



25 March 2022

Z Energy Board Chair address to Scheme Meeting

Z Energy Limited (NZX/ASX: ZEL) ("Z") has called a Special Shareholders Meeting to consider and vote on the Scheme of Arrangement with Ampol.

Attached is the Chair's address and accompanying slides that will be presented to the Scheme meeting.

Ends

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Welcome and Introductions

Kia ora Koutou and Haere Mai. Welcome to this Special Shareholders Meeting of Z Energy. My name is Abby Foote and I am the Chair of the company.

The meeting has been properly called and there is a quorum present.

We will use some slides during the shareholder meeting. For those of you online you will be able to see these and follow along. The slides have been posted to the NZX and ASX and will be available on Z's investor website at the conclusion of this meeting.

The sole purpose of today's special meeting is for shareholders to consider and vote on the Scheme of Arrangement with Ampol, an entity listed on the Australian Stock Exchange.

Due to the present COVID-19 pandemic and to minimise health risks to attendees, today's meeting is being held online, and concurrently via telephone. Shareholders and proxies can ask questions and submit votes, online via the meeting website or via telephone.

For those of you online, I would encourage you to send through your questions as soon as you can. This will allow us to answer these questions at the appropriate time of the meeting. Additionally, for those shareholders listening in today via the telephone, your voting instructions are included in the Virtual Annual Meeting Online Guide that accompanied your notice of meeting.

I would like to introduce you to my fellow directors on the Z Energy Board who are joining us via webcast:

- Mark Cross,
- Mark Malpass,
- Blair O'Keeffe,
- Julia Raue,
- Steve Reindler.

We are also joined by our CEO, Mike Bennetts here in Wellington while our CFO Lindis Jones, members of the Z executive team, our legal advisors and our auditors have joined via the webcast.

Meeting Agenda

I will shortly speak to the background and summary of the Scheme and then address your questions that have been submitted by shareholders both prior to, and during, this meeting.

I'll then move to the formal part of the meeting. We have one resolution to consider today. Shareholders will be asked to consider, and if thought fit, to pass the following resolution as a special resolution:

That the Scheme (the terms of which are described in the Scheme Booklet) be approved.

As a reminder, for the Scheme to proceed, it is necessary that both the voting thresholds are met, being:

1. 75% or more of the votes cast must be voted in favour of the Scheme Resolution; and
2. more than 50% of the total number of Z Shares on issue and entitled to vote must be voted in favour of the Scheme Resolution.

If you have not already voted, your notice of meeting contains instructions on how to cast your vote. Final results of the voting will be posted on both the NZX and ASX stock exchanges later today.

Background and Summary

As you know, Ampol Limited has proposed to acquire one hundred per cent (100%) of the shares in Z Energy by way of a Scheme of Arrangement.

The Scheme Implementation Agreement was entered into on 10 October 2021 and followed several months of engagement by the board with Ampol resulting in increased value being offered. Your directors are of the view that the Scheme presents the best way forward for Z at this time, given the premium to Z's share price prior to Ampol's approach, the industry headwinds faced by Z over the long term and the certainty provided by the Scheme.

The Directors believe that the Scheme Consideration represents fair value and the Scheme is in Shareholders' best interests.

The Scheme Implementation Agreement provides that if the Scheme is approved by shareholders, and all other conditions are satisfied, then shareholders who hold shares on the Scheme Record Date will be entitled to receive three dollars and seventy six cents (\$3.76) per share on the Scheme Implementation Date, subject to the adjustments I am about to outline, and Ampol Holdings NZ Limited, a subsidiary of Ampol, will become the new owner of the company.

In addition to the three dollars and seventy six cents (\$3.76) per share that shareholders will receive if the scheme proceeds, shareholders on the Scheme Record Date will also receive additional consideration depending on the number of days that pass between

31 March 2022 and the Implementation Date for the scheme (calculated at a daily rate of point zero five five cents (\$0.00055) per Scheme Share per day), up to a limit of ten cents (\$0.10) per Scheme Share.

The second adjustment relates to further dividends paid by Z before the Implementation Date. In accordance with the terms of the Scheme Implementation Agreement, Z paid an interim dividend of seven cents per Share on 8 December 2021 to Shareholders on the register as at 19 November 2021. If you received this dividend and you also receive the payment of three dollars seventy six per share (\$3.76) (subject to the adjustments outlined above) on implementation of the Scheme, the total value you will have received since announcement of the Scheme is three dollars eight three (\$3.83) per Z Share.

If Z Energy pays any further dividends in respect of the financial year to 31 March 2022, the amount of such dividend(s) will reduce the Scheme Consideration payable by Ampol by an equivalent amount to any dividend paid. The Scheme Booklet contains further details of these adjustments to the Scheme Consideration, including worked examples.

Once the Scheme Record Date and date for implementing the Scheme is finalised, Z will confirm the final amount of Scheme Consideration payable to shareholders by announcing that on the NZX and ASX.

The Scheme is also subject to the conditions described in the Scheme Booklet. Z was pleased to confirm that Ampol received clearance from the New Zealand Commerce Commission on 16 March. Ampol has submitted an application for consent from the Overseas Investment Office. The OIO application continues to be progressed, and implementation of the Scheme remains subject to OIO approval being received.

The other approvals required are shareholder approval, which will be sought at today's meeting, receipt of the Takeovers Panel's 'no objection' statement, for which Z has already received a letter of intention to issue the no objections statement from the Takeovers Panel and, if shareholder approval is obtained, the final orders of the High Court.

If these approvals are obtained, and the remaining conditions contained in the Scheme Implementation Agreement are satisfied (each of which can only be satisfied at 8.00am on the implementation date for the Scheme), shareholders on the record date for the Scheme will be paid on the implementation date, which is expected to be before the end of second quarter of this calendar year. Shareholders will be notified of these dates following OIO approval being received. The implementation date for the scheme is expected to be approximately one month after OIO approval is obtained.

You should have all received a Scheme Booklet to help you assess the merits of the Scheme before you vote.

Within the booklet is an Independent Adviser's Report prepared by Calibre Partners, who has assessed the value of Z Energy shares (including a premium for control) to be

within the range of three dollars fifty four to four dollars and seven cents per share, with a midpoint of three dollars eighty per share. The Independent Adviser is of the opinion that the offer is reasonable and the price of three dollars seventy six per share is within its valuation range and near the midpoint.

I can confirm that we have received proxies for **327,603,979** shares representing **63.21%** of issued share capital. Of these, **97.50%** are in favour of the Scheme, **1.20%** are against, and a further **1.29%** are discretionary votes. **61.63%** of the total number of shares on issue have been voted in favour of the resolution.

Your directors unanimously recommend that you vote in favour of the Scheme. Your directors have voted the Z Energy shares that they own or control in favour of the Scheme.

Questions and Answer session and Scheme voting to follow.



Z Energy

(NZX/ASX:ZEL)

Special Shareholders Meeting

25 March 2022

Introductions



Abby Foote



Mark Cross



Mark Malpass



Mike Bennetts
CEO



Lindis Jones
CFO



Blair O'Keeffe



Julia Raue



Steve Reindler





Background and Scheme summary

Scheme entered into on 10 October, 2021 following several months of engagement by the Z Energy Board with Ampol

Directors are of the view that the Scheme presents the best way forward for Z at this time. Directors believe that the Scheme Consideration represents fair value for shareholders and Scheme is in the best interests of shareholders.

Directors unanimously recommend that you vote in favour of the Scheme

Shareholders on record date will receive \$3.76 per share and will receive additional consideration of \$0.00055 per share per day for scheme implementation beyond 31 March, 2022 capped at \$0.10 per share

If a dividend is paid in respect of FY22 earnings the amount of such dividend(s) will reduce the Scheme Consideration payable by Ampol by the equivalent amount.

The Scheme is also subject to other conditions described in the Scheme Booklet, notably approval from the Overseas Investment Office

Questions and Answers



Questions will be answered in the following order:

1. Questions pre-submitted to the special meeting via the Registrars online portal
2. Questions from on-line participants
3. Questions from the telephone

In the interests of fairness to all shareholders anyone wishing to ask questions please be as concise as possible and considerate to other shareholders wishing to ask questions.



Online questions



1. Does the offer price of \$3.76 fairly value Z Energy?
2. I don't understand the rationale that the offer should be accepted just because there isn't a better offer. Why sell at all? Couldn't the company consolidate its position in the market during the coming years, pay good dividends and be worth a lot more?
3. Why should shareholders approve the Scheme at a price that is not only short of the mid-point of the range of the Independent Valuation but well short of the top end? The offer price of less than the mid-point is only foregoing shareholder value to enrich Ampol.
4. How should Z shareholders think about the value of the Ampol deal in the context of what Z shareholders are being asked to approve? For instance on some sort of standard measure – e.g. per litre, market share or RC EBITDAF multiple, how much Ampol is offering to purchase Z vis a vis what it is selling Gull for? On the face of it the Gull deal value looks much higher relative to the Z deal. Is this correct and if not why not, or if so why?
5. What is going to happen with the New Zealand Refinery Shares when Z Energy is sold to Ampol?



Online questions cont.

6. Although the stock has been downtrending these last couple of years, now with the current Ukraine situation and inflation of all commodity particularly with energy plus the reopening "with corona" in the USA & Europe, what is your view of the business outlook now compared to the deal in July last year?
7. With increasing interest in Climate change & carbon tax, how is Z energy working around this?
8. How much do you actually earn in share tank? You refunded the 25c tax credit

Questions and Answers



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Resolution voting



The special resolution to be voted on by shareholders is:

That the Scheme (the terms of which are described in the Scheme Booklet) be approved.

Please see your proxy voting form or follow online instructions for voting

To approve the Scheme, it is necessary that both of the following two voting thresholds are met:

- ✓ *The first threshold is that 75% or more of the votes cast in each interest class must be voted in favour of the Scheme Resolution.*
- ✓ *The second threshold is that more than 50% of the total number of Z Shares on issue and entitled to vote must be voted in favour of the Scheme Resolution*





Voting in progress

Thank you

