



Board Charter

Purpose

This Board Charter (**Charter**) focuses on the practices and behaviours that underpin the function of the Board of Directors (**Board**) at Genesis Energy (or the **Company**) and identifies the principles of corporate governance that assist Directors in performing their duties.

This Charter does not attempt to provide a complete record of all formal and informal rules relevant to the Board.

Role of the Board

The Board is responsible for the governance, proper direction and control of the activities of Genesis Energy and its subsidiary companies. The primary function of the Board is to act in a manner that Directors believe is in the best interests of Genesis Energy, thereby enhancing the long-term value of the Company, while having appropriate regard to the interests of its shareholders, employees and other stakeholders.

The Board operates in accordance with all applicable laws and regulations, the constitution of Genesis Energy (**Constitution**) and the requirements of the NZX Main Board Listing Rules and the ASX Listing Rules.

A copy of the Company's Constitution can be found on the Genesis Energy website.

Corporate Governance Framework

The Board is committed to maintaining the highest standards of governance, business behaviour and accountability in order to promote investor confidence. The Board believes high standards of corporate governance are essential for sustainable long-term performance and creating value for shareholders.

The Board recognises the importance of:

- (a) a successful balance of relationships between an organisation's Board, management, shareholders and stakeholders; and
- (b) establishing the appropriate level of accountability and transparency to be observed by the Board.

The Board endorses the Corporate Governance Best Practice Code as set out in the NZX Main Board Listing Rules, the New Zealand Financial Markets Authority Corporate Governance in New Zealand Principles and Guidelines (**FMA Guidelines**), the ASX Listing Rules and the 3rd edition ASX Corporate Governance Principles and Recommendations.

Code of Conduct and Ethics

The Board has approved and adopted a Code of Conduct and Ethics for Genesis Energy which is a formal statement acknowledging the commitment of the Board, management and staff to maintaining the highest standards of honesty, integrity and ethical conduct in day-to-day behaviour and decision-making at Genesis Energy.

A copy of the Code of Conduct and Ethics is available on the Genesis Energy website.

Functions and Responsibilities of the Board and Management

The Board's responsibilities include the following:

- (a) approve the strategic direction for Genesis Energy and oversee the corresponding business strategies and objectives that give effect to the Company's strategic direction;

- (b) oversee the operation of Genesis Energy's business and ensure that it is being managed appropriately;
- (c) review and approve Genesis Energy's budgets, business plans, dividend policy and financial forecasts. Monitor the management of the Company's capital, including the progress of any significant capital expenditure, acquisition or divestments;
- (d) monitor the financial performance of Genesis Energy;
- (e) monitor the integrity of reporting and establish procedures to ensure the timely and accurate reporting of financial results, consistent with all legal and regulatory requirements;
- (f) delegate day to day operation of Genesis Energy to the Chief Executive and senior managers subject to specific limits of authority;
- (g) approve and regularly review the Company's internal decision-making and any strategic policies, frameworks, procedures and Board and committee charters;
- (h) approve the frameworks and systems designed to facilitate Genesis Energy's business being conducted in an honest, ethical, responsible and safe manner;
- (i) oversight and review of Genesis Energy's health, safety and wellbeing framework and strategy, centred around the Board's commitment to a goal of zero harm to employees and other people who may be affected by the Company's operations;
- (j) implement effective audit, risk management and compliance systems to protect Genesis Energy's assets and minimise the possibility of the Company operating beyond legal requirements or beyond acceptable risk parameters;
- (k) safeguard the reputation of the Company and the Genesis Energy brand;
- (l) manage the appointment and succession of the Chief Executive, and review the remuneration and performance of the Chief Executive, consistent with the Company's strategic direction;
- (m) monitor the appointment, performance and remuneration of other senior management roles within the Company;
- (n) review succession and development plans for key senior management roles within the Company;
- (o) report to and communicate with shareholders;
- (p) monitor the effectiveness of Genesis Energy's governance practices; and
- (q) give proper attention to all matters before the Board.

Management is responsible for implementing the strategic objectives of the Board and for otherwise managing the day to day affairs of the Company in accordance with the delegations set by the Board (as set out in the Delegated Authority Policy) and all other policies adopted by the Board.

Board Composition and Director Independence

The Board is structured in such a way, that as a collective group, it has the skill, knowledge, experience, and diversity to meet and discharge its responsibilities.

The number of Directors on the Board at any one time is determined in accordance with the Constitution. Board membership details are disclosed on the Genesis Energy website.



The Board will comprise of a majority of independent non-executive Directors, with a minimum of two Directors who will be ordinarily resident in New Zealand.

The Board's criteria for determining independence will be the requirements of the NZX Main Board Listing Rules, the ASX Listing Rules and the FMA Guidelines.

The Board will assess the independence of Directors on their appointment, with continued review of independence undertaken regularly. Directors acknowledge that a change in the status of a Director's independence must be disclosed immediately.

Director Appointment and Rotation

The Nominations Committee recommends to the Board potential candidates for appointment as a Director of Genesis Energy. To be eligible for selection, candidates must demonstrate the appropriate qualities and experience for the role of Director and will be selected on a range of factors, including the needs of the Board at the time.

This need is identified during Board reviews undertaken from time to time, to determine the mix of skills and experience that the Board is seeking to maintain and develop. The Board may appoint Directors to fill casual vacancies. Directors appointed will be required by the Company's Constitution to be elected by the shareholders at the first annual meeting after their appointment.

At least one third of all Directors (or, if their number is not a multiple of three, then the number nearest to one third) will retire at the annual meeting each year, but will be eligible for re-election at that meeting.

In each year, the Directors who retire are those who have been longest in office since their last election.

Directors may be appointed for further terms subject to their re-election being approved by shareholders.

Chairman's Appointment and Role

The Chairman is elected by the Board. The Chairman's appointment is approved by the Minister of Finance.

The Chairman of the Board will be an independent Director and will not be the same person as the Chief Executive.

A former Chief Executive should not go on to become the Chairman of the Board unless there has been a period of at least three years between ceasing employment with the Company and serving on the Board.

The Chairman's responsibilities are to:

- (a) provide effective leadership in formulating strategic direction;
- (b) promote the integrity and effectiveness of the governance process of the Board, and the efficient and ethical conduct of Board meetings;
- (c) provide Directors with the opportunity to discuss contrasting views, explore ideas and generate the collective views and contribution of knowledge necessary for the effective operation of the Board and the Company;
- (d) maintain regular dialogue with the Chief Executive on operational issues and financial performance and, where required, escalate matters to all Directors for consideration and resolution; and
- (e) represent the Board with shareholders and stakeholders.

Company Secretary

The Company Secretary of the Board is responsible for providing administrative support in respect of Board policy, procedure, recording of minutes, co-ordinating the timely dispatch of the Board agenda and briefing material, providing advice on any legal matters affecting the Board's decisions or the operation of the business, assisting the Chairman with any shareholder communication and maintaining all official Board and Company records and statutory registers.

The Company Secretary is accountable to the Board, through the Chairman, on all governance matters. The appointment and removal of the Company Secretary should be a matter for the Board as a whole.

Board Committees

The Board has established Committees to assist it in carrying out its responsibilities and has adopted Committee Charters that set out the delegated function, responsibility and purpose of each Committee.

Committee Chairs and members are appointed by the Board.

The Board is responsible for the oversight of any Committee. Committees may make recommendations to the full Board, but do not make decisions on behalf of the Board unless specifically mandated to do so.

The Board will annually review and evaluate the performance of each Committee to ensure it is operating in accordance with its Charter and all relevant Board delegations.

Each Committee's Charter will be reviewed every two years or earlier if considered appropriate.

The Board has established three permanent Committees:

- (a) The Audit and Risk Committee - assists the Board in providing oversight of all matters relating to risk management, financial management and controls, financial accounting, audit and the external reporting requirements of Genesis Energy and its subsidiary companies;
- (b) The Human Resources and Remuneration Committee - assists the Board in the discharge of its responsibilities and oversight relative to the remuneration and performance of the Chief Executive and senior executives, remuneration of Directors and human resources policy and strategy; and
- (c) The Nominations Committee - assists the Board in succession planning for the Board and ensuring the Board has the appropriate balance of skills, experience, independence and knowledge to enable it to effectively discharge its duties and responsibilities.

A copy of each Committee's Charter is available on the Genesis Energy website.

From time to time the Board may establish other standing or temporary committees to consider or monitor specific projects or issues.

Board Meetings and Proceedings

Board meetings and proceedings are primarily governed by legislation and by the Constitution. Outside these requirements, Board meetings and proceedings operate on the following basis:

- (a) **Frequency** - The Board meets a minimum of ten times a year. Additional meetings may be scheduled at the discretion of Directors, as deemed necessary to discharge their obligations. Directors also participate in strategy and professional development workdays.
- (b) **Quorum** - The Constitution requires that a quorum is three Directors present and entitled to vote.

- (c) **Board Materials** - To enable appropriate review by Directors, the information and approval papers for Board meetings are sent to Directors approximately one week in advance of Board meetings, in paper and/or electronic form (except in the case of a special meeting, for which the time period may be shorter due to the urgency of the matter to be considered). The content, presentation and delivery of papers to Directors for each meeting is produced according to the guidelines agreed by the Board and as deemed necessary to enable the Board to effectively discharge its duties.
- (d) **Minutes** - Proceedings of all Board and Committee meetings are minuted and signed by the Chairman of the relevant meeting, subject to prior circulation to Directors and approval by the Board or relevant Committee. All discussions at Board meetings and the meeting minutes remain confidential unless there is a specific direction from the Board or disclosure is required by law.
- (e) **Agenda** - The Company Secretary, in conjunction with the Chief Executive and Chairman, establishes the agenda for each Board meeting. Each month there are regular standing items and Directors are free to introduce additional agenda items for discussion outside the formal agenda.
- (f) **Closed Session** - The Board may elect to meet without the Chief Executive and/or management present, for a closed discussion on any Genesis Energy issue. Non-executive Directors of the Board may meet separately from executive Directors of the Board.
- (g) **Invitees** - Directors and the Chief Executive (with the prior consent of the Chairman) may invite members of management and/or advisors to attend Board meetings as deemed appropriate to discuss or obtain further information on any matter.

Reliance on Advice

The Board is expected to exercise a high standard of commercial judgement.

In doing so, Directors are entitled to rely on the honesty, integrity and advice of Genesis Energy's management team and its external advisors and auditors, but must not substitute reliance on the advice of management and third parties for the Board's own due consideration of the issues presented to it for review and approval.

In discharging their respective duties, individual Directors may (with the prior approval of the Chairman) engage and consult with professional advisors from time to time, with any costs being met by the Company.

Professional Development for Directors

The Board is committed to continued professional development to enable Directors to maintain the knowledge and skill set required for the office of director of an issuer and to provide Directors with any new knowledge specific to the energy industry and to a listed environment.

Directors visit Genesis Energy sites and operations, attend stakeholder and iwi engagement events and attend briefings from senior managers and industry experts.

Induction for New Directors

Each new Director will receive a letter of appointment setting out the key terms and conditions of their appointment.

New Directors are provided with an induction pack containing a Directors' Duties Guide, governance information, key policies and all relevant information necessary to prepare new Directors for their role.

Directors also participate in an induction programme, designed to provide new Directors with an overview of Genesis Energy, its operations and the environment and markets in which Genesis Energy operates.

Evaluation of Board Performance

Directors conduct an annual performance review and evaluation of the Board as a whole, with Directors' views sought on issues relating to Board process, efficiency and effectiveness, for discussion by the full Board.

The Chairman engages with individual Directors to evaluate and discuss performance and professional development.

Disclosure of Interest/Conflicts of Interest

Each Director is required to disclose all actual or potential conflicts of interest, including all relationships he or she has with Genesis Energy (and all of its subsidiary companies) and relevant private or other business interests to the Board (which will include relationships with competitors or third-party suppliers), in order that the Board may assess the Director's independence. All disclosures of interest (including the nature and extent of any interest) are recorded in the Interests Register of the Company by the Company Secretary and tabled at each Board meeting.

It is expected that Directors will be sensitive to actual and perceived conflicts of interest that may arise and they are expected to give ongoing consideration to this issue.

Directors will minimise the possibility of a conflict of interest by restricting their involvement in businesses that could lead to a conflict of interest. Where conflicts of interest do exist, then Directors excuse themselves from discussions in accordance with the requirements and guidance provided in the NZX Main Board Listing Rules, the ASX Listing Rules and the FMA Guidelines, in respect of those interests and do not exercise their right to vote in such matters.

Directors are not permitted to provide business or professional services to Genesis Energy.

Corporate Opportunities and Remuneration

The Board has established a policy to address the manner in which Director remuneration, expenses, travel and any corporate opportunities are authorised.

In brief:

- (a) directors' remuneration is paid in the form of Directors' fees. Additional fees are paid to Committee Chairs and Committee members to reflect the additional responsibilities of these roles. The Chairman of the Board does not receive any additional fees for Committee attendances. The fees available to be paid to Directors are subject to shareholder approval;
- (b) directors will not use for personal gain, opportunities that are discovered through the use of Company property or Company information disclosed to Directors by virtue of their position as a Director;
- (c) directors will not accept gifts or personal benefits of any value from any external party, if it would or could be perceived that this could compromise or influence any decision of the Company and under no circumstances will they accept cash gifts;
- (d) directors will not offer gratuities or other personal rewards designed to influence business transactions; and
- (e) all Directors' expenses are approved by the Chairman and the Chairman's expenses are approved by the Chairman of the Audit and Risk Committee.



Director Indemnity and Insurance

All Directors have the benefit of an indemnity as provided for in the Constitution and as permitted by the Companies Act 1993.

The Company has Director and Officer Liability insurance. The costs of this insurance are met by the Company.

The existence of the indemnities and insurance is disclosed in the Company's Interest Register.

Trading in Genesis Energy Shares

Directors may hold Genesis Energy shares.

Directors are subject to limitations on their ability to deal in Genesis Energy shares by Genesis Energy's Trading in Company Securities Policy and New Zealand and Australian law. These limitations include the requirement that Directors may not deal in Genesis Energy shares while in possession of 'insider information' (that is, material information that is not generally known to the market) and provided Directors have no insider information, they may only trade during specific periods of time during the year.

As a matter of policy, Genesis Energy requires that prior to a Director dealing in Genesis Energy shares, consent must be obtained from the Chairman, and where the Chairman wishes to trade his or her shares in Genesis Energy, consent must be obtained from the Chairman of the Audit and Risk Committee, with notification to the Company Secretary.

All changes in any interests in Genesis Energy shares held by Directors are required to be reported to the Board and the stock exchanges on which Genesis Energy is listed.

Shareholders and Stakeholders

The Board is mindful of the issues of concern to its shareholders and stakeholders (namely, its customers, employees and the communities in which Genesis Energy operates).

The Board continuously monitors and evaluates economic, environmental, political and social issues and sustainability risks that may influence Genesis Energy and its operations.

Inconsistency with Constitution

To the extent that there is any inconsistency between this Board Charter and the Constitution, the Constitution will prevail.

Review of this Charter

The Board will review this Charter every two years or earlier if required.

The Board will approve any changes to this Charter.

Last approved: October 2017.