



Corporate Governance Statement

Approach to Corporate Governance

The Board of Genesis Energy Limited (**Genesis** or the **Company**) considers “best practice” corporate governance to be essential to the achievement of strong and sustainable Company performance and to maintaining the trust and confidence of shareholders. Integrity and high standards of behaviour and accountability are expected from all the Company’s staff.

The Company’s governance framework is recorded in various policies, charters and processes, many of which are discussed below. These are reviewed and approved at regular intervals by the Board and standing Committees to ensure they continue to meet the high standards required by the Board and reflect regulatory changes and developments in corporate governance practices. The Company has integrated the governance policies into employee induction and training, and monitors compliance with the policies.

The Board endorses the corporate governance principles embodied in the NZX Corporate Governance Code 2019 (**NZX Code**) and believes the Company’s corporate governance principles, policies and practices are consistent with the NZX Code.

The NZX Listing Rules require the Company to report against the NZX Code. This Corporate Governance Statement follows the structure of the NZX Code.

The Company’s standing Committee Charters and certain policies referred to in this document are available to view on the governance section of Company’s website - www.genesisenergy.co.nz/investors/governance (the **Company’s Website**).

NZX Code

Principle 1: Code of Ethical Behaviour

“Directors should set high standards of ethical behaviour, model this behaviour, and hold management accountable for these standards being followed throughout the organisation.”

Genesis’ reputation as a trusted and respected company is one of its most valuable assets. The Company expects its directors, officers, employees and contractors to maintain high standards of ethical conduct and to act legally, ethically and with integrity and in a manner that is consistent with the Company’s policies. These policies include the following:

Code of Conduct and Ethics

The Board has adopted a Code of Conduct and Ethics, which is a formal statement acknowledging the commitment of the Board, management and employees of the Company to maintaining the highest standards of honesty, integrity and ethical conduct in day-to-day behaviour and decision-making at the Company. The Code of Conduct and Ethics describes certain “base line” behaviours and responsibilities that are expected of our people when working for Genesis, including those related to:

- (a) honesty and ethics;
- (b) conflicts of interest;
- (c) respect for work colleagues;
- (d) respect for customers, consumers, creditors and suppliers;
- (e) use of assets and resources;
- (f) protection of the Company’s confidential information;
- (g) the making of public statements and representations;
- (h) the Company’s reputation and brand;
- (i) compliance with the law;
- (j) training; and

(k) maintenance of the Company's records and documentation.

The Code of Conduct and Ethics draws together and summarises other key Company policies and standards that expand on and support the Code. The Company has an ongoing programme to maintain employee awareness and understanding of these policies and standards.

There are procedures for the reporting of breaches of the Code of Conduct and Ethics or other Company policies or laws. The Company will support any person who reports any legal or policy breach in good faith.

The Code of Conduct and Ethics is available on the Company's Website.

Trading in Company Securities Policy

The Company's Trading in Company Securities Policy provides guidance and sets out the rules for all trading by Directors, officers, employees and contractors in Genesis securities on the NZX and ASX and trading in New Zealand electricity futures on the ASX. In addition to the prohibition on insider trading, Certain individuals within Genesis, including all Directors and senior executives ("restricted persons" under the policy), must not trade in Company securities during specified "blackout" periods, which occur twice per year, before the release of the half and full year results (and can occur in other special circumstances). Such persons must obtain the written consent of the Company before trading in Company securities (which must occur outside of the blackout periods).

Company-wide internal training is also provided to employees on the key themes of the policy and its application. The communication to staff of the commencement and conclusion of the blackout periods also provides a further reminder of the policy.

The Trading in Company Securities Policy is available on the Company's Website.

Conflicts of Interest

The principles that govern the management of conflicts of interest are addressed in several governance documents, including the Company's constitution (**Constitution**), the Board Charter, Conflicts of Interest Policy and the Code of Conduct and Ethics (all of which are available on the Company's Website). Collectively these policies provide guidance to both Directors and employees as to when a conflict of interest may arise and set out the procedures for managing a conflict of interest.

Principle 2: Board Composition and Performance

"To ensure an effective board, there should be a balance of independence, skills, knowledge, experience and perspectives."

Role of the Board

The Genesis Board is elected by the Company's shareholders and is responsible for the oversight, supervision and direction of the business. The Board's primary role is to act in a manner that Directors believe is in the best interests of the Company, thereby enhancing the long-term value of the Company, while having appropriate regard to the interests of its shareholders, employees, customers and other stakeholders.

The Chief Executive has responsibility for implementing the strategic objectives of the Board and for otherwise managing the day to day affairs of the Company in accordance with formal delegations of authority from the Board.

The Board Charter (available on the Company's Website) records the key functions and responsibilities of the Board and its commitment to operating in a manner consistent with corporate governance best practice. The Board regularly reviews the Board Charter and the delegations from the Board to the Chief Executive.

Board Structure and Composition

The NZX Listing Rules, the Company's Constitution and the Board Charter set out the Board's composition, which is:

- (a) a minimum of three and a maximum of nine Directors¹; and
- (b) a majority of independent non-executive Directors, with a minimum of two Directors who will be ordinarily resident in New Zealand.

Director and Chairman Independence

At any one time, at least a majority of the Board is considered 'independent' under the NZX Listing Rules and the NZX Code, which in summary means that they are not substantial shareholders or recent former executives of Genesis and they are free of any direct or indirect interests or relationships that could reasonably interfere, or reasonably be seen to interfere, in a material way, with the independent exercise of their judgement on issues before the Board and to act in the best interests of Genesis and represent the interests of the holders of holders of the Company's financial products generally. In considering whether a Director is independent the Board has regard to the factors described in the NZX Code that may impact Director independence (if applicable) and considers all the circumstances including the history of the relationship between the Director and the Company. Directors must immediately disclose to the Company a change in the status of a Director's independence.

The roles of Chairman and Chief Executive are exercised by different persons. The Chairman is appointed by the Board from amongst the independent Directors. Under the Company's Constitution the Chairman's appointment is approved (due to the Company's status as a Mixed Ownership Company as defined by the Public Finance Act 1989) by the Minister of Finance.

In discharging their respective duties, individual Directors may, with the prior approval of the Chairman, seek advice from external professional advisors from time to time, with any costs being met by the Company.

Board Appraisal

Directors undertake a bi-annual review and evaluation of the performance of the Board, Committees and the Chairman, with Directors' views sought and discussed on issues relating to Board and Committee processes, efficiency and effectiveness. The Board's Nominations Committee is responsible for recommending to the Board, for its approval, the annual evaluation process.

Directors' Skills and Experience

The Board is structured and Director succession is managed to ensure that its composition continues to:

- (a) include Directors who, collectively, have a mix of skills, knowledge, experience and diversity to meet and discharge the Board's responsibilities; and
- (b) retain a balance between long-serving Directors with experience and knowledge of the energy sector and the Company's business and history, and new Directors who bring fresh perspectives and insights.

Collectively, the Board has an extensive range of commercial skills, knowledge, experience and diversity to meet and discharge the Board's responsibilities.

¹ At its Annual Shareholder Meeting to be held in October 2019, shareholders will be asked to vote on changes to the Constitution including the deletion of the maximum number of Directors and its replacement with a requirement that the Company comply with the Board composition requirements of the NZX Listing Rules.

Professional Development for Directors

The Board is committed to the continued professional development of Directors to enable them to maintain the knowledge and skill set required for the office of director of a public issuer and to provide Directors with industry specific knowledge and knowledge of regulatory and governance practices relevant to the Company's operations.

Director development is provided through regular management presentations on key business functions and updates on legislation and governance. Directors are also offered access to external education and professional development training, the costs of which are met by the Company.

Director Appointments and Induction

A Director is appointed by ordinary resolution of the shareholders. In addition, under the Company's Constitution the Board may fill a casual vacancy, and a Director appointed in this manner must retire at the next Annual Shareholders Meeting to enable shareholders to vote on the Director's re-appointment to the Board.

Director appointments are preceded by a rigorous search and appointment process that is overseen by the Nominations Committee, which then recommends a candidate(s) to the Board for appointment (in the case of a casual vacancy) or to the shareholders for election.

Director rotation requirements are laid down in the Company's Constitution and the NZX Listing Rules which provide that each Director must not hold office (without re-election) past the third Annual Shareholders Meeting following that Director's appointment or three years, whichever is the longer, but will be eligible for re-election²

There are formal letters of appointment in place with all non-executive Directors, setting out the key terms and conditions of their appointments. 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 roles. New Directors also participate in an induction programme led by the Chief Executive, designed to provide an overview of Genesis, its operations and the environment and markets in which the Company operates.

For details on the current Board of Directors, including Directors' biographies, qualifications, independence status and details of relevant interests in securities of the Company, see the Annual Report available at <http://www.genesisenergy.co.nz/investors/reports-and-presentations> and www.genesisenergy.co.nz/board-of-directors.

Indemnity and Insurance

In accordance with section 162 of the Companies Act and the Company's Constitution, and to the extent permitted by law, Genesis has indemnified and arranged insurance for all current and former Directors and executive officers of the Company and its subsidiary companies. The indemnity and insurance protects the Directors and executive officers against any liabilities that arise against any party, when they carry out their normal duties. The indemnity and insurance does not apply to liabilities that arise against the Company or a related body corporate, or if the liability relates to conduct involving a lack of good faith.

Principle 3: Board Committees

“The Board should use committees where this will enhance its effectiveness in key areas, while still retaining Board responsibility.”

Board Committee Governance

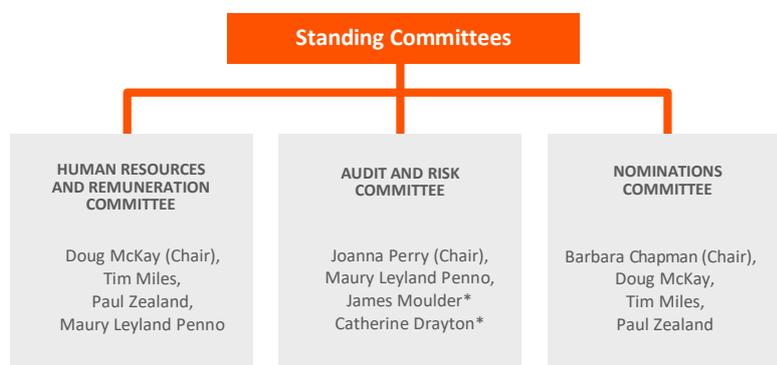
The Board has established three standing Committees to assist in the efficient performance of the Board’s functions and the achievement of appropriate governance outcomes, being the Audit and Risk Committee, the Human Resources and Remuneration Committee and the Nominations Committee. Each Committee operates under a Board-approved charter that sets out its delegation and responsibilities. These Committees play a crucial part in the governance framework and review matters on behalf of the Board, subject to the terms of each Committee’s charter.

The Board establishes other committees from time to time to deal with projects relating to the Company’s various activities.

To ensure Directors are informed of all material matters impacting the business, copies of all Committee reports and any other relevant resource materials are provided to all Directors. Directors who are non-Committee members may attend meetings of any Board Committee. The Board receives Committee minutes and updates from the Chairman of each Committee on an ongoing basis.

Composition and responsibilities of Board Committees

Details of the responsibilities of each Board Committee are set out below, with each Committee having at least three members, all of whom are non-executive and independent Directors:



* James Moulder was elected to the Board on 10 October 2018.

* Catherine Drayton was appointed to the Board on 14 March 2019.

The Committee Charters are available on the Company’s Website.

The Audit and Risk Committee

The principal purpose of the Audit and Risk Committee is to assist the Board in relation to the proper and efficient discharge of its responsibilities and to exercise due care, diligence and skill in relation to the oversight of the:

- appointment and performance of the internal and, in consultation with the Office of the Auditor General, external auditors;
- integrity of external financial reporting;
- financial management and internal control systems;
- accounting policy and practice;
- risk management framework and the monitoring of compliance within that framework;
- related party transactions; and

- (g) compliance with applicable laws, regulations, standards, codes of practice, the NZX Listing Rules and the ASX Listing Rules.

Consistent with best practice, the Audit and Risk Committee consists of only non-executive directors, all of whom are independent, with at least one Director being a qualified accountant and who does not have a long-standing relationship with the external auditor of the Company. The Committee is Chaired by an independent director, who is not the Chairman of the Board. Employees may only attend meetings of the Audit and Risk Committee at the invitation of the Committee.

Human Resources and Remuneration Committee

The purpose of the Human Resources and Remuneration Committee is to assist the Board in the discharge of the Board's responsibilities and oversight relative to the Company's Human Resource's Strategy and Policy, the Company's Diversity and Inclusion Policy; and the remuneration and performance of the Company's Chief Executive and senior executives.

All the Directors who are members of the Human Resources and Remuneration Committee are independent. Employees may only attend meetings of this Committee at the invitation of the Committee

Nominations Committee

The purpose of the Committee is to assist the Board in discharging its obligations in relation to Board succession planning, monitoring the appropriate balance of skills, experience, independence and knowledge on the Board to enable it to effectively discharge its duties and responsibilities, and the remuneration of Directors.

The Chairman of the Committee is the Chairman of the Board, and is required to be an independent director. All the Directors who are members of the Nominations Committee are independent.

Principle 4: Reporting and Disclosure

"The Board should demand integrity in financial and non-financial reporting, and in the timeliness and balance of corporate disclosures".

The Board is committed to the promotion of investor confidence by timely, balanced, accurate and meaningful reporting of financial and non-financial information, including both positive and negative news. As a listed company there is an imperative to ensure the market is informed and that the Company's listed securities are being fairly valued by the market.

The integrity of Company's financial reporting and disclosures is supported through a number of mechanisms, including:

The Audit and Risk Committee

The Audit and Risk Committee assists the Board in providing oversight of all matters relating to risk management, financial management and controls, financial accounting and the audit and external reporting requirements of the Company and its subsidiaries.

Continuous Disclosure

The Company has a Market Disclosure Policy (available on the Company's Website) and established disclosure procedures, which aim to ensure Directors and senior executives are aware of and fulfil the Company's disclosure obligations in accordance with best practice and the NZX and ASX Listing Rules.

A Disclosure Committee, which comprises senior executives, is responsible for ensuring that the Company complies with its continuous disclosure obligations. In addition, the Market Disclosure Policy requires Directors and management to regularly consider if there is any information that may require disclosure. All market



disclosures are made to the NZX and ASX and are available on the Company's website - www.genesisenergy.co.nz/investors/market-announcements.

The Company operates an Investor Centre website which is designed to provide relevant public information to all Investors. For further details on how the Company engages with its shareholders and investors, refer to the Investor Communication Policy available on the Company's Website.

Financial Reporting

The Company's financial results are reported in the Annual Report in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards ("IFRS"). The Annual Report includes detailed financial commentary and notes to the financial statements which also explain any changes to financial reporting.

The Company ensures that financial information reported in investor materials for road shows, Company overviews and other documents is portrayed in an accurate, fair, and understandable format.

The Board receives formal assurances from the Chief Executive and Chief Financial Officer that the annual financial statements for the group present fairly, in all material respects, the financial position of the Genesis Group at 30 June and the financial performance and cash flows for the financial year, and that they comply with IFRS.

Balanced Disclosure

The Company's aim is that its financial reporting is balanced, clear and objective and includes consideration of environmental, economic and social sustainability as well as explaining how operational and non-financial objectives are measured.

The Company discloses its Code of Conduct and Ethics, its Board and Committee Charters and key governance documents and policies on its website at www.genesisenergy.co.nz/governance-documents. The Company provides non-financial disclosure at least annually in its Annual Report available at www.genesisenergy.co.nz/investors/reports-and-presentations.

Principle 5: Remuneration

"The remuneration of Directors and executives should be transparent, fair and reasonable."

Approach to Remuneration

The Company's remuneration strategy aims to attract, motivate and retain talented employees at all levels of the Company and seeks to align the interests of its shareholders and employees, whilst driving performance and growth in shareholder value and return. This strategy is supported by a performance-based remuneration system that, among other things, seeks to align individual employee objectives with the Company's strategic and business goals.

The Genesis Board is committed to a remuneration framework that:

- (a) links remuneration to performance. Remuneration outcomes are to appropriately reflect Company, business, required behaviours and individual outcomes and are to be aligned with the Company's Diversity and Inclusion Policy and Minding the Gap Policy;
- (b) includes remuneration expenditure delegations that are based on effective governance and best practice in compliance and reporting;
- (c) has a clear and transparent relationship between performance / behaviours and individual remuneration outcomes;

- (d) can adapt to Genesis Energy's evolving business and external market needs;
- (e) ensures total remuneration costs are appropriate at an aggregate Genesis Energy level and justifiable to all stakeholders; and
- (f) is not overly complex to communicate, administer and understand.

Directors Fees

Directors are remunerated in the form of Directors fees, including a higher level of fees for the Chairman to reflect the additional time and responsibilities that this position involves. An additional pool of fees for special allowances allows for Directors to be remunerated in respect their commitments to special committees convened in addition to the current standing committees (for example committees convened to take oversight of specific transactions). This pool is not drawn upon unless special committees are formed, and it is considered appropriate to remunerate Directors in respect of work undertaken in respect of those committees.

The Company generally reviews the level of Directors fees every two years, to ensure that fees remain aligned to the market. This has the benefit of ensuring that the Company can attract and retain Directors of the calibre and skill set that companies of the complexity of Genesis require. The Company engages independent third-party expert advisers to assist with the review process. The outcome of the review is then presented to shareholders for approval. The Company conducted a fees review in 2018 and again in 2019, with both reviews indicating that the current level of Directors fees is below market.

Genesis Directors fees were last adjusted at the Company's 2016 Annual Shareholder Meeting. No proposal for an increase was presented to shareholders at the Company's 2018 Annual Shareholder Meeting following advice from the Crown that Shareholding Ministers would not support such a proposal. The Crown has similarly advised that a proposal to the 2019 Annual Shareholder Meeting to increase Directors fees would not be supported.

The Board respects the Shareholding Ministers' position regarding Directors fees. However, it is likely that when a proposal for an increase in fees is presented to shareholders, a sizeable 'catch-up' may be required.

No Director is entitled to any remuneration from the Company other than by way of Directors fees and the reasonable reimbursement of travelling, accommodation and other expenses incurred in the course of performing duties or exercising their role as a Director. The Board has a Directors Fees and Expenses Policy which provides for the Chairman of the Board to authorise reimbursement of Director expenditure on the recommendation of the General Counsel and Company Secretary, and for the expenses of the Chairman to be authorised by the Chairman of the Audit and Risk Committee or by two other Directors on the recommendation of the General Counsel and Company Secretary.

Non-executive Directors do not participate in any Company share or option plan.

For more information on Directors fees paid during the most recent financial year, refer to the most recent Annual Report, available at www.genesisenergy.co.nz/investors/reports-and-presentations.

Chief Executive's Remuneration

Details of the remuneration arrangements with the Company's Chief Executive are set out in the most recent Annual Report, available at www.genesisenergy.co.nz/investors/reports-and-presentations.

Executive Remuneration Approach – General

The Company is committed to a fair and reasonable remuneration framework for its executives. The Company's total remuneration policy for its senior executives provides the opportunity for them to be paid, where individual and Company performance merits, in the third quartile for equivalent market-matched roles. In determining an executive's total remuneration, external benchmarking is undertaken by up to two globally recognised, locally

based remuneration advisors to ensure comparability and competitiveness, along with consideration of the individual's performance, skills, expertise and experience.

The Human Resources and Remuneration Committee has oversight of the annual performance review programmes for the executives and uses external market information when considering remuneration arrangements. Performance evaluations of the Chief Executive and each member of the executive management team are undertaken each year.

Total executive remuneration is currently made up of three components: fixed remuneration, short-term performance incentives and an executive long-term incentive plan. Each component is explored in more detail in the Remuneration section of the most recent Annual Report, available at www.genesisenergy.co.nz/investors/reports-and-presentations.

Diversity and Inclusion Policy

The Company is committed to an inclusive workplace that embraces and promotes diversity through initiatives that focus on equal opportunity. The Company considers that diversity encompasses differences that relate to gender, marital status, religious belief, colour, race, ethnicity or national origin, disability, age, political opinion, employment status, family status or sexual orientation. It recognises the importance of fostering a diverse workforce to driving sustainable commercial success and creating a high performing culture.

The Diversity and Inclusion Policy (available on the Company's Website) addresses the practical aspects of achieving a diverse and inclusive workplace and the Company's processes for annual review and measurement of both the objectives of the Diversity and Inclusion Policy and progress toward achieving them.

For information on key metrics, including the gender composition of the Board and the Company's Officers, for the most recent financial year, refer to the Annual Report, available at <http://www.genesisenergy.co.nz/investors/reports-and-presentations>.

Genesis Energy Employee Share Scheme

Genesis implemented the Genesis Energy Employee Share Scheme ('Scheme') in 2014. The Scheme enables eligible employees to acquire shares in the Company, and, for FY20, if they continue to be employed by the Company after a three-year qualification period they will be entitled to receive one award share for every four shares purchased in the first year of the qualification period and still owned at the end of that period.

The Scheme has a maximum employee contribution rate of \$5,000 per annum and does not have any performance criteria, with employees entitled to award shares if they continue to be employed and still own the shares at the end of the qualification period.

For more information on remuneration practices during the recent financial year, refer to the Remuneration section of the most recent Annual Report, available at www.genesisenergy.co.nz/investors/reports-and-presentations.

Principle 6: Risk Management

"Directors should have a sound understanding of the material risks faced by the issuer and how to manage them. The Board should regularly verify that the issuer has appropriate processes that identify and manage potential and material risks."

Approach to Risk Management

Genesis is a large and complex business that is exposed to a range of strategic, financial, operational and sustainability-related risks that are inherent in operating in the energy industry. Risk management is ingrained in Genesis' strategic and operational activities.

The identification and effective management of the Company's risks is a priority of the Board. The Board is responsible for overseeing and approving risk management strategy and policies, as well as ensuring that effective audit, risk management and compliance systems are in place. The Board receives appropriate information on material risks and the way these are being managed or mitigated.

The Audit and Risk Committee is responsible for oversight of risk management and formally reviews the Company's risk management framework. The Committee reports to the Board at each meeting, and risk matters can be escalated to the Board in that manner.

The Board undertakes regular site visits and inspections to better understand and monitor site-based risks.

The Company's risk management framework integrates risk management into the Company's operations, formalises risk management as part of the Company's internal control and corporate governance arrangements, and provides a consistent and structured way to manage risk across the Company.

The framework is supported by policies appropriate for the Company's business, including policies relating to electricity and oil price risk, foreign exchange risk, interest rate risk, credit risk, use of derivatives and investment of excess liquidity.

In addition to applying the risk management framework and policies, risks are managed in a number of ways, including business area and project risk reviews and awareness, financial risk mitigation and transfer tools (i.e. hedge contracts and insurance) and engaging in regulatory and policy development.

For further information about the Company's financial risk management programme refer to the most recent copy of the Company's Annual Report, available at www.genesisenergy.co.nz/investors/reports-and-presentations.

Health, Safety and Wellbeing

The health, safety and wellbeing of employees is paramount to the Company. The Company is committed to providing a zero-harm workplace. The Company has established systems which minimise exposure to health and safety risks and which are designed to achieve continuous improvement and achieve compliance with applicable legislation, codes of practice and relevant industry and Company standards.

Key health and safety lead and lag indicators are used to quantify the Company's effectiveness and reports are provided to the Board. All serious health and safety incidents are reported to the Board. During site visits by the Board, health and safety briefings are provided and the Board takes the opportunity to discuss health and safety with local management.

Principle 7: Auditors

"The Board should ensure the quality and independence of the external audit process."

External Audit and Audit Independence Policy

The Audit and Risk Committee has oversight responsibility for the Company's external audit arrangements. Pursuant to the Public Audit Act 2001, the Auditor-General is the auditor of the Company. The Auditor-General appoints an audit firm and partner to carry out the annual audit on the Auditor General's behalf. The NZX Listing Rules require rotation of the lead audit partner at least every five years and this requirement is reflected in the Company's Audit Independence Policy, available on the Company's Website.

The Audit Independence Policy establishes a framework for ensuring that audit independence is maintained, both in fact and appearance, so that Genesis' external financial reporting is both reliable and credible. The Policy also outlines the non-audit services which may not be performed by the external auditor in any circumstances, and states that other non-audit services may only be performed with the prior approval of the Committee.



For a copy of the Company's most recent audit report, relating to the last financial year, refer to the Annual Report available at www.genesisenergy.co.nz/investors/governance/documents.

Internal Audit

The Company currently outsources its internal audit function, which assists in the monitoring of the Company's internal control systems and risk management. Internal audit operates both with and independently from management and reports its findings directly to the Audit and Risk Committee.

The Audit and Risk Committee reviews the internal audit plan annually and internal audit reports are made available to the external auditor.

Principle 8: Shareholder Rights & Relations

"The Board should respect the rights of shareholders and foster constructive relationships with shareholders that encourage them to engage with the issuer."

Approach to Investor Relations and the Investor Communication Policy

The Company is committed to providing a high standard of communication to its shareholders and other stakeholders and believes effective communication is achieved by providing access to accurate and complete information on an equivalence basis. The Company maintains an ongoing programme aimed at tailoring investor communications in a way that is most useful to each investor.

The Company coordinates an active investor relations programme to maintain dialogue with institutional investors, retail investors and analysts through meetings, presentations and other events. The programme includes domestic and international investor roadshows and briefings.

Individual shareholders can call or email the Investor Relations Manager and email the Board to ask questions on a confidential basis. A specifically designed 'Investor App' further enhances shareholders' access to information, by providing interactive capability, through an investor's smartphone and tablet for accessing corporate and financial information.

The Investor Communication Policy (available on the Company's Website) details the steps that the Company takes to communicate with its shareholders and investors.

Company Website and Material

The Company's website is used actively to complement the official release of material information to the market, enabling broader access to Company information by investors and stakeholders. The Company's website has copies of all presentations, media releases and reports. Genesis encourages shareholders and investors to refer to the Investor Centre at www.genesisenergy.co.nz/investors.

Electronic Communications

The Company seeks to continually improve its online and electronic communications and improve the functionality of its website. The Company encourages shareholders to provide email addresses to enable the receipt of shareholder communications by electronic means, and the option to receive the Annual Report in electronic format. As at 30 June 2019, 79 percent of Genesis' shareholders and investors had elected to receive communications electronically from the Company's registry, Computershare Investor Services Limited.

Shareholder Voting Rights

In accordance with the Companies Act 1993, the Company's Constitution and the NZX Listing Rules, the Company refers major decisions that may change the nature of the Company to shareholders for approval. Voting at



shareholder meetings is based on one share, one vote as voting will be conducted by poll. Voting outcomes are announced to the market in accordance with the NZX Listing Rules.

Capital Raisings

If the Company seeks additional equity capital, the Board will ensure it considers the interests of existing shareholders and, where that is reasonable and in the best interests of the Company, permit shareholders to participate on a pro-rata basis.

Annual Shareholder Meetings

Details of the Company's Annual Shareholder Meetings are made available at www.genesisenergy.co.nz/annual-shareholder-meeting. The Company targets having its notices of the annual meeting available on the Company's website at least 20 working days prior to the meeting.

The Board encourages active participation by shareholders at the meetings and shareholders may present questions during the meeting. Consistent with best practice, the external auditor is available to answer questions from shareholders at the Annual Shareholder Meetings and in attendance are the Company's legal advisers and share registry provider.

The Annual Shareholders Meeting is webcast from the Genesis website, with the presentation materials also available on the website.

Differences in Practice to NZX Code

Under the NZX Listing Rules, the Company is required to disclose the extent to which its corporate governance practices materially differ from the above principles set out in the NZX Code.

The Company does not comply with Recommendation 3.6 (takeover protocols) of the NZX Code because it has not established protocols that set out the procedure to be followed if there is a takeover offer for the Company, and it has not adopted any alternative governance practices in lieu of those protocols. The Company has made this decision because, due to the restrictions on the Company's ownership under Part 5A of the Public Finance Act 1989, no person other than the Crown may have a relevant interest in more than 10 per cent of Genesis' shares. Accordingly, it is not practically possible for a takeover offer to be made in respect of the Company for as long as the ownership restrictions under the Public Finance Act 1989 remain in place.

Other Corporate Governance

Sustainability Framework

Sustainability at Genesis means caring for the environment, supporting our people to succeed and building strong communities while powering New Zealand towards a positive, sustainable future. In 2018 we launched our new Sustainability Statement, explaining what sustainability means to us together with our Sustainability Framework,, which is designed to be an iterative document that we develop year-on-year.. An update on our progress with sustainability is contained in our FY19 Annual Report.

The Genesis Sustainability Statement and Sustainability Framework are available at www.genesisenergy.co.nz/about/sustainability.

Relationships with other Stakeholders

Genesis recognises that in addition to its shareholders, the Company interacts with many other stakeholders, including the communities and rohe (land) on which it operates its generation assets and business activities, customers, suppliers and creditors and local and central government regulatory bodies and non-governmental organisations. The Company has adopted and promoted a range of policies and practices which reflect the

respect it holds for its stakeholders and the value that good relationships with stakeholders deliver to the Company and its shareholders. These include:

- (a) the role of tangata whenua (the people of the land) as kaitiaki (guardians) of the natural resources and taonga (treasures) within their rohe (land) and the Treaty of Waitangi principles are respected and the Company has developed pro-active and constructive long-term relationships with tangata whenua, communities and organisations where the Company operates;
- (b) the Company's environmental management system aligns with core Company values and behaviours, and ensures that environmental risks from its operations are identified, documented, audited and managed effectively through the Company's risk management procedures and the Company seeks collaborative solutions to avoid, remedy or mitigate these risks while achieving its business commitments;
- (c) the Company seeks full regulatory compliance as a minimum standard. The Company publicly reports on its environmental performance;
- (d) the Company does not take its position as New Zealand's largest energy retailer for granted and is focused on creating products and propositions that afford customers greater transparency of their energy bills and control over managing their spending on energy. The Company aims to achieve this through obtaining a better understanding of customer needs and expectations and applying a customer-centric approach in all its activities, including in the design of the customer experience, including a key focus on digital innovation;
- (e) the Company seeks to engage with its suppliers fairly and transparently and regularly reviews its procurement practices and policies and encourages regular reviews with key suppliers to maintain key performance indicators; and
- (f) the Company recognises the value of maintaining good working relationships with local and central government and non-government agencies and maintains a corporate affairs team which is responsible for oversight of interactions at all levels of the Company with such agencies.

This Corporate Governance Statement was approved by the Board of Genesis on 27 August 2019.