



28<sup>th</sup> August 2017

Dear Shareholder

**Provision of Financial Assistance in connection with Genesis Energy Limited's Executive Long Term Incentive Plan in respect of the FY18**

*Under section 78(5) and 79 of the Companies Act 1993, Genesis Energy Limited ('Genesis Energy' or the 'Company') is required to make the following disclosure to all shareholders in respect of financial assistance to be provided by Genesis Energy in relation to an invitation to executives of the Company to participate in Genesis Energy's Executive Long Term Incentive Plan ('Executive LTI Plan').*

**Genesis Energy Executive Long Term Incentive Plan**

The Executive LTI Plan was implemented by the Company in conjunction with the listing of Genesis Energy on the NZX and ASX in April 2014 and formalised through a trust deed dated 13 March 2014. The intent of the Executive LTI Plan is to enhance the alignment between shareholders and those Executives most able to influence the financial results of the Company.

Under the Executive LTI Plan, executive participants ('Participants') on the invitation of the Board, purchase shares funded by an interest-free loan from the Company, with the shares held on trust by the trustee of the Executive LTI Plan.

Each Participant's shares will be beneficially owned by the Participant for a three-year vesting period and held on trust by the trustee in accordance with the rules of the Executive LTI Plan and the trust deed entered into by the trustee and the Company.

**The vesting of shares at the conclusion of a three-year vesting period is dependent on:**

- Continued employment of the Participant through the three year vesting period.
- The Company's absolute total shareholder return being positive over the performance period and exceeds the 50th percentile of the latest 10 year averages of the NZX and ASX.
- The Company's total shareholder return over the performance period is positive and exceeds the 50th percentile TSR of close industry peers (known as the Peer Group).

**Board Resolutions**

In relation to the Executive Long Term Incentive Plan FY18 Offer, the Directors of Genesis Energy have authorised the Company to provide financial assistance for the acquisition of the Company's shares to the Participants identified in this disclosure notice, in an amount of up to \$1,298,225 in aggregate (which includes the general operating costs for the trustees for FY18).

**The text of the Genesis Energy Board resolutions passed on 21 August 2017 approving the giving of the financial assistance is set out below:**

1. The Genesis Energy Executive Long-Term Incentive Plan offer for FY18 ('FY18 LTI Plan Offer') to the Executive participants listed in Appendix 4 (see "Board Only" section for Appendix 4) be approved.
2. The Company should provide financial assistance to Executive participants, participating in the FY18 LTI Plan Offer. The financial assistance will take the form of payment of the operating costs of the FY18 LTI Plan and the payment of money to the trustee of the Genesis Energy Executive Long Term Incentive Plan ('LTI Plan') to acquire Genesis Energy shares for Executives in accordance with the LTI Plan ('Financial Assistance').

3. The giving by the Company of the Financial Assistance is in the best interests of the Company and is of benefit to those shareholders not receiving the assistance.
4. The terms and conditions under which the Financial Assistance is to be given, is fair and reasonable to the Company and those shareholders not receiving the assistance.
5. The Company will, immediately after giving the Financial Assistance, satisfy the solvency test set out in section 4 of the Companies Act.
6. The reasons for the Directors' conclusions are:
  - a) Giving the Financial Assistance is in the best interests of the Company, and is of benefit to those shareholders not receiving the Financial Assistance, because it increases the alignment of the interests of the Executives with the interests of the Company and, therefore, creates incentives for the participating Executives to strive to ensure that the Company performs for the benefit of all its shareholders. It also seeks to incentivise Executives to remain with the Company.
  - b) The terms and conditions are fair and reasonable to the Company and to those shareholders not receiving the assistance, because the cost of providing the Financial Assistance is outweighed by the benefits gained through the alignment of interests that is achieved under the LTI Plan
  - c) The Board believes, after considering the following matters, that immediately after payment of the proposed Financial Assistance, the Company will be able to pay its debts as they become due in the normal course of business, and the value of the Company's assets will be greater than the value of its liabilities (including contingent liabilities), based on:
    - the most recent audited financial statements of the Company for the year ended 30 June 2017 that comply with the Financial Reporting Act 2013 and the Financial markets Conduct Act 2013;
    - the Company's internal financial forecasts for the period following 30 June 2017, and all circumstances of which the Board is aware that affect, or may affect, the value of the Company's assets and liabilities (including contingent liabilities).
7. In accordance with section 78(5) of the Companies Act, the Company will send to each shareholder of the Company a disclosure document complying with section 79 of the Companies Act before providing the Financial Assistance.

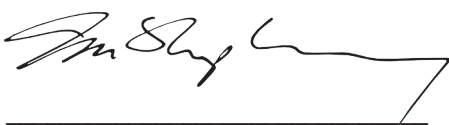
## Participants

Chief Executive  
Chief Financial Officer  
Executive General Manager Corporate Affairs and Transformation  
Executive General Manager Generation and Wholesale  
Executive General Manager Technology and Digital  
Executive General Manager Customer Operations  
Executive General Manager Product Marketing  
Executive General Manager People and Culture

## Shareholder Rights

Section 78(7) of the Companies Act confers on shareholders certain rights to apply to the Court to restrain the proposed assistance being given. The financial assistance to be given by the Company no less than 10 working days nor more than 12 months after this document has been sent to each shareholder.

Yours sincerely



Dame Jenny Shipley  
**Chairman - Genesis Energy**