



17 April 2020

### **Refining NZ adopts a new share right incentive plan for its CEO**

The Board is pleased to announce that it has adopted a share rights plan (**Rights Plan**) to execute on its retention and incentive commitments to its new CEO. The new plan also has flexibility to be extended to other employees in the future to further align employees' and shareholders' interests.

The Rights Plan gives an employee a right to be issued or transferred shares, after a certain vesting period and the satisfaction of any vesting hurdles imposed on those rights. In recognition of Refining NZ operating a high hazard site and the Board's commitment to Health and Safety, the Board has express discretion to forfeit any rights in the event of a preventable death onsite. All rights lapse automatically in the event of fraud, dishonesty or wilful default.

As more fully detailed in the 2019 Annual Report, the grant to CEO, Naomi James, has a retention and long-term performance incentive component:

- as detailed in the Capital Change Notice issued today, the retention component was granted today and vests in four years' time, subject to Ms James remaining employed. During that period, Ms James will be subject to her regular annual KPIs under the terms of her employment; and
- the long-term performance incentive component consists of multiple grants over a number of years, starting next year. These grants will have vesting conditions that include Total Shareholder Return exceeding a cost of equity target, over a three-year vesting period.

The CEO's entitlements under the Rights Plan (or any other share rights plan) on vesting are capped at NZ\$6m. Any Rights in excess of the cap immediately lapse, and the Board will work in good faith with the CEO to review and renegotiate the terms of the relevant grants.

On behalf of the Board, Refining NZ Chairman Simon Allen said: "We are pleased to have attracted such a high-calibre CEO, who has already been working with Paul Zealand and the leadership team in the weeks before assuming her role, as Refining NZ has navigated the challenges of COVID-19."

"The remuneration and retention package aligns the CEO with the interests of shareholders as a whole. The long-term incentive grants further align the CEO's performance with generating shareholder value, by defined and measurable targets, and at the same time each recognise Refining NZ's serious commitment to the Health and Safety of our people."

For further information contact:

Greg McNeill  
Communications and External Affairs Manager  
E: [greg.mcneill@refiningnz.com](mailto:greg.mcneill@refiningnz.com)  
M: 021 873623