes being undertaken to Refining NZ's business. There is no certainty that this recent volatility will not continue or worsen, which could have a materially adverse impact on the share price for Refining NZ. Accordingly:

- the price paid for Offer Shares may be higher or lower than the price at which Shares are trading on the NZX Main Board at the time Shares are issued under the Offer;
- the market price of Offer Shares following allotment may be higher or lower than the Issue Price; and
- it is possible that up to or after the Allotment Date you may be able to buy Shares at a lower price than the Issue Price.

Withdrawal and date changes

Subject to compliance with all applicable laws, Refining NZ reserves the right at its absolute discretion to withdraw all or any part of the Offer and to alter the dates set out in this Offer Document.

Offering restrictions

This Offer Document is intended for use only in connection with the Offer to Eligible Shareholders with a registered address in New Zealand. This Offer Document does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation.

No action has been taken to permit a public offering of the Offer Shares in any jurisdiction outside New Zealand. The distribution of this Offer Document in a jurisdiction outside New Zealand may be restricted by law and persons who come into possession of it (including nominees, trustees or custodians) should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may contravene applicable securities law. Refining NZ disclaims all liability in respect of any such contravention by any other person to the maximum extent permitted by law.

No person may subscribe for, purchase, offer, sell, distribute or deliver the Offer Shares, or be in possession of, or distribute to any other person, any offering material or any documents in connection with the Offer Shares, in any jurisdiction other than in compliance with all applicable laws and regulations. Without limiting the foregoing, this Offer Document may not be sent into or distributed in the United States.

Decision to participate in the Offer

The information in this Offer Document does not constitute a recommendation to acquire or invest in Offer Shares and is not financial advice to you or any other person. This Offer Document has been prepared without taking into account your investment objectives, financial or taxation situation or particular needs or circumstances.

Before deciding whether to invest in Offer Shares, you must make your own assessment of the risks associated with an investment in Refining NZ (including the inherent uncertainties as to the impact of COVID-19 and the risks noted in Section 6 ("Risks to Refining NZ Group's business and plans") of the Explanatory Booklet dated 5 July 2021, as updated in the Investor Presentation), and consider whether such an investment is suitable for you having regard to publicly available information (including the Investor Presentation and Explanatory Booklet), your personal circumstances and following consultation with a financial or other professional adviser. Please read this Offer Document carefully and in full before making that decision.



No guarantee

No person named in this Offer Document (nor any other person) guarantees the Offer Shares to be issued pursuant to the Offer or warrants the future performance of Refining NZ or any return on any investment made pursuant to this Offer Document.

Privacy

Any personal information you provide in your Application will be held by Refining NZ and/or the Registrar at the addresses set out in the Directory. Refining NZ and/or the Registrar may store your personal information in electronic format, including in online storage on a server or servers which may be located in New Zealand or overseas. This information will be used for the purposes of administering your investment in Refining NZ.

This information will only be disclosed to third parties with your consent or if otherwise required by law. Under the Privacy Act 2020, you have the right to access and correct any personal information held about you.

Enquiries

Enquiries about the Offer can be directed to an NZX Firm, or your solicitor, accountant or other professional adviser. If you have any questions about how to apply online, please contact the Registrar as set out in the Directory.

Times, currency and laws

Unless otherwise stated, all references in this Offer Document to times and dates are to times and dates in New Zealand, all references to currency are to New Zealand dollars, and all references to applicable statutes and regulations are references to New Zealand statutes and regulations.

Defined terms

Capitalised terms used in this Offer Document have the specific meaning given to them in the Glossary at the back of this Offer Document or in the relevant section of this Offer Document.



ENERGY
TO
KEEP
THINGS
MOVING

Chair's Letter



Dear Shareholder,

On 22 November 2021, we were pleased to announce that Refining NZ had reached a key milestone on the conversion to a fuel import terminal, with the Company entering into long-term agreements with its customers and the Board of Directors making the Final Investment Decision (**FID**).

On 29 November 2021, we also announced that Refining NZ would be undertaking an equity raise of approximately NZ\$43.5 million through a placement of new shares (**Placement**) of approximately NZ\$38.5 million and a share purchase plan (the **Offer**) of NZ\$5 million (together, the **Equity Raise**) to fund the provision of contracted private storage services and those under negotiation. The Placement was very well supported and completed on 2 December 2021 and successfully raised approximately NZ\$39 million.

Purpose of Equity Raise

Refining NZ will be renamed Channel Infrastructure NZ Limited upon commencement of import terminal operations from April 2022, with a vision to be New Zealand's leading independent fuel infrastructure company. One of Channel Infrastructure's strategic priorities is to grow and diversify the company, and we are raising capital to fund contracted private storage services and those under negotiation as a complementary growth opportunity beyond the shared Import Terminal System (ITS).

Refining NZ has executed long-term agreements to provide dedicated private storage capacity, with further agreements under negotiation.

The contracted private storage capacity will require an initial capital commitment of c.NZ\$30 million, and is expected to result in incremental revenue of c.NZ\$50 million (real) on a fixed rental basis over a 10 year term, with high EBITDA conversion. This capacity will be progressively made available following required works from the commencement of terminal operations through to early 2023.

Management is actively engaged with customers on additional private storage opportunities which could require a further capital investment of up to c.NZ\$25 million and deliver additional revenue of up to c.NZ\$60 million (real) over a 10-year term. The Company is working to agree these additional private storage services prior to the commencement date of ITS services under the Terminal Services Agreements.

The proceeds from the Equity Raise will be used to fund contracted private storage services and those under negotiation.

Offer

On behalf of the Board, it is my pleasure to invite all Eligible Shareholders to participate in the Offer. Eligible Shareholders are all persons who were recorded in Refining NZ's share register at 5:00pm NZDT on 26 November 2021 as being a holder of Refining NZ shares and having an address in New Zealand (subject to exclusions for certain custodians).

This Offer gives all Eligible Shareholders the opportunity to purchase up to NZ\$15,000 of new shares in Refining NZ (subject to scaling) without incurring brokerage or other transaction costs. The price per share will be the lower of:

- a) NZ\$0.83, being the price paid by investors in the recent Placement; or
- b) a 2.5% discount to the volume weighted average price of shares traded on the NZX during the five trading days up to, and including, the Offer Closing Date (scheduled for 13 December 2021).

How you can participate in the Offer

Participation in the Offer is optional. Eligible Shareholders have the option to apply for as many or as few Offer Shares as they want, up to the cap of NZ\$15,000 per shareholder, being the maximum amount permitted under the NZX Listing Rules.

Refining NZ intends to raise NZ\$5 million under the Offer, although it has the ability to accept additional Applications above that amount at its discretion. If the Offer is oversubscribed, applications will be scaled by reference to existing shareholdings on 5:00pm NZDT on 26 November 2021 (being the Record Date for the Offer). We encourage you to read the Offer Document and seek financial advice from a suitably qualified professional adviser before you consider investing.

If you decide to participate in the Offer, please complete an online application at www.shareoffer.co.nz/refiningnz by 5:00pm (NZDT) on 13 December 2021. The new shares are expected to be allotted on 17 December 2021 (unless the Offer is extended). They will rank equally with existing Refining NZ shares at that date.

Instructions on how to make payment will be provided once you have submitted your application on the Offer website at www.shareoffer.co.nz/refiningnz.

Further information

We encourage you to read through all of Refining NZ's recent announcements, particularly the Investor Presentation and other materials released on 29 November 2021 at www.nzx.com under the ticker code "NZR". In addition to recent announcements relating to the Equity Raise, before making an investment decision we encourage you to read through information released by Refining NZ on its import terminal conversion plans in the Explanatory Booklet, dated 5 July 2021 (in particular the key risks set out in Section 6, "Risks to Refining NZ Group's business and plans", as updated by the Investor Presentation). Please note that the Investor Presentation updates certain information in the Explanatory Booklet, and therefore supersedes it in the event of inconsistency.

You can also access information, including the Investor Presentation, Explanatory Booklet and announcements regarding the Offer, on the following Offer website at www.shareoffer.co.nz/refiningnz.

If you have any questions about the Offer or how to apply online, please call the Refining NZ Offer Information Line on 0800 650 034 (toll free within New Zealand) from 8.30am to 5.00pm Monday to Friday (excluding public holidays), or contact your financial adviser or other professional adviser.

The directors of Refining NZ who are shareholders in the company have all indicated that they intend to participate in the Offer.

On behalf of the Board, thank you for your continued support of Refining NZ now and into the future, and we welcome your consideration of, and participation in, the Offer.

Yours sincerely,



Simon Allen

Chair

The New Zealand Refining Company Limited

Key Details



Equal participation

Each Eligible Shareholder has the right to apply for the same dollar amount of Offer Shares and on the same terms and conditions as each other Eligible Shareholder.

Application amount

You can apply for a dollar amount of Offer Shares up to a maximum value of NZ\$15,000 of Offer Shares.

Refining NZ is accepting Applications for up to NZ\$5 million of Offer Shares in aggregate (with the ability to accept oversubscriptions at Refining NZ's discretion). Applications may need to be scaled depending on the Applications received. Any scaling of Applications will be carried out in accordance with clause 9 of the Terms and Conditions.

Issue Price

The lower of:

- (a) NZ\$0.83 per Offer Share (representing a 5.7% discount to Refining NZ's closing share price of NZ\$0.88 on NZX on 26 November 2021 (being the last trading day before the Placement was announced) and which is the same price paid by investors in the Placement); and
 - (b) a 2.5% discount to the volume weighted average market price of the Shares over the five business day period up to and including the Closing Date.
-

No underwriting

The Offer is not underwritten.

When to apply

Applications must be received by 5.00pm (NZ time) on the Closing Date (13 December 2021, unless the Offer is extended).

How to apply

Eligible Shareholders may apply and make payment online at www.shareoffer.co.nz/refiningnz, in accordance with the instructions on that website.

Receiving your Offer Shares

You will receive your Offer Shares on the Allotment Date (17 December 2021, unless the Offer is extended).

Key Dates*



Date	Event	
5.00pm on 26 November 2021	Record Date	The date on which Eligible Shareholders are determined.
2 December 2021	Opening Date	Offer documents sent to Eligible Shareholders. Offer opens.
5pm on 13 December 2021	Closing Date	Offer closes. Applications (with payment) must be received by 5.00pm.
14 December 2021	Issue Price	Issue Price announced.
17 December 2021	Allotment Date and commencement of trading and quotation on the NZX Main Board	Offer Shares are expected to be allotted and commence trading and quotation on the NZX Main Board.
20 December 2021	Despatch Date	Transaction confirmation despatched to participating Eligible Shareholders.

* Subject to the Listing Rules. Refining NZ reserves the right to alter the key dates, subject to applicable laws and the Listing Rules. Refining NZ reserves the right to withdraw the Offer at any time prior to the issue of the Offer Shares at its absolute discretion.

Questions and Answers

These Questions and Answers are a summary only and you should refer to the attached Terms and Conditions for further information.

1. What is the Offer?

The Offer allows Eligible Shareholders to purchase Offer Shares without incurring brokerage or other transaction costs. Refining NZ is inviting Applications for up to NZ\$5 million of Offer Shares in aggregate (with the ability to accept oversubscriptions at Refining NZ's discretion).

All Offer Shares will be of the same class as, and rank equally with, all Shares currently on issue. It is a term of the Offer that Refining NZ will take any necessary steps to ensure that the Offer Shares are immediately after issue quoted on the NZX Main Board.

2. What will the proceeds be used for?

The Offer, together with the Placement, is being undertaken to fund the contracted private storage services and those under negotiation as described in the Investor Presentation released to NZX on 29 November 2021.

3. Am I eligible?

You are eligible to participate in the Offer if you are a shareholder of Refining NZ and:

- (a) you were registered as a holder of fully paid Shares at 5.00pm (NZ time) on the Record Date, which was 26 November 2021;
- (b) your registered address is in New Zealand; and
- (c) you are not a U.S. Person or acting for the account or benefit of a U.S. Person,

provided that a person who holds Existing Shares on behalf of a person who resides outside New Zealand is not eligible to participate in the Offer in respect of that person. Any failure to comply with the above restrictions may contravene applicable securities law. Refining NZ disclaims all liability in respect of any contraventions by such persons to the maximum extent permitted by law.

4. What is the price of the Offer Shares?

The Issue Price is the lower of:

- (a) NZ\$0.83 per Offer Share (representing a 5.7% discount to Refining NZ's closing share price of NZ\$0.88 on NZX on 26 November 2021 (being the last trading day before the Placement was announced) and which is the same price paid by investors in the Placement); and
- (b) a 2.5% discount to the volume weighted average market price of the Shares over the five business day period up to and including the Closing Date.

The Issue Price will be fixed as at 5.00pm (NZ time) on 13 December 2021 (being the Closing Date) and is expected to be announced through NZX on 14 December 2021.

5. How many Offer Shares can I purchase?

Eligible Shareholders may elect to apply for a dollar amount of Offer Shares up to a maximum value of NZ\$15,000.

Refining NZ is accepting Applications for up to NZ\$5 million of Offer Shares in aggregate (with the ability to accept oversubscriptions at Refining NZ's discretion). Applications may need to be scaled depending on the Applications received. Any scaling of Applications will be carried out in accordance with clause 9 of the Terms and Conditions.

You must make payment by way of electronic funds transfer to Refining NZ in New Zealand dollars for the value applied for.

6. Are there any conditions to the Offer?

No. However, Refining NZ reserves the right to terminate the Offer at any time prior to the issue of Offer Shares on the Allotment Date.

If the Offer is cancelled for any reason, all Application monies will be returned to you and no Offer Shares will be allotted under the Offer. No interest will be payable on any monies returned to you.

Refunds will not be paid for any difference arising solely due to rounding or where the aggregate amount of the refund payable to you is less than NZ\$5.00.

7. What if I own Shares through a trustee or custodian?

If you own Shares through a trustee or custodian, then subject to certain certification requirements and other conditions, you may instruct the trustee or custodian to purchase Offer Shares on your behalf, up to the NZ\$15,000 limit.

If you own Shares through a trustee or custodian and also own Shares in your own name, then you may either purchase Offer Shares yourself or instruct your trustee or custodian to purchase Offer Shares on your behalf. You may not do both.

If you are a Custodian or hold Shares through a Custodian, please refer to clause 4 of the Terms and Conditions.

8. What about joint holders?

Joint holders are treated as a single shareholder under the terms of the Offer. As a group, they can apply for a dollar amount of Offer Shares up to a maximum value of NZ\$15,000.

9. Do I have to participate?

No. Participation is entirely voluntary.

10. Will my shareholding be diluted if I do not participate?

If you choose not to participate in the Offer, your shareholding percentage in Refining NZ will be diluted. For example, with the NZ\$39 million raised under the Placement, and assuming the Offer is fully subscribed and the Offer Shares are issued at NZ\$0.83 per Offer Share, approximately 54 million Shares will be issued. If you do not elect to acquire any Offer Shares in the Offer, your shareholding will be diluted by approximately 17%.

This dilution will relate only to your percentage shareholding of Refining NZ as the number of Shares that you hold will not change as a result of not participating in the Offer.

While Refining NZ has attempted to make the Offer as fair as possible for Eligible Shareholders by permitting each Eligible Shareholder to apply for up to NZ\$15,000 of Offer Shares, the Offer is not a pro-rata offer and, even if you participate in the Offer, your shareholding percentage in Refining NZ may change. Whether your shareholding percentage in Refining NZ increases or decreases will depend on the amount of Offer Shares you apply for, how many Existing Shares you hold on the Record Date and how many Offer Shares other Eligible Shareholders apply for and are allotted under the Offer.

Larger shareholders may not be able to obtain sufficient Offer Shares to maintain their percentage shareholding, while smaller shareholders may be able to increase their percentage shareholding.

11. Is this offer transferable to another person?

No. This offer is personal to you and you may not transfer your right to purchase Offer Shares under the Offer to anyone else.

12. What are the risks to investing in the Offer?

The market price of Shares may change materially between the date this Offer opens, the date you apply for Offer Shares under the Offer, and the date on which the Shares are issued to you. This is particularly the case given the wide fluctuations and volatility in the share prices for many listed companies in recent times due to the continuing impacts of COVID-19, and the significant nature of the changes being undertaken to Refining NZ's business. There is no certainty that this recent volatility will not continue or worsen, which could have a materially adverse impact on the share price for Refining NZ. Accordingly:

- the price paid for Offer Shares may be higher or lower than the price at which Shares are trading on the NZX Main Board at the time Shares are issued under the Offer;

- the market price of Offer Shares following allotment may be higher or lower than the Issue Price; and
- it is possible that up to or after the Allotment Date, you may be able to buy Shares at a lower price than the Issue Price.

You should:

- seek your own financial advice in relation to this Offer and your participation under the Offer; and
- read the Investor Presentation in full, as it contains important information to assist you in making an investment decision in respect of the Offer. You should also read and consider the Explanatory Booklet, dated 5 July 2021, and in particular Section 6 ("Risks to Refining NZ Group's business and plans"), as updated in the Investor Presentation, before making an investment decision.



13. Where can I get further information?

You should read the Investor Presentation and other information released on 29 November 2021, which are available at www.nzx.com under the ticker code “NZR”.

The Investor Presentation describes the rationale for the Offer and includes details of certain elements of the estimated financial impact of the private storage services on Refining NZ. You should read the Investor Presentation in full, as it contains important information to assist you in making an investment decision in respect of the Offer. You should also read and consider the Explanatory Booklet, dated 5 July 2021, and in particular Section 6 (“Risks to Refining NZ Group’s business and plans”), as updated in the Investor Presentation, before making an investment decision.

Further information about Refining NZ, including its most recent financial statements, can be obtained from Refining NZ’s website: www.refiningnz.com.

You may obtain, free of charge, Refining NZ’s most recent annual report and financial statements by contacting Refining NZ as set out in the Directory on page 30, or you may download the documents from Refining NZ’s website: www.refiningnz.com.

Refining NZ is subject to continuous disclosure obligations under the Listing Rules. Market releases by Refining NZ are available at www.nzx.com under the ticker code “NZR”. Refining NZ may, during the Offer, make additional releases to NZX. Shareholders should monitor Refining NZ’s market announcements during the period of the Offer. No release by Refining NZ to NZX will permit an applicant to withdraw any previously submitted Application without Refining NZ’s prior written consent, whether or not there has been any permissible variation of the Offer.

You are strongly cautioned not to place undue reliance on any forward-looking statements such as indications of, and guidance on, future earnings and financial position and performance in any market releases made by Refining NZ, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by the outbreak of COVID-19 as well as the significant nature of the changes being undertaken to Refining NZ’s business.

You should read the information referred to in the Important Information section of this Offer Document under the headings “Further important information” and “Additional information available under continuous disclosure obligations”.



14. What is the current Share price?

The market price of the Shares is quoted on the NZX website at www.nzx.com, under the ticker code "NZR".

15. How do I apply for Offer Shares under the Offer?

If you wish to participate in the Offer, you may apply online at www.shareoffer.co.nz/refiningnz.

To apply online, you will need your CSN / Holder Number. You must pay for your Application electronically by electronic funds transfer to Refining NZ.

If the exact amount of money is not tendered, Refining NZ reserves the right not to accept all or part of your payment. In those circumstances, Refining NZ will return your Application and refund all or part of your payment without interest in accordance with the Terms and Conditions.

If your Application is rejected, all of the amounts paid will be refunded to you. If your Application is scaled, you will receive the number of Offer Shares in respect of which your Application is accepted at the Issue Price and receive a refund of the balance of the relevant payment amount. All refunds will be made without interest. Refunds will be issued within five business days following the Allotment Date or, in respect of late Applications received after the Allotment Date, within five business days of the date of receipt, if Refining NZ holds your New Zealand bank account details (with funds being treated as unclaimed distributions pending such details being provided). Refunds will not be paid for any difference arising solely due to rounding or where the aggregate amount of the refund payable to you is less than NZ\$5.00.

You will not be able to withdraw or revoke your Application once you have sent it in.

16. How long is the Offer open and when will I receive my Offer Shares?

The Offer opens on 2 December 2021 and is expected to close at 5.00pm (NZ time) on 13 December 2021, unless the Offer is extended. If you want to participate you should ensure your Application and payment is received by 5.00pm (NZ time) on 13 December 2021.

Please allow adequate time for electronic funds transfers to be cleared into Refining NZ's bank account by this time. Applications received after this time may not be accepted.

You will receive the Offer Shares issued to you under the Offer on the Allotment Date, which is currently expected to be on 17 December 2021 (unless the Offer is extended).

Confirmation of the number of Offer Shares issued to you under the Offer will be sent on the Despatch Date, currently expected to be on or around 20 December 2021 (unless the Offer is extended).

17. How many Offer Shares will I receive?

Subject to scaling, you will receive the number of Offer Shares equal to the dollar amount of Offer Shares you have validly applied for (and payment has been received in respect of) divided by the Issue Price. If the dollar amount of Offer Shares you have applied for (or are allocated) does not equal a whole number of Offer Shares once divided by the Issue Price, the number of Offer Shares allotted to you will be rounded down to the nearest Offer Share. Any difference due to rounding or under NZ\$5.00 will be retained by Refining NZ.

Any scaling of Applications will be carried out in accordance with clause 9 of the Terms and Conditions.

18. Will the Offer Shares be quoted?

The Offer Shares will be quoted on the NZX Main Board. The NZX Main Board is a licensed market operated by NZX, which is a licensed market operator regulated under the Financial Markets Conduct Act 2013. However, NZX accepts no responsibility for any statement in this Offer Document.

It is expected that you will be able to commence trading the Offer Shares allotted to you under the Offer on the NZX Main Board on the Allotment Date.

19. Why is there a maximum application amount?

The Offer needs to comply with the conditions imposed by the Listing Rules. The offer of Offer Shares up to a maximum value of NZ\$15,000 per Eligible Shareholder is being undertaken under Listing Rule 4.3.1(c) (Share Purchase Plan).

20. What is Refining NZ's dividend policy?

Refining NZ's current dividend policy is to pay 80% of free cash flow (FCF) as ordinary dividends subject to the Board's due consideration of Refining NZ's medium-term asset investment programme, 20% targeted average gearing level and future circumstances, including the profitability, growth opportunities, and the financial and taxation position of Refining NZ. FCF is the Net Cash from Operating Activities less normalised stay-in-business capital. However, in light of Refining NZ's current circumstances dividends have not been declared after August 2019.

Channel Infrastructure's dividend policy is expected to be based on a payout ratio of 60-70% of Free Cash Flow (being adjusted net cash generated from operations less maintenance capex) after an initial period of deleveraging to reduce leverage to below 4.5 times Net Debt/EBITDA. Assuming the level and timing of conversion costs outlined in the Investor Presentation (slide 9) are achieved, the Company would expect dividends to recommence in 1-2 years following the commencement of ITS services.

The Board reserves the right to adjust the payout ratio or expected timing for the recommencement of dividends should the timing, costs or revenue associated with the conversion (including new services such as Private Storage Services) or the import terminal business change. The dividend policy will be subject to the Board's due consideration of the Company's medium-term asset investment programme; a sustainable financial structure for the Company, recognising the targeted investment grade rating (within five years of the Services Effective Date); and the risks from short and medium term economic and market conditions and estimated financial performance.

21. Why are not all shareholders eligible to participate in the Offer?

Refining NZ considers that the legal requirements of jurisdictions other than New Zealand are such that it would be unduly onerous for the Company to make the Offer in those jurisdictions. This decision was made having regard to the number of Shareholders in such overseas jurisdictions and the costs of complying with overseas legal requirements.

22. Further assistance

If you have any further questions, please contact your broker, financial, investment or other professional advisor before making your investment decision.

If you have any questions about how to apply online, please contact the Registrar as set out in the Directory.



Terms and Conditions

If you apply to participate in the Offer by completing an online application you are accepting the risk that the market price of Shares may change between the Opening Date, the date at which you send in an Application, and the Allotment Date. This means that it is possible that up to or after the Allotment Date, you may be able to buy Shares at a lower price than the Issue Price.

We encourage you to seek your own financial advice regarding your participation in the Offer.

1. Offer timetable

Record Date:

Eligible Shareholders registered at 5.00pm on 26 November 2021 may participate in the Offer.

Opening Date:

The Offer opens on 2 December 2021. This Offer Document is sent to Eligible Shareholders on 2 December 2021.

Closing Date:

The Offer closes at 5.00pm (NZ time) on 13 December 2021, unless the Offer is extended. Applications must be received by this time. Applications may, at Refining NZ's option, not be processed or held to be valid if they have not been received by this time.

Issue Price announced:

The Issue Price will be announced through NZX on 14 December 2021.

Allotment Date:

The Offer Shares are proposed to be allotted and issued on 17 December 2021 (unless the Offer is extended).

Commencement of trading:

Refining NZ expects the Offer Shares will commence trading and quotation on the NZX Main Board on the Allotment Date.

Despatch Date:

Refining NZ expects that a transaction confirmation will be despatched to you on or around 20 December 2021 (unless the Offer is extended).

Refining NZ has a discretion to change, at any time, any of the Closing Date, the Allotment Date and the Despatch Date (notwithstanding that the Offer has opened, or Applications have been received) by lodging a revised timetable with NZX.

2. Eligible Shareholders

- 2.1 You may participate in the Offer if you are an Eligible Shareholder. An Eligible Shareholder is a person who, at 5.00pm on the Record Date, was recorded in Refining NZ's share register as being a registered holder of Existing Shares and having an address in

New Zealand, provided that a person who holds Existing Shares on behalf of a person who resides outside New Zealand is not eligible to participate in the Offer in respect of that person. For the avoidance of doubt, no U.S. Person, or a person acting for the account or benefit of a U.S. Person, will be an Eligible Shareholder.

- 2.2 Joint holders of Shares are taken to be a single registered holder of Shares for the purposes of determining whether they are an Eligible Shareholder and the certification on the online application is taken to have been given by all of them.
- 2.3 If you are an Eligible Shareholder, your rights under this Offer are personal to you and are non-renounceable, so you may not transfer them.

3. Issue Price and Number of Offer Shares

- 3.1 The Issue Price for Offer Shares under the Offer is the lower of:

- (a) NZ\$0.83 per Offer Share (representing a 5.7% discount to Refining NZ's closing share price of NZ\$0.88 on NZX on 26 November 2021 (being the last trading day before the Placement was announced) and which is the same price paid by investors in the Placement); and
- (b) a 2.5% discount to the volume weighted average market price of the Shares over the five business day period up to and including the Closing Date.

- 3.2 The Issue Price will be fixed as at 5.00pm (NZ time) on 13 December 2021 (being the Closing Date) and is expected to be announced through NZX on 14 December 2021.

- 3.3 Subject to scaling, you will receive the number of Offer Shares equal to the dollar amount of Offer Shares you have validly applied for (and payment has been received in respect of) divided by the Issue Price. If the dollar amount of Offer Shares you have applied for (or are allocated) does not equal a whole number of Offer Shares once divided by the Issue Price, the number of Offer Shares allotted to you will be rounded down to the nearest Offer Share. Any difference due to rounding or under NZ\$5.00 will be retained by Refining NZ.

3.4 Subject to clause 4.2 of these Terms and Conditions, Eligible Shareholders may elect to purchase a dollar amount of Offer Shares up to a maximum value of NZ\$15,000, by filling in the appropriate box on the online application. The number of Offer Shares you receive on the Allotment Date may be subject to scaling, as described in clause 9 of these Terms and Conditions.

3.5 Eligible Shareholders may only make a single Application for Offer Shares under the Offer. This applies to all Eligible Shareholders, including those who receive more than one offer under the Offer (for example, because they hold Shares in more than one capacity) and including whether the Eligible Shareholder is applying through a Custodian or on his or her own behalf. Accordingly, if you own Shares through a Custodian and also own Shares in your own name, then you may either purchase Offer Shares yourself or instruct your Custodian to purchase Offer Shares on your behalf. You may not do both.

4. Custodians

4.1 Any Eligible Shareholder that:

- (a) is a trustee corporation or a nominee company and holds Existing Shares on the Record Date by reason only of acting for another person in the ordinary course of business of that trustee corporation or nominee company; or
- (b) holds Shares by reason only of being a bare trustee of a trust to which the Shares are subject, and is permitted to operate as a custodian under all relevant laws,

is a “**Custodian**” under the Offer.

4.2 Custodians may apply to purchase Offer Shares under the Offer but only up to the total value of Offer Shares it is validly directed to apply for on behalf of each beneficial owner in New Zealand for whom the Custodian acts as a Custodian. Custodians must confirm to Refining NZ that they are holding Shares as a Custodian for those beneficial owners by providing the written certification to Refining NZ described in clause 4.3 below and send an electronic schedule of applications to the Registrar. Each beneficial owner may only direct the Custodian to apply on behalf of that beneficial owner for Offer Shares as described in clauses 3.4 and 3.5 and, for the avoidance of doubt, for a single Offer Share parcel.

4.3 If a Custodian applies to purchase Offer Shares on behalf of one or more beneficial owners, the Custodian must certify to Refining NZ in writing by validly completing the online application:

- (a) that the Custodian holds Shares directly or indirectly as a Custodian for beneficial owners (who would be Eligible Shareholders if they held Shares directly);
- (b) the number of those beneficial owners (which may be provided by way of a separate schedule sent to the Registrar);
- (c) in respect of each of the beneficial owners, the dollar amount of Offer Shares the beneficial owner or the beneficial owner’s agent has instructed the Custodian to accept on behalf of that beneficial owner (which may be provided by way of a separate schedule sent to the Registrar);
- (d) that a copy of this Offer Document was given to each beneficial owner;
- (e) that the Custodian undertakes not to accept on behalf of any of those beneficial owners for which it acts directly or indirectly as a Custodian, Offer Shares the total issue price of which is more than NZ\$15,000; and
- (f) that the beneficial owner on whose behalf the Custodian is submitting an Application is not making a separate Application as an Eligible Shareholder for Offer Shares under the Offer, and no other Custodian is submitting an Application under the Offer for that beneficial owner.

4.4 Custodians are not permitted to participate in the Offer on behalf of, and must not distribute this Offer Document or any documents relating to this Offer to, any U.S. Person. If a Custodian is acting for the account or benefit of a U.S. Person, it is not permitted to participate in respect of that person.

5. Completing the Application and paying for Offer Shares

5.1 If you wish to participate in the Offer, you must complete an online application on the offer website www.shareoffer.co.nz/refiningnz and make an electronic funds transfer for the dollar amount of Offer Shares applied for, in accordance with the instructions on the Offer website. Payments must be drawn on a New Zealand bank account.

5.2 To be valid, Applications must be received by Refining NZ by 5.00pm (NZ time) on 13 December 2021. Applications received after that date will only be accepted at Refining NZ’s discretion.

6. Refining NZ's discretion to accept, reject or scale back Applications

6.1 Refining NZ has discretion to accept or reject your Application to purchase Offer Shares under the Offer, including (without limitation) if:

- (a) your online application is incorrectly completed or incomplete or otherwise determined by Refining NZ to be invalid;
- (b) your payment is dishonoured or has not been completed correctly;
- (c) your electronic funds transfer is not denominated in New Zealand dollars for the exact New Zealand dollar amount of Offer Shares that you have applied for;
- (d) it appears that you are applying to buy more than NZ\$15,000 of Offer Shares (except if you are a Custodian applying on behalf of more than one beneficial owner in accordance with clause 4.2);
- (e) your Application is received after the Closing Date. While Refining NZ has discretion to accept late Applications and payments, there is no assurance that it will do so. Late Applications and payments, if not processed and subject to clause 6.5, will be refunded to you within five business days of the Allotment Date or within five business days of the date of receipt in respect of any late Application and payment received after the Allotment Date. No interest will be paid on any application monies returned to you;
- (f) Refining NZ believes that you are not an Eligible Shareholder or Custodian; or
- (g) Refining NZ considers that your Application does not comply with these Terms and Conditions.

6.2 Refining NZ reserves the right to scale any Application for Offer Shares under the Offer in accordance with clause 9 of these Terms and Conditions. Refining NZ reserves the right to terminate the Offer and reject all Applications at any time prior to the issue of the Offer Shares on the Allotment Date.

6.3 If an Application is rejected, all of the relevant amounts will be refunded to the applicant. If Applications are scaled back, the applicant will receive the number of Offer Shares in respect of which the Application is accepted at the Issue Price and a refund of the balance of the relevant application monies. Refunds will not be paid for any difference arising solely due to rounding or where the aggregate amount of the refund payable to an applicant is less than NZ\$5.00. All refunds will be made without interest.

6.4 Refunds will be paid to the New Zealand bank account for which the Registrar has the details within five business days following the Allotment Date or, in respect of late Applications received after the Allotment Date, within five business days of the date of receipt. If the Registrar does not have such details clause 6.5 will apply.

6.5 If you have not previously provided your New Zealand bank account details to the Registrar, this can either be provided at www.investorcentre.com/nz or by email to enquiry@computershare.co.nz, please provide your CSN. Once sufficient details have been received, the relevant funds will be returned to you within five business days of that occurring. Until such time as New Zealand bank account details are provided the funds will be dealt with in the same manner as unclaimed distributions are under Refining NZ's constitution.

7. Significance of sending in an Application

7.1 If you apply to participate in the Offer by completing an online application:

- (a) you confirm that you have received, read and understood this Offer Document and the Investor Presentation (as well as the Explanatory Booklet, dated 5 July 2021, and in particular Section 6 ("Risks to Refining NZ Group's business and plans"), as updated in the Investor Presentation) in their entirety;
- (b) you agree that your Application, on these Terms and Conditions, will be irrevocable and unconditional (i.e., it cannot be withdrawn);
- (c) you certify to Refining NZ that you are an Eligible Shareholder entitled to apply for Offer Shares under these Terms and Conditions and that all details and statements in your Application are complete and accurate;
- (d) you agree to be bound by the constitution of Refining NZ;
- (e) you acknowledge that the Offer may not proceed, in whole or in part, at Refining NZ's discretion;
- (f) you certify that your acceptance of the Offer will not be, or cause, a breach of any law in any jurisdiction;
- (g) you certify to Refining NZ that you are not applying for more than NZ\$15,000 worth of Offer Shares under the Offer even though you may have received more than one offer under the Offer or received offers in more than one capacity under the Offer;

- (h) without limiting Refining NZ's discretion to accept, reject or scale back any Applications, you authorise Refining NZ (and its officers or agents) to correct any error in, or omission from, your Application and to complete the Application by the insertion of any missing details;
- (i) you acknowledge that Refining NZ may at any time irrevocably determine that your Application is valid, in accordance with these Terms and Conditions, even if the Application is incomplete, contains errors or is otherwise defective;
- (j) you acknowledge that none of Refining NZ, its advisers or agents has provided you with financial advice, and that none of them has an obligation to provide advice concerning your decision to apply for and purchase Offer Shares under the Offer;
- (k) you acknowledge the risk that the market price for the Shares may change materially between the Opening Date, the date you apply for Offer Shares under the Offer, and the Allotment Date. This is particularly the case given the wide fluctuations and volatility in the share prices for many listed companies in recent times due to the continuing impacts of COVID-19, and the significant nature of the changes being undertaken to Refining NZ's business. Accordingly, you acknowledge that:
 - (i) the price paid for Offer Shares may be higher or lower than the price at which Shares are trading on the NZX Main Board at the time Offer Shares are issued under the Offer;
 - (ii) the market price of Offer Shares following allotment may be higher or lower than the Issue Price;
 - (iii) it is possible that up to or after the Allotment Date, you may be able to buy Shares at a lower price than the Issue Price; and
 - (iv) a change in the market price of Shares prior to the Issue Price being determined may affect the Issue Price;
- (l) you acknowledge that Refining NZ is not liable for any exercise of its discretions referred to in these Terms and Conditions; and
- (m) you irrevocably and unconditionally agree to these Terms and Conditions and agree not to do any act or thing which would be contrary to the spirit, intention or purpose of the Offer.

- 7.2 If a Custodian applies to purchase Offer Shares under the Offer for a beneficial owner pursuant to clause 4.2, the certifications referred to in clauses 7.1(c) and 7.1(g) will be taken to be given by the beneficial owner on whose behalf the Custodian is applying to purchase Offer Shares.

8. Issue Price

You agree to pay the Issue Price per Offer Share up to the maximum Application amount you have specified in your online application.

9. Scaling

- 9.1 Refining NZ is accepting Applications for up to NZ\$5 million of Offer Shares in aggregate, with an ability to accept oversubscriptions at its discretion in accordance with the Listing Rules. If Refining NZ receives Applications for more than this amount of Offer Shares in aggregate, Applications may be scaled down.
- 9.2 Any scaling of Applications will be undertaken by reference to the holdings of Existing Shares at 5:00pm on the Record Date.
- 9.3 If scaling produces a fractional number, the number of Offer Shares you will be allotted will be rounded down to the nearest whole number of Offer Shares.
- 9.4 If your Application is scaled, your application monies will be greater than the value of the Offer Shares you will be allotted. The difference will be refunded to you in the manner in which you have elected dividends be paid within five business days of the Allotment Date, unless clause 6.5 applies in which case refunds will be dealt with in accordance with that clause. No interest will be paid on any application monies returned to you. Refunds will not be paid for any difference arising solely due to rounding or where the aggregate amount of the refund payable to you is less than NZ\$5.00.

10. Offer Shares

- 10.1 Offer Shares issued under the Offer will rank equally with, and have the same voting rights, dividend rights and other entitlements as, existing fully paid Shares quoted on the NZX Main Board. Eligible Shareholders will be entitled to receive any dividends declared after the Allotment Date in respect of Shares allocated to them under the Offer.
- 10.2 Applicants for Offer Shares will be bound by Refining NZ's constitution and the terms of the Offer set out in this Offer Document.
- 10.3 It is a term of this Offer that Refining NZ will take any necessary steps to ensure that the Offer Shares are, immediately after their issue on the Allotment Date, quoted on the NZX Main Board. The NZX Main Board is a licensed market operated by NZX (which is a licensed market operator regulated under the Financial Markets Conduct Act 2013). However, NZX accepts no responsibility for any statement in this Offer Document.

- 10.4 You cannot trade in any Offer Shares issued to you pursuant to the Offer, either as principal or agent, until quotation of the Offer Shares on the NZX Main Board in accordance with the Listing Rules. Refining NZ expects that the Offer Shares will commence trading on the NZX Main Board on the Allotment Date. If you wish to sell Shares you hold directly on the NZX Main Board, after confirming your allocation, you must contact a broker (being an NZX Firm under the Participant Rules of NZX) and have a CSN and an Authorisation Code (FIN). If you have lost your CSN or FIN you will need to contact the Registrar or a broker. If you sell your Shares, you may be required to pay brokerage or other sale expenses. You may also be liable for tax on the sale of your Shares. You should seek your own tax advice in relation to your Shares.

11. Amendments to the Offer and waiver of compliance

- 11.1 Notwithstanding any other term or condition of the Offer, and/or the Offer website, Refining NZ may, at its discretion:
- (a) make non-material modifications to the Offer or the Terms and Conditions (in which case Applications for Offer Shares under the Offer will remain binding on the applicant notwithstanding such modification and irrespective of whether an Application was received by the Registrar before or after such modification is made); and/or
 - (b) suspend or terminate the Offer at any time prior to the issue of Offer Shares under the Offer. If the Offer is terminated, application monies will be refunded to applicants without interest within five business days of termination in accordance with these Terms and Conditions (and subject to clause 6.5 if it applies).
- 11.2 Refining NZ reserves the right to waive compliance with any provision of these Terms and Conditions (which will be done in accordance with New Zealand law, including the Listing Rules).
- 11.3 If Refining NZ waives compliance with any provision of these Terms and Conditions, such waiver will apply to all Eligible Shareholders.
- 11.4 Refining NZ will notify NZX of any waiver, amendment, variation, suspension, withdrawal or termination of the Offer.

12. Governing Law

These Terms and Conditions shall be governed by and construed in accordance with the laws of New Zealand.

13. Disputes

If any dispute arises in connection with the Offer, Refining NZ may settle it in any manner it thinks fit. It may do so generally or in relation to any particular Eligible Shareholder applicant, Application or Share. Refining NZ's decision will be final and binding.

14. Inconsistency

Unless otherwise determined by the Board, in the event of any inconsistency between the Terms and Conditions of the Offer and:

- (a) the accompanying letter from the Chair and Questions and Answers section, the Terms and Conditions take precedence; and
- (b) Refining NZ's constitution, Refining NZ's constitution shall prevail.

Glossary

Allotment Date	On 17 December 2021, unless the Offer is extended.
Application	An application for Offer Shares under the Offer made via an online application made through www.shareoffer.co.nz/refiningnz .
Board	The board of directors of Refining NZ.
Closing Date	13 December 2021, unless the Offer is extended.
Custodian	Has the meaning given to that term in clause 4.1 of the Terms and Conditions.
Despatch Date	On or around 20 December 2021, unless the Offer is extended.
Eligible Shareholder	A person who, at 5.00pm (NZ time) on the Record Date, was recorded in Refining NZ's share register as being a registered holder of Existing Shares and having an address in New Zealand, provided that a person who holds Existing Shares on behalf of a person who resides outside New Zealand is not eligible to participate in the Offer in respect of that person. For the avoidance of doubt, no U.S. Person, or a person acting for the account or benefit of a U.S. Person, will be an Eligible Shareholder.
Existing Share	A Share on issue on the Record Date.
Issue Price	The lower of: (a) NZ\$0.83 per Offer Share (being the price paid by investors in the Placement); and (b) a 2.5% discount to the volume weighted average market price of the Shares over the five business day period up to and including the Closing Date.
Listing Rules	The NZX Listing Rules.
NZX	NZX Limited.
NZX Main Board	The main board equity security market operated by NZX.
NZ\$	New Zealand dollars, being the lawful currency of New Zealand.
Offer	The Offer detailed in the Terms and Conditions set out in this Offer Document.
Offer Document	This offer document.
Offer Shares	The Shares offered under the Offer.
Opening Date	2 December 2021.
Placement	The placement of Shares in Refining NZ announced on 29 November 2021 at a price of NZ\$0.83 per Share, under which approximately 47 million Shares are to be issued on 2 December 2021.
Record Date	26 November 2021.
Refining NZ	The New Zealand Refining Company Limited, a company listed on the NZX Main Board.
Registrar	Computershare Investor Services Limited.
Shares	Ordinary shares of Refining NZ.
Terms and Conditions	The terms and conditions of this Offer as set out on pages 21 to 26 of this Offer Document.
U.S. Person	Has the meaning given to it in Regulation S of the U.S. Securities Act of 1933.

Directory

The New Zealand Refining Company Limited

Port Marsden Highway
Marsden Point 0171
New Zealand

Website: www.refiningnz.com

Directors of The New Zealand Refining Company Limited

Simon Allen	(Independent Director and Chair)
James Miller	(Independent Director)
Vanessa Stoddart	(Independent Director)
Paul Zealand	(Independent Director)
John Bourke	
Lindis Jones	
Lucy Nation	

Legal Advisers

MinterEllisonRuddWatts
Level 22, PwC Tower
15 Customs Street West, Auckland Central
Auckland 1010
New Zealand

If you have any queries about how to apply, please contact the Registrar at:

Registrar

Computershare Investor Services Limited
Level 2, 159 Hurstmere Road
Takapuna, Auckland 0622

Private Bag 92119, Victoria Street West, Auckland 1142
New Zealand

Phone: 0800 650 034

Email: refiningnz@computershare.co.nz

Share Purchase Plan Offer Document

2 December 2021



REFINING NZ

Channel
INFRASTRUCTURE