

# INFORMATION ABOUT GENESIS ENERGY ORDINARY SHARES

This statement sets out certain information about the rights, privileges, conditions and limitations, including restrictions on transfer, that attach to fully paid ordinary shares ('Shares') in Genesis Energy Limited ('Company').

## RIGHTS AND PRIVILEGES

Under the Company's constitution ('Constitution') and the Companies Act 1993 ('Companies Act'), each Share gives the holder a right to:

- Attend and vote at a meeting of shareholders, including the right to cast one vote per Share on a poll on any resolution, such as a resolution to:
  - Appoint or remove a director;
  - Adopt, revoke or alter the Constitution;
  - Approve a major transaction (as that term is defined in the Companies Act);
  - Approve the amalgamation of the Company under section 221 of the Companies Act; or
  - Place the Company in liquidation;
- Receive an equal share in any distribution, including dividends, if any, authorised by the Board and declared and paid by the Company in respect of that Share;
- Receive an equal share with other shareholders in the distribution of surplus assets in any liquidation of the Company;
- Be sent certain information, including notices of meeting and company reports sent to shareholders generally; and
- Exercise the other rights conferred upon a shareholder by the Companies Act and the Constitution.

## RESTRICTIONS ON OWNERSHIP AND TRANSFER

The Public Finance Act 1989 ('Public Finance Act') was amended in June 2012 to include restrictions on the ownership of certain types of securities issued by each mixed ownership model company (including Genesis Energy Limited) and consequences for breaching those restrictions. The Constitution incorporates these restrictions and mechanisms for monitoring and enforcing them.

A summary of the restrictions on the ownership of Shares under the Public Finance Act and the Constitution is set out below. If the Company issues any other class of shares, or other securities which confer voting rights in the future, the restrictions outlined would apply to those other classes of shares or voting securities.

### 51% Shareholding

The Crown must hold at least 51% of the Shares on issue. The Company must not issue, acquire or redeem any Shares if such issue, acquisition or redemption would result in the Crown's holding falling below this 51% threshold.

### 10% Limit

No person (other than the Crown) may have a Relevant Interest<sup>1</sup> in more than 10% of the Shares on issue ('10% Limit').

The Company must not issue, acquire or redeem any Shares if it has actual knowledge that such issue, acquisition or redemption will result in any person other than the Crown, exceeding the 10% Limit.

### Ascertaining whether a breach has occurred

If a holder of Shares breaches the 10% Limit or knows or believes that a person who has a Relevant Interest in Shares held by that holder may have a Relevant Interest in Shares in breach of the 10% Limit, the holder must notify the Company of the breach or potential breach.

The Company may require a holder of Shares to provide it with a statutory declaration if the Board knows or believes that a person is, or is likely to be, in breach of the 10% Limit. That statutory declaration is required to include, where applicable, details of all persons who have Relevant Interests in any Shares held by that holder.

### Determining whether a breach has occurred

The Company has the power to determine whether a breach of the 10% Limit has occurred and, if so, to enforce the 10% Limit. In broad terms, if:

- The Company considers that a person may be in breach of the 10% Limit; or
- A holder of Shares fails to lodge a statutory declaration when required to do so or lodges a declaration that has not been completed to the reasonable satisfaction of the Company,

then the Company is required to determine whether or not the 10% Limit has been breached and, if so, whether or not that breach was inadvertent. The Company must give the affected shareholder the opportunity to make representations to the Company before it makes a determination on these matters.

### Effect of exceeding the 10% Limit

A person who is in breach of the 10% Limit must:

- Comply with any notice that they receive from the Company requiring them to dispose of Shares or their Relevant Interest in Shares, or take any other steps that are specified in the notice, for the purpose of remedying the breach and reducing their holding below the 10% Limit; and
- Ensure that they are no longer in breach within 60 days after the date on which they became aware, or ought to have been aware, of the breach. If the breach is not remedied within that time frame, the Company may arrange for the sale of the relevant number of Shares on behalf of the relevant holder. In those circumstances, the Company will pay the net proceeds of sale, after the deduction of any other costs incurred by the Company in connection with the sale (including brokerage and the costs of investigating the breach of the 10% Limit), to the relevant holder as soon as practicable after the sale has been completed.

If a Relevant Interest is held in any Shares in breach of the 10% Limit then, for so long as that breach continues:

- No votes may be cast in respect of any of the Shares in which a Relevant Interest is held in excess of the 10% Limit; and

<sup>1</sup> In broad terms, a person has a 'relevant interest' in a Share if the person (a) is the registered holder or beneficial owner of the Share; or (b) has the power to exercise, or control the exercise of, a right to vote attached to the Share or has the power to acquire or dispose of, or to control the acquisition or disposition of, that Share. A person may also have a 'relevant interest' in a Share in which another person has a 'relevant interest' depending on the nature of the relationship between them.

- The registered holder(s) of Shares in which a Relevant Interest is held in breach of the 10% Limit will not be entitled to receive, in respect of the Shares in which a Relevant Interest is held in excess of the 10% Limit, any dividend or other distribution authorised by the Board in respect of the Shares.

However, if the Board determines that a breach of the 10% Limit was not inadvertent, or that it does not have sufficient information to determine that the breach was not inadvertent, then in that case the restrictions on voting and entitlement to receive any dividends or other distributions described in the preceding paragraphs will apply in respect of all of the Shares held by the relevant shareholder (and not just the Shares in which a Relevant Interest is held in excess of the 10% Limit).

An exercise of a voting right attached to a Share held in breach of the 10% Limit must be disregarded in counting the votes concerned. However, a resolution passed at a meeting is not invalid where votes exercised in breach of the voting restriction were counted by the Company in good faith and without knowledge of the breach.

The Board may refuse to register a transfer of Shares if it knows or believes that the transfer will result in a breach of the 10% Limit or where the transferee has failed to lodge a statutory declaration requested from it by the Board within 14 days of the date on which the Company gave notice to the transferee to provide such statutory declaration.

### **Crown directions**

The Crown has the power to direct the Board to exercise certain of the powers conferred on it under the Constitution. For example, where the Crown suspects that the 10% Limit has been breached but the Board has not taken steps to investigate the suspected breach, the Crown may require the Company to investigate whether a breach of the 10% Limit has occurred or to exercise a power of sale of the relevant Share that has arisen as described under the heading “Effect of exceeding the 10% Limit” above.

### **Trustee corporations and nominee companies**

Trustee corporations and nominee companies (that hold securities on behalf of a large number of separate underlying beneficial holders) are exempt from the 10% Limit provided that certain conditions set out in the Public Finance Act are satisfied.

## **SHARE CANCELLATION**

In certain circumstances, Shares could be cancelled by the Company through a reduction of capital, share buy-back or other form of capital reconstruction approved by the Board and, where applicable, the shareholders.

## **SALE OF LESS THAN A MINIMUM HOLDING**

The Company may at any time give notice to a shareholder holding less than a Minimum Holding of Shares (as that term is defined in the NZX Main Board Listing Rules) that if, at the expiration of 3 months after the date the notice is given, Shares then registered in the name of the holder are less than a Minimum Holding, the Company may sell those Shares through the NZX Main Board or in some other manner approved by NZX Limited, and the holder is deemed to have authorised the Company to act on behalf of the holder and to sign all necessary documents relating to the sale.

For the purposes of the sale and of Rule 5.12 of the ASX Settlement Operating Rules, where the Company has given a notice that complies with Rule 5.12.2 of the ASX Settlement Operating Rules, the Company may, after the expiration of the time specified in the notice, initiate a Holding Adjustment to move the relevant Shares from that CHESS Holding to an Issuer Sponsored Holding (as those terms are defined in the ASX Settlement Operating Rules) or to take any other action the Company considers necessary or desirable to effect the sale.

The Company will account to the shareholder for the net proceeds of the sale (after deduction of reasonable sale expenses and any unpaid calls or any other amounts owing to the Company in respect of the Shares).

## **CANCELLATION OF SALE OF SHARES**

The Crown may cancel the sale of Shares to an applicant under the offer of shares by the Crown (**‘Offer’**) in the Investment Statement and Prospectus for the Offer, if the applicant misrepresented their entitlement to be allocated Shares under the Offer as a New Zealand applicant. If the Crown cancels a sale of Shares on those grounds:

- The Company must sell Shares held by that applicant, up to the number of Shares sold to it under the Offer, irrespective of whether or not those Shares were acquired by the applicant under the Offer (unless the applicant had previously sold, transferred or disposed of all of its Shares to a person who was not an associated person of the applicant); and
- The applicant will receive from the sale the lesser of:
  - The sale price for the Shares less the costs incurred by the Crown and the Company; and
  - The aggregate price paid for the Shares less those costs, with any excess amount being payable to the Crown.

If an applicant who misrepresented their entitlement to Shares has sold, transferred or otherwise disposed of Shares to an associated person, then the power of sale will extend to Shares held by that associated person, up to the number of Shares transferred, sold or otherwise disposed of to the associated person by the relevant applicant.