



12 June 2020

Provision of Financial Assistance under Employee Share Purchase Scheme

In accordance with section 80 of the Companies Act 1993, The New Zealand Refining Company Limited (**Company**) is required to make the following disclosure in respect of financial assistance provided by the Company for the recent allocation to its employees under the Company's Employee Share Purchase Scheme (**Scheme**). This notice replaces the document provided to shareholders on 12 March 2020, titled "*Provision of Financial Assistance in Connection with The Refining NZ Employee Share Purchase Scheme for 2019*".

The Company established the Scheme which qualifies as an "Exempt ESS" under section CW26C of the Income Tax Act 2007 (as amended). The Scheme recognises the important contribution that the Company's employees make to its future. By implementing the Scheme, the Board considers that the interests of the employees will be aligned with those of the Company and its shareholders and assist the Company in retaining and motivating employees.

Under the Scheme:

- Participating employees have acquired \$981 worth of shares in the Company in respect of the 2019 financial year.
- An employee contribution of \$1 (deducted from their pre-tax salary or wages) toward the \$981 offer amount is made.
- The Company has contributed the rest of the cost up to the \$981 offer amount i.e. \$980 (**Contribution**). This amount is calculated based on a Business Performance Factor (**BPF**) that is approved by the Board for the relevant financial year, multiplied by \$1,000. For the 2019 financial year, a BPF of 0.98 has been approved by the Board.
- A trust has been created under the Scheme, with CRS Nominees Limited acting as trustee (**Trustee**), for the purpose of acquiring the Company's shares either on NZX or by issuance from the Company and holding those shares until they are withdrawn from the Scheme by the participating employee following a period of restriction.

The details of the financial assistance provided by the Company are as follows:

Shares in respect of which the financial assistance was provided	317,190 ordinary shares in the Company (Shares).
Consideration paid for the Shares	\$0.90 per Share.

Recipient of the financial assistance

The Trustee received the financial assistance noted below. The Trustee holds the Shares for the benefit of the employees of the Company who applied to acquire Shares under the Scheme. The Shares are held by the Trustee for the participants until they are withdrawn by the participants following a restricted period of 3 years from the acquisition date, unless released earlier in certain limited circumstances (e.g. death, sickness etc).

Nature of financial assistance

The financial assistance was given in the form of (a) an advance of NZ\$285,180 to the Trustee to acquire the Shares; and (b) approximately NZ\$11,126 to cover the costs of operating the Scheme.

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