



## MARKET ANNOUNCEMENT

Date: 18 June 2018

NZX: GNE / ASX: GNE

### Genesis Energy Limited Capital Bond Offer

Genesis Energy Limited ("**Genesis**") confirmed today that it is offering up to NZ\$240 million of 30 year subordinated unsecured capital bonds ("**Capital Bonds**") to New Zealand retail and certain institutional investors.

The offer opens today and will be made pursuant to the Financial Markets Conduct Act 2013 as an offer of debt securities of the same class as existing quoted debt securities. The notice required by the Financial Markets Conduct Regulations 2014 has been provided to NZX and is attached. The Capital Bonds are expected to be quoted on the NZX Debt Market.

The offer consists of a General Offer and a Reserved Offer:

- The **General Offer** is for up to NZ\$200 million of Capital Bonds and will be reserved on a firm allocation basis for clients of the Joint Lead Managers, market participants and other approved financial intermediaries involved in the bookbuild process. There is no public pool for the General Offer.
- The **Reserved Offer** is for up to NZ\$40 million of Capital Bonds and is only available to holders of GPLFA Bonds. Further details concerning the Reserved Offer will be sent to holders of GPLFA Bonds. Should any Capital Bonds be available from a shortfall under the Reserved Offer, Genesis may at its sole discretion, offer any such Capital Bonds to participants under the General Offer.

The offer will open with an indicative margin range of 1.95% p.a. to 2.15% p.a. for the Capital Bonds, which mature on 16 July 2048 (subject to a minimum rate of 4.65% p.a.). An announcement of the actual margin (which may be above or below the indicative margin range mentioned above) and the interest rate on the Capital Bonds will be made following the bookbuild process, expected to be completed on 26 June 2018 ("**Rate Set Date**"). The terms sheet for the offer will be updated to include the interest rate and will be released on the same day.

Subject to a successful bookbuild process for the offer occurring, Genesis intends to redeem the GPLFA Bonds by giving a redemption notice to holders of GPLFA Bonds on or shortly after the Rate Set Date. Eligible holders of the GPLFA Bonds who do not wish to participate in the offer (holders of GPLFA Bonds may participate in both the General Offer and the Reserved Offer) will have their GPLFA Bonds redeemed for cash.

The Reserved Offer is expected to close on 4 July 2018 and the General Offer is expected to close on 9 July 2018.

Full details of the offer are contained in the terms sheet which has been prepared for the offer and is also attached, as is a presentation on the offer. The Capital Bonds are expected to be assigned a long term credit rating of **BB+** by Standard & Poor's.

Interested investors, including holders of GPLFA Bonds, should contact Bank of New Zealand, Deutsche Craigs Limited, Forsyth Barr Limited (as Joint Lead Managers), or their usual financial adviser for more details.

For further information please contact:

BNZ  
0800 284 017

Deutsche Craigs  
0800 226 263

Forsyth Barr  
0800 367 227

**Ends**

*Dan Dillane*

*Group Manager Capital Structure*

*Genesis*

*021 501 235*

**About Genesis**

Genesis (NZX: GNE, ASX: GNE) is a diversified New Zealand energy company. It sells electricity, reticulated natural gas and LPG through its retail brands of Genesis Energy and Energy Online. It is New Zealand's largest energy retailer with around 500,000 customer accounts. Genesis generates electricity from a diverse portfolio of thermal and renewable generation assets located in different parts of the country. Genesis also has a 46% interest in the Kupe Joint Venture, which owns the Kupe Oil and Gas Field offshore of Taranaki, New Zealand. Genesis had revenue of NZ\$2bn during the 12 months ended 30 June 2017. More information can be found at [www.genesisenergy.co.nz](http://www.genesisenergy.co.nz)



GENESIS ENERGY LIMITED

# Terms Sheet for Subordinated Unsecured Capital Bonds

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18 June 2018

Joint Lead Managers



Deutsche  
CRAIGS



FORSYTH BARR

# Terms Sheet

18 June 2018

This terms sheet ("**Terms Sheet**") sets out the key terms of the offer by Genesis Energy Limited ("**Genesis**") of up to \$240,000,000 of subordinated unsecured capital bonds maturing on 16 July 2048 ("**Capital Bonds**") under a capital bonds trust deed dated 18 June 2018 ("**Capital Bonds Trust Deed**") entered into between Genesis as issuer and Trustees Executors Limited as supervisor ("**Supervisor**").

## Important notice

The offer of Capital Bonds by Genesis ("**Offer**") is made in reliance upon the exclusion in clause 19 of schedule 1 of the Financial Markets Conduct Act 2013 ("**FMCA**").

The Offer contained in this Terms Sheet is an offer of bonds that have identical rights, privileges, limitations and conditions (except for the interest rate and maturity date) as Genesis':

- \$200,000,000 subordinated unsecured capital bonds maturing on 15 July 2041 which are currently quoted on the NZX Debt Market under the ticker code GPLFA ("**GPLFA Bonds**"); and
- \$225,000,000 subordinated unsecured capital bonds maturing on 9 June 2047 which are currently quoted on the NZX Debt Market under the ticker code GNE040 ("**GNE040 Bonds**"), (the GPLFA Bonds and the GNE040 Bonds, together the "**Existing Bonds**").

The Capital Bonds are of the same class

as the Existing Bonds for the purposes of the FMCA and the Financial Markets Conduct Regulations 2014.

Genesis is subject to a disclosure obligation that requires it to notify certain material information to NZX Limited ("**NZX**") for the purpose of that information being made available to participants in the market and that information can be found by visiting [www.nzx.com/companies/GNE/](http://www.nzx.com/companies/GNE/) announcements.

The GPLFA Bonds (which have an interest rate of 6.19% p.a. and a redemption date of 15 July 2041 or such earlier date on which redemption is to occur in accordance with the trust deed for the GPLFA Bonds) and the GNE040 Bonds (which have an interest rate of 5.70% p.a. and a redemption date of 9 June 2047 or such earlier date on which redemption is to occur in accordance with the trust deed for the GNE040 Bonds) are the only debt securities of Genesis that are in the same class as the Capital Bonds and are currently quoted on the NZX Debt Market.

Investors should look to the market price of the Existing Bonds to find out how the market assesses the returns

and risk premium for those bonds. The GPLFA Bonds have been suspended from trading on and from 11 June 2018.

## Redemption of the GPLFA Bonds

The first reset date for the GPLFA Bonds is 15 July 2018 and Genesis has the right to redeem the GPLFA Bonds on that date. If the bookbuild process for the Offer is successful, Genesis will redeem the GPLFA Bonds by giving a redemption notice to holders of GPLFA Bonds ("**GPLFA Bondholders**") on or shortly after the Rate Set Date (26 June 2018).

The Offer comprises a General Offer of up to \$200,000,000 (which is open to all investors) and a Reserved Offer of up to \$40,000,000 (which is open to GPLFA Bondholders). The General Offer and the Reserved Offer are described in more detail below, and GPLFA Bondholders can participate in the General Offer or the Reserved Offer or both.

All references to \$ in this Terms Sheet are to New Zealand dollars.



Investors should carefully consider the features of the Capital Bonds which differ from the features of a standard senior bond. Those features include the ability of Genesis to defer interest, optional redemption rights for Genesis, a margin step-up and the subordinated nature of the Capital Bonds. Investors should read this Terms Sheet carefully (including the Risks discussed on page 13) and seek financial advice before deciding to invest in the Capital Bonds.

Issuer	Genesis Energy Limited.
Description	The Capital Bonds are subordinated, unsecured interest bearing debt securities.
Ranking	The Capital Bonds are unsecured and subordinated to all indebtedness of Genesis, other than indebtedness expressed to be pari passu with or subordinated to the Capital Bonds. The Capital Bonds rank equally with the Existing Bonds. See “Ranking on Liquidation” below.
Purpose	The proceeds from the issue of the Capital Bonds will be used to fund the redemption of the GPLFA Bonds and for general corporate purposes.
Guaranteeing Subsidiary	<p>Kupe Venture Limited (“<b>Kupe</b>”) guarantees the obligations of Genesis in relation to the Capital Bonds pursuant to the Capital Bonds Trust Deed (“<b>Guarantee</b>”).</p> <p>Kupe is a wholly-owned subsidiary of Genesis, and the only subsidiary of Genesis that is incorporated in New Zealand.</p> <p>Kupe guarantees the due and punctual payment of all amounts payable by Genesis to holders of Capital Bonds (“<b>Bondholders</b>”) in respect of the Capital Bonds and there are no limits on the obligations of Kupe in respect of the amounts owing under the Guarantee. The Guarantee is an unsecured, subordinated obligation of Kupe.</p> <p>In this Terms Sheet, Kupe is referred to as the “<b>Guaranteeing Subsidiary</b>”.</p>
Further Indebtedness	Genesis and the Guaranteeing Subsidiary may incur finance debt (including bank debt or debt in respect of new domestic bonds or new US private placement notes), without the consent of Bondholders.
Equity Content	<p>Intermediate.</p> <p>Standard &amp; Poor’s has assigned an “intermediate” equity content to the Capital Bonds. Where such equity credit content is assigned, Standard &amp; Poor’s will consider that the Capital Bonds comprise 50% equity when calculating its financial ratios for Genesis. The equity content is expected to fall to minimal (0%) from 16 July 2028.</p>
Capital Structure	Genesis believes that hybrid securities that are ascribed equity content such as the Capital Bonds are an effective capital management tool and intends to maintain such instruments as a key feature of its capital structure going forward.
Credit Ratings	<p>Genesis credit rating: BBB+ (Standard &amp; Poor’s).</p> <p>Expected issue credit rating: BB+ (Standard &amp; Poor’s).</p> <p>Genesis’ current credit rating of BBB+ incorporates a one notch upgrade above Genesis’ standalone credit rating of bbb for majority Government ownership.</p> <p>The issue credit rating is two notches below Genesis’ stand-alone credit rating. One notch is deducted for the Capital Bonds being subordinated and a second notch because of the potential for payments of interest to be deferred.</p> <p>A credit rating is an independent opinion of the capability and willingness of an entity to repay its debts (in other words, its creditworthiness). It is not a guarantee that the financial product being offered is a safe investment. A credit rating should be considered alongside all other relevant information when making an investment decision.</p>

Offer	<p>Genesis is offering up to \$240,000,000 of Capital Bonds to New Zealand retail and certain institutional investors, comprising a General Offer of up to \$200,000,000 and a Reserved Offer of up to \$40,000,000.</p>
General Offer	<p>Neither the General Offer nor the Reserved Offer is underwritten.</p> <p>Genesis is offering up to \$200,000,000 of Capital Bonds to New Zealand retail and certain institutional investors (including GPLFA Bondholders) (“<b>General Offer</b>”).</p> <p>The General Offer will be conducted on a firm allocation basis as described in more detail below under the heading “Who May Apply for Capital Bonds” and “How to Apply”. GPLFA Bondholders who wish to participate in the General Offer are encouraged to contact their financial adviser, one of the Joint Lead Managers or a Market Participant.</p> <p>GPLFA Bondholders that participate in the General Offer may elect to have the redemption proceeds for their GPLFA Bonds applied and set-off against the subscription moneys payable by them for the Capital Bonds.</p>
Reserved Offer	<p>Genesis is also offering up to \$40,000,000 of Capital Bonds on a priority basis (“<b>Reserved Offer</b>”) to GPLFA Bondholders.</p> <p>GPLFA Bondholders may participate in the Reserved Offer in the manner described in more detail below under the heading “Who May Apply for Capital Bonds” and “How to Apply”.</p> <p>GPLFA Bondholders that participate in the Reserved Offer will have the redemption proceeds for their GPLFA Bonds (after taking into account any set-off in respect of Capital Bonds allocated to them under the General Offer) applied and set-off against the subscription moneys payable by them for the Capital Bonds.</p>
Offer Process for GPLFA Bondholders	<p>For GPLFA Bondholders wishing to acquire Capital Bonds under the Offer, it is recommended that such holders:</p> <ul style="list-style-type: none"> <li>• In the first instance, apply in the General Offer through their financial adviser for the total number of Capital Bonds they would like to acquire. Following the bookbuild process on 26 June 2018, your financial adviser will confirm how many Capital Bonds you have been allocated in the General Offer.</li> <li>• If you are not allocated Capital Bonds under the General Offer, or you receive fewer Capital Bonds than you wish to acquire, you should apply for additional Capital Bonds through the Reserved Offer.</li> </ul> <p>If more than \$40,000,000 of Capital Bonds are applied for under the Reserved Offer then Genesis will scale applications using a methodology of its choosing. One of the factors that may be taken into account is the timing of when applications are received, and so GPLFA Bondholders wishing to apply for Capital Bonds under the Reserved Offer should do so as soon as possible after they decide to participate in the Reserved Offer.</p> <p>If the GPLFA Bondholders do not subscribe for the full amount of \$40,000,000 under the Reserved Offer, Genesis may (in its absolute discretion) allocate any applicable shortfall to participants in the General Offer.</p>
Principal Amount	<p>\$1.00 per Capital Bond.</p>

Opening Date	18 June 2018.
Rate Set Date	26 June 2018. The interest rate for the Capital Bonds will be set and announced to the market on this date.
Reserved Offer Closing Date	5pm, 4 July 2018.
General Offer Closing Date	5pm, 9 July 2018.
Redemption of GPLFA Bonds	<p>Subject to the bookbuild for the Offer being successful, a redemption notice to redeem the GPLFA Bonds will be sent to GPLFA Bondholders on 26 June 2018 or shortly thereafter. Trading in the GPLFA Bonds has been suspended on and from 11 June 2018.</p> <p>The Redemption Date for the GPLFA Bonds is to be 15 July 2018. As that day is a Sunday, payment of the redemption proceeds for the GPLFA Bonds will be paid to GPLFA Bondholders on 16 July 2018.</p> <p>Redemption proceeds payable in respect of the GPLFA Bonds will be applied and set-off against the subscription moneys payable for the Capital Bonds under the General Offer (at the option of the holder) or the Reserved Offer.</p> <p>To the extent that the redemption proceeds payable to a GPLFA Bondholder exceed the subscription amounts payable by that holder for Capital Bonds, Genesis will pay the excess in cash to the applicable GPLFA Bondholder on 16 July 2018. The application and set-off described above will be done on a one-for-one basis (ie redemption proceeds for one GPLFA Bond will be applied and set-off against the subscription proceeds for one Capital Bond).</p>
Issue/Allotment Date	16 July 2018.
First Reset Date	16 July 2023.
Maturity Date	16 July 2048.
Interest Rate from the Issue Date to the First Reset Date	The percentage per annum equal to the Benchmark Rate (determined on the Rate Set Date) plus the Margin, but subject to a minimum interest rate of 4.65% per annum for this period.
Benchmark Rate	5-year NZD Swap Rate (adjusted to a quarterly basis as necessary), determined on the Rate Set Date and each subsequent Reset Date.
Margin	<p>The indicative margin range is 1.95% to 2.15% per annum for the Capital Bonds.</p> <p>The actual Margin for the Capital Bonds (which may be above or below the indicative margin range mentioned above), will be set by Genesis (in consultation with the Joint Lead Managers) on the Rate Set Date following a bookbuild conducted by the Joint Lead Managers. The actual Margin will be announced by Genesis via NZX on the Rate Set Date.</p>



Early Bird Interest	<p>No early bird interest will be paid in connection with the Reserved Offer.</p> <p>Early bird interest will be paid by Genesis to investors in the General Offer that receive an allocation of Capital Bonds, other than holders of GPLFA Bonds that elect to have their redemption proceeds for the GPLFA Bonds applied and set-off against subscription moneys payable for the Capital Bonds.</p> <p>Genesis will pay early bird interest on subscription money for applications that have been accepted at 3.00% per annum for the period from (and including) the date on which subscription money is banked, to (but excluding) the Issue Date, unless subscription money is returned for any reason. Early bird interest will be paid within five Business Days of the Issue Date.</p>
Payment of Interest	Interest will be payable on an Interest Payment Date to the Bondholder as at the Record Date immediately preceding the relevant Interest Payment Date.
Interest Payment Dates	<p>Interest shall be paid quarterly in arrear on 16 January, 16 April, 16 July and 16 October of each year up to and including the redemption date. The “redemption date” is the Maturity Date or such earlier date on which redemption of a Capital Bond is to occur. The first interest payment date is 16 October 2018.</p> <p>Interest may be deferred at the option of Genesis - see “Optional Deferral of Interest” below.</p>
Record Date	In relation to payments of interest, the date which is 10 calendar days before the due date for the payment. In relation to an Election Process (as defined below), the date which is two Business Days prior to the date on which the applicable Election Notice (as defined below) is given. In either case, if that date is not a Business Day, the Record Date will be the preceding Business Day.
Reset Dates	The First Reset Date for the Capital Bonds is the date that is five years after the Issue Date (16 July 2023). Thereafter there is a further Reset Date every five years. As part of a successful Election Process, a different Reset Date may be adopted.
Interest Rate after each Reset Date	The Interest Rate applying from each Reset Date up to but excluding the next Reset Date will be the percentage per annum equal to the then Benchmark Rate on that Reset Date (adjusted to a quarterly basis as necessary) plus the Step-up Margin. If a successful Election Process has been completed, the Interest Rate after each Reset Date will be as set out in the relevant Election Notice (as defined below).
Step-up Margin	Margin plus the Step-up Percentage of 0.25%.
Optional Deferral of Interest	<p>Interest payments on the Capital Bonds may be deferred if Genesis determines it appropriate to do so. Genesis will provide notice in writing to the Bondholders if interest payments on the Capital Bonds are deferred (and where an interest payment has not been paid on its due date, notice of its deferral shall be deemed to have been given). If deferred, an interest payment amount will itself accrue interest (compounding every 3 months) at the prevailing Interest Rate on the Capital Bonds (in aggregate, the “<b>Deferred Interest</b>”).</p> <p>Deferred Interest is cumulative.</p> <p>See <i>Deferral of interest payments</i> under the “Risks” section below.</p>



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**Maximum Deferral Period**

An interest payment may be deferred for a period of up to five years after its scheduled payment date. If a deferred interest payment (or any amount accrued thereon) has not been paid by the fifth anniversary of its original deferral, all Deferred Interest that remains outstanding at that time will become due and payable to Bondholders.

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**Optional Deferred Interest Payment**

Genesis may opt to pay all or part of any Deferred Interest on an Interest Payment Date.

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**Distribution Stopper**

Whilst there is any Deferred Interest outstanding Genesis shall not:

- (i) make any distributions or payments on any shares or any other security that is expressed to be pari passu with or subordinated to the Capital Bonds; and
  - (ii) without the consent of the Supervisor redeem or repay any share or other security that is expressed to be pari passu with or subordinated to the Capital Bonds (or offer financial assistance for the acquisition of such shares or securities),
- (together, the “**Restrictions on Deferral**”).

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**Election Process**

No earlier than six months and not later than 30 Business Days before any Reset Date, Genesis may give to each Bondholder a notice (“**Election Notice**”) specifying new terms and conditions (“**New Conditions**”) (including for example a new Margin) proposed to apply from the next Reset Date. Bondholders can elect to accept or reject the New Conditions. Bondholders who do not respond will be deemed to have accepted the New Conditions.

If Genesis declares a Successful Election Process then it is obliged to purchase any Capital Bonds held by a Bondholder who has rejected the New Conditions. Genesis may choose to establish a resale facility (“**Resale Facility**”) to seek buyers for those Capital Bonds.

If Genesis does not wish to purchase all Capital Bonds from those Bondholders that have rejected the New Conditions then Genesis must declare that the Election Process has failed in which case the existing terms and conditions will continue to apply, all Capital Bonds will remain outstanding and any transfers arranged through the Resale Facility will be cancelled.

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**Issuer Redemption Rights**

Genesis must redeem the Capital Bonds on the Maturity Date or on the occurrence of an Event of Default. Genesis also has the right to redeem:

- (i) all or part of the Capital Bonds on any Reset Date; or
- (ii) all or part of the Capital Bonds on any Interest Payment Date after a Reset Date if a Successful Election Process has not been undertaken in respect of that Reset Date; or
- (iii) all (but not some only) of the Capital Bonds if a Change of Control Event (as defined below) occurs; or
- (iv) all or part of the Capital Bonds if a Tax Event or Rating Agency Event (as defined below) occurs.

The Redemption Price will be:

- (i) the Principal Amount of the Capital Bonds plus Deferred Interest plus accrued interest; or
- (ii) if the redemption occurs pursuant to paragraph (ii) or (iii) immediately above, the higher of:
  - a. the market value of the Capital Bonds; and
  - b. the Principal Amount of the Capital Bonds,
 plus Deferred Interest plus accrued interest.

If Genesis is redeeming Capital Bonds in part only then it can only do so to the extent that there will be at least 100,000,000 Capital Bonds outstanding after the partial redemption. Any partial redemption will be done on a proportionate basis and may include adjustments to take account of the effect on marketable parcels and other logistical considerations.

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Tax Event	Receipt by Genesis of an opinion from a reputable legal counsel or tax adviser that as a result of a change or clarification in legislation, regulation, etc. the interest payments on the Capital Bonds would no longer be deductible for tax purposes.
Rating Agency Event	Receipt by Genesis of notice from the Rating Agency that, as a result of a change of criteria or Genesis ceasing to hold a credit rating, the Capital Bonds will no longer be assigned an Intermediate Equity Content classification.
Holder Put Event	If both a Change of Control Event and an associated Rating Downgrade occurs and Genesis has not exercised its right to redeem the Capital Bonds, then Bondholders will have the right to elect that Genesis must redeem the Capital Bonds. The Redemption Price will be equal to the Principal Amount of the Capital Bonds plus Deferred Interest plus accrued interest.
Change of Control Event	A Change of Control Event occurs if the shareholder Ministers collectively own 50% or less of Genesis' voting shares.
Rating Downgrade	A Rating Downgrade occurs if as a result in whole or part of the Change of Control Event: <ul style="list-style-type: none"> <li>(i) Genesis ceases to hold a credit rating; or</li> <li>(ii) the credit rating of Genesis is lowered by at least one full rating notch and the resulting credit rating is lower than 'BBB+',</li> </ul> within the Change of Control Period (the period commencing on the day a notice of a Change of Control Event or pending Change of Control Event is given and ending 90 days after the date of announcement that the Change of Control has occurred).
Issuer Clean-up Redemption	If less than 100,000,000 Capital Bonds remain outstanding following the Bondholders exercising their election following a Holder Put Event, then Genesis has the right to redeem all remaining Capital Bonds at a Redemption Price equal to the Principal Amount plus Deferred Interest plus accrued interest.
AIL / NRWT	The Issuer proposes to register the Capital Bonds for approved issuer levy ("AIL"), which would be payable in lieu of deducting New Zealand non-resident withholding tax ("NRWT"). If the Capital Bonds qualify for the 0% rate of AIL, the Issuer intends to apply the 0% rate. Payments of AIL will be deducted from the interest payable to Bondholders, to whom NRWT would otherwise apply.
Events of Default	The following Events of Default will result in the Capital Bonds becoming immediately redeemable: <ul style="list-style-type: none"> <li>(i) failure to pay any Deferred Interest by the fifth anniversary of its original deferral;</li> <li>(ii) failure to comply with the Restrictions on Deferral;</li> <li>(iii) failure to pay amounts required to be paid on the redemption of the Capital Bonds;</li> <li>(iv) failure by Genesis to give to Bondholders and the Supervisor notice following the occurrence of a Holder Put Event (where Genesis has not exercised its right to redeem the Capital Bonds) accompanied by a form under which a Bondholder may elect that Genesis must redeem the Capital Bonds held by that Bondholder;</li> <li>(v) failure to pay amounts required to be paid in connection with an Election Process; or</li> <li>(vi) an insolvency event of Genesis occurs in the nature of the appointment of a liquidator, receiver, statutory manager, administrator or any analogous appointment, or the deregistration of the entity under any relevant jurisdiction.</li> </ul>

### Ranking on Liquidation

On a liquidation of Genesis amounts owing to Bondholders rank equally with all other unsecured, subordinated obligations of Genesis. The Capital Bonds rank behind Genesis' bank debt, senior bonds, US private placement notes and any amounts owing to unsubordinated general and trade creditors, as well as indebtedness preferred by law and secured indebtedness. The ranking of the Capital Bonds on a liquidation of Genesis is summarised in the diagram below.

Ranking on the liquidation of Genesis	Example	Indicative amount of existing liabilities and equity of the Genesis Group as at 31 December 2017 adjusted for expected issue proceeds (assuming \$200m of Capital Bonds are issued).
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#### Higher ranking/earlier priority



Liabilities that rank in priority to the Capital Bonds	Secured creditors and creditors preferred by law (including employees up to a cap of \$22,160 each and IRD for certain unpaid taxes), unsubordinated creditors (including banks and financial institutions that have lent money to Genesis, holders of Genesis' senior bonds, holders of Genesis' US private placement notes and unsubordinated trade and general creditors)	\$1,782.6m
Liabilities that rank equally with the Capital Bonds	Subordinated obligations (including money owed by Genesis to other holders of subordinated bonds, such as the GNE040 Bonds)	\$225.8m*
Equity	Ordinary shares, reserves and retained earnings	\$1,912.9m

\* Excludes GPLFA Bonds which will be redeemed on the Issue Date for the Capital Bonds, but includes the GNE040 Bonds. After the Issue Date, and assuming \$200m of Capital Bonds are issued, Genesis will have a principal amount of \$425m capital bonds on issue (being the GNE040 Bonds and the Capital Bonds).

#### Lower ranking/later priority

The actual amounts of liabilities and equity of Genesis at the point of its liquidation will be different to the indicative amount set out in the diagram above.

### Minimum Application Amount and Minimum Holding

Minimum of \$5,000 with multiples of \$1,000 thereafter.

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**Transfer Restrictions**

As a Bondholder, you may only transfer Capital Bonds if the transfer is in respect of Capital Bonds having an aggregate Principal Amount that is an integral multiple of \$1,000. However, Genesis will not register any transfer of Capital Bonds if the transfer would result in the transferor or the transferee holding or continuing to hold Capital Bonds with an aggregate Principal Amount of less than \$5,000, unless the transferor would then hold no Capital Bonds.

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**NZX Approval**

NZX has granted approval under NZX Listing Rule 11.1.5 to enable Genesis to include transfer restrictions in the Capital Bonds Trust Deed permitting Genesis to refuse a transfer of the Capital Bonds if the transfer is not in multiples of \$1,000 and/or results in the transferor or the transferee holding an aggregate principal amount of less than the minimum holding of \$5,000, unless the transferor would then hold no Capital Bonds.

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**NZX Debt Market Quotation**

It is a term of the Offer of the Capital Bonds that Genesis take any necessary step to ensure that the Capital Bonds are quoted immediately following the Issue Date. Application has been made to NZX for permission to quote the Capital Bonds on the NZX Debt Market and all the requirements of NZX relating thereto that can be complied with on or before the distribution of this Terms Sheet have been duly complied with. However, NZX accepts no responsibility for any statement in this Terms Sheet. NZX is a licensed market operator, and the NZX Debt Market is a licensed market under the FMCA.

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**Expected Date of Initial Quotation and Trading on NZX Debt Market**

17 July 2018.

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**NZX Debt Market ticker code**

GNE050.

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**ISIN**

NZGNEDG005C2.

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**Business Days**

A day (other than a Saturday or Sunday) on which banks are generally open for business in Auckland and Wellington.

If an Interest Payment Date, redemption date or the Maturity Date falls on a day that is not a Business Day, the due date for any payment to be made on that date will be the next following Business Day.

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**Voting Rights**

None.

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**Governing Law**

New Zealand.

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**Who May Apply for Capital Bonds**

The Offer is open to New Zealand retail and certain institutional investors.

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**General Offer**

All of the Capital Bonds offered under the General Offer will be reserved for clients of the Joint Lead Managers, institutional investors and other Market Participants invited to participate in the bookbuild ("**Firm Allocations**"). There will be no public pool under the General Offer.

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**Reserved Offer**

The Reserved Offer is only open to GPLFA Bondholders, although any shortfall under the Reserved Offer may be allocated to participants in the General Offer.

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### GPLFA Bondholders

For GPLFA Bondholders wishing to acquire Capital Bonds under the Offer, it is recommended that such holders:

- In the first instance, apply in the General Offer through their financial adviser for the total number of Capital Bonds they would like to acquire. Following the bookbuild process on 26 June 2018, your financial adviser will confirm how many Capital Bonds you have been allocated in the General Offer.
- If you are not allocated Capital Bonds under the General Offer, or you receive fewer Capital Bonds than you wish to acquire, you should apply for additional Capital Bonds through the Reserved Offer.

### How to Apply

#### General Offer

Applicants accepting a Firm Allocation under the General Offer from a Market Participant or approved financial intermediary must return a completed General Offer Application Form to the office of that Market Participant or approved financial intermediary which has provided the Firm Allocation in time to enable it to be forwarded to the Registrar before 5.00pm on the Closing Date for the General Offer. General Offer Application Forms are not to be lodged directly with Genesis.

You can find a Market Participant by visiting

**[www.nzx.com/services/market-participants/find-a-participant](http://www.nzx.com/services/market-participants/find-a-participant)**.

#### Reserved Offer

GPLFA Bondholders that wish to participate in the Reserved Offer must return a completed Reserved Offer Application Form to the office of a Joint Lead Manager, a Market Participant or approved financial intermediary, or the Registrar, in time to enable it to be forwarded to the Registrar before 5.00pm on the Closing Date for the Reserved Offer. Reserved Offer Application Forms are not to be lodged directly with Genesis.

Alternatively, GPLFA Bondholders may return a completed Reserved Offer Application Form, so that it is received by the Registrar (on behalf of Genesis) at the address below, no later than 5.00pm on the Closing Date for the Reserved Offer:

- Scan and email to: **[genesis@computershare.co.nz](mailto:genesis@computershare.co.nz)**
- Mail to:  
Computershare Investor Services Limited  
Private Bag 92119  
Auckland 1142
- Or hand delivered to:  
Computershare Investor Services Limited  
Level 2, 159 Hurstmere Road  
Takapuna  
Auckland 0622

A pre-printed Reserved Offer Application Form will be sent to each GPLFA Bondholder on the Opening Date for the Offer, and that form will include the recipient's details, including their holding of GPLFA Bonds.

GPLFA Bondholders should confirm their Firm Allocation of Capital Bonds under the General Offer (if they have elected to participate in the General Offer) before submitting their Reserved Offer Application Form.

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	<p>If a GPLFA Bondholder has elected to have the redemption proceeds for their GPLFA Bonds applied and set-off against the subscription moneys payable for their Capital Bonds under the General Offer, that GPLFA Bondholder may only apply for Capital Bonds under the Reserved Offer (and their allocation will be limited) to the extent that the GPLFA Bonds held by them at the date of the Reserved Offer application is greater than the Capital Bonds allocated to them under the General Offer. GPLFA redemption proceeds will be applied and set-off on a one-for-one basis (ie the redemption proceeds for one GPLFA Bond will be applied and set-off against the subscription proceeds for one Capital Bond).</p>
Refunds	<p>If Genesis does not accept your application or accepts your application in part, all or the relevant balance of your application moneys received from you will be paid to you as soon as practicable and, in any event, within five Business Days after such refusal or acceptance in part. No interest will be paid on those refunds.</p>
Registrar and Paying Agent	<p>Computershare Investor Services Limited.</p>
Supervisor	<p>Trustees Executors Limited.</p>
Joint Lead Managers	<p>Bank of New Zealand, Deutsche Craigs Limited and Forsyth Barr Limited.</p>
Organising Participant	<p>Craigs Investment Partners Limited.</p>
Fees	<p>Applicants are not required to pay brokerage or any charges to Genesis in relation to applications under the Offer.</p> <p>Genesis will pay brokerage of 0.50% of the gross proceeds raised under the Offer and firm fees of 0.50% of the aggregate amount of valid applications received pursuant to Firm Allocations as appropriate to Market Participants and approved financial intermediaries.</p>
Selling Restrictions	<p>The selling restrictions set out in Schedule 1 to this Terms Sheet apply to the Capital Bonds. The Capital Bonds must not be offered or sold other than in strict compliance with those selling restrictions.</p> <p>By subscribing for Capital Bonds, you indemnify Genesis, the Joint Lead Managers, the Organising Participant and the Supervisor in respect of any loss incurred as a result of you breaching the selling restrictions in Schedule 1.</p>
Non-Reliance	<p>This Terms Sheet does not constitute a recommendation by the Joint Lead Managers, the Organising Participant, the Supervisor, or any of their respective directors, officers, employees, agents or advisers to subscribe for, or purchase, any of the Capital Bonds. None of these parties or any of their respective directors, officers, employees, agents or advisers accepts any liability whatsoever for any loss arising from this Terms Sheet or its contents or otherwise arising in connection with the Offer.</p> <p>The Joint Lead Managers, the Organising Participant and the Supervisor have not independently verified the information contained in this Terms Sheet. In accepting delivery of this Terms Sheet, you acknowledge that none of the Joint Lead Managers, the Organising Participant, the Supervisor nor their respective directors, officers, employees, agents or advisers gives any warranty or representation of accuracy or reliability and they take no responsibility for it. They have no liability for any errors or omissions (including for negligence) in this Terms Sheet, and you waive all claims in that regard.</p>

## Risks

An investment in the Capital Bonds is subject to the risks that:

- (i) Genesis becomes insolvent and is unable to meet its obligations under the Capital Bonds; and
- (ii) if the investor wishes to sell the Capital Bonds before maturity, the risk that the investor is unable to find a buyer or that the amount received is less than the principal amount paid for the Capital Bonds.

Investors should carefully consider the features of the Capital Bonds which differ from the features of a standard senior bond. Those features include the ability of Genesis to defer interest, optional redemption rights for Genesis, a margin step-up, an election process and the subordinated nature of the Capital Bonds. The risks concerning those features are set out in more detail below.

This summary does not cover all of the risks of investing in the Capital Bonds. For example, whilst certain risks in relation to the Capital Bonds are set out in more detail below, those risks relating to Genesis, rather than the Capital Bonds themselves, are not set out below on the basis that information relating to Genesis and its operations is disclosed to the market already pursuant to Genesis' continuous disclosure obligations under the NZX listing rules. Also, the summary below sets out the risks in relation to the Capital Bonds that differ from risks in relation to standard senior bonds. It does not cover the risks that are common to both the Capital Bonds and standard senior bonds (such as risks around liquidity and your ability to sell the Capital Bonds at a given price, or at all).

Investors should carefully consider these risk factors (together with the other information in this Terms Sheet) before deciding to invest in the Capital Bonds.

The statement of risks in this Terms Sheet also does not take account of the personal circumstances, financial position or investment requirements of any particular investor. It is important, therefore, that before making any investment decision, investors give consideration to the suitability of an investment in the Capital Bonds in light of his or her individual risk profile for investments, investment objectives and personal circumstances (including financial and taxation issues).

The interest rate for the Capital Bonds should also reflect the degree of credit risk. In general, higher returns are demanded by investors from businesses with higher risk of defaulting on their commitments. You need to decide whether the Offer of Capital Bonds is fair.

You should speak to your financial adviser about the risks involved with an investment in the Capital Bonds.



## Risks in relation to the Capital Bonds

### *Deferral of interest payments*

There is a risk that interest payments on the Capital Bonds will be deferred by Genesis for a period of up to five years, as described in the paragraph headed “Optional Deferral of Interest” in the table above.

Genesis has a broad discretion to defer the payment of interest on the Capital Bonds, and holders will not have an immediate redemption right in those circumstances.

### *Redemption prior to the Maturity Date*

Although the Capital Bonds have a term of 30 years, Genesis may choose to, or be required to, redeem the Capital Bonds early in certain circumstances.

Genesis may elect to redeem the Capital Bonds in the circumstances outlined in the paragraph headed “Issuer Redemption Rights” in the table above. While some of those issuer redemption triggers may appear to be unlikely to occur, recent history suggests that such events can occur. For example, in 2013 a “Rating Agency Event” occurred in respect of the GPLFA Bonds, following an announcement by Standard & Poor’s that those bonds would no longer qualify for a “high” equity content classification. As a result of that

event, Genesis had the right to redeem the GPLFA Bonds. Also, as noted above, if the bookbuild process for the Offer is successful, Genesis will redeem the GPLFA Bonds on 15 July 2018.

If Genesis is entitled to or is required to redeem any of the Capital Bonds, the method and date by which Genesis elects or is required to do so may not accord with the preference of individual Bondholders. This may be disadvantageous in light of market conditions or a Bondholder’s individual circumstances.

### *Ranking*

The Capital Bonds rank behind all of Genesis’ unsubordinated obligations. In a liquidation of Genesis, the holders of the Capital Bonds would be paid only after all amounts owing by Genesis to its bankers, holders of senior bonds, holders of US private placement notes, and general and trade unsubordinated creditors, have been paid. After payment of those amounts, there may be insufficient funds available to the liquidator to repay all or any of the amounts owing on the Capital Bonds.

### *Supervisor’s enforcement rights*

Investors should be aware that even if the right to seek repayment of the Capital Bonds is exercised following the

occurrence of an Event of Default or a Holder Put Event, the Supervisor has very limited powers to enforce these rights given the subordinated nature of the Capital Bonds. For example, the Supervisor has no ability to appoint a receiver with a view to recovering amounts due to Bondholders and is only entitled to file a conditional claim in the event of the liquidation of the Issuer requiring repayment of the Capital Bonds after all prior ranking indebtedness has been repaid in full.

The Supervisor has no rights under the Capital Bonds Trust Deed if the Guaranteeing Subsidiary becomes insolvent.

### *Limited rights of Bondholders to enforce directly*

Bondholders are not able to enforce their rights under the Capital Bonds Trust Deed (including the Guarantee) directly against Genesis or the Guaranteeing Subsidiary unless the Supervisor fails to do so having become bound to enforce those rights in accordance with the Capital Bonds Trust Deed.

## Dates

The dates set out in this Terms Sheet are indicative only and Genesis, in conjunction with the Joint Lead Managers, may change the dates set out in this Terms Sheet. Genesis has the right in its absolute discretion and without notice to close the Offer early, to extend the General Offer Closing Date or the Reserved Offer Closing Date (or both of them), or to choose not to proceed with the Offer. If a Closing Date is changed, other dates (such as the Issue Date, the Maturity Date and the Interest Payment Dates) may be changed accordingly.

## Other Information

Any internet site addresses provided in this Terms Sheet are for reference only and, except as expressly stated otherwise, the content of any such internet site is not incorporated by reference into, and does not form part of, this Terms Sheet.

Copies of the Capital Bonds Trust Deed will be made available by Genesis for inspection during usual business hours by any Bondholder at Genesis' registered office listed below (or such office as Genesis may notify the Bondholders from time to time). Investors should seek qualified, independent financial and taxation advice before deciding to invest. For further information regarding Genesis, visit [www.nzx.com/companies/GNE](http://www.nzx.com/companies/GNE).

# Address Details

## Issuer

Genesis Energy Limited  
660 Great South Road  
Auckland 2025

PO Box 17188  
Auckland 1546

Telephone: (09) 580 2094  
Email: [TreasuryMgmt@genesisenergy.co.nz](mailto:TreasuryMgmt@genesisenergy.co.nz)

## Supervisor

Trustees Executors Limited  
Level 7, 51 Shortland Street  
PO Box 4197  
Auckland 1140

Telephone: 0800 878 783  
Email: [enquiries@trustees.co.nz](mailto:enquiries@trustees.co.nz)

## Joint Lead Managers

Bank of New Zealand  
Level 6, Deloitte Centre  
80 Queen Street  
Auckland 1010  
0800 284 017

Deutsche Craigs Limited  
Level 36, Vero Centre  
48 Shortland Street  
Auckland 1010  
0800 226 263

Forsyth Barr Limited  
Level 23, The Lumley Centre  
80 Shortland Street  
Auckland 1140  
0800 367 227

## Registrar

Computershare Investor Services Limited  
Level 2, 159 Hurstmere Road  
Takapuna  
Auckland 0622

Telephone: (09) 488 8777  
Email: [enquiry@computershare.co.nz](mailto:enquiry@computershare.co.nz)

# Schedule 1 – Selling Restrictions

## Part A

### Initial Selling Restrictions

The Capital Bonds may only be offered in New Zealand in conformity with all applicable laws and regulations in New Zealand. In respect of the initial offer of Capital Bonds by Genesis under this Terms Sheet (“**Initial Offer**”), no Capital Bonds may be offered in any other country or jurisdiction except in conformity with all applicable laws and regulations of that country or jurisdiction and the selling restrictions set out below in this Part A. This

Terms Sheet may not be published, delivered or distributed in or from any country or jurisdiction except under circumstances which will result in compliance with all applicable laws and regulations in that country or jurisdiction and the selling restrictions set out below in this Part A. For the avoidance of doubt, the selling restrictions set out below in this Part A apply only in respect of the Initial Offer.

## United States of America

The Capital Bonds have not been and will not be registered under the Securities Act of 1933, as amended (“**Securities Act**”) and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (“**Regulation S**”)) except in accordance with Regulation S or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

None of Genesis, the Joint Lead Managers, nor any person acting on its or their behalf has engaged or will engage in any directed selling efforts (as defined in Regulation S) in relation to the Capital Bonds, and each of Genesis and the Joint Lead Managers have complied and will comply with the offering restrictions in Regulation S.

The Capital Bonds will not be offered or sold within the United States or to,

or for the account or benefit of, U.S. persons (i) as part of their distribution at any time, or (ii) otherwise until 40 days after the completion of the distribution of all Capital Bonds of the Tranche of which such Capital Bonds are part, as determined and certified by the Joint Lead Managers except in accordance with Rule 903 of Regulation S. Any Capital Bonds sold to any distributor, dealer or person receiving a selling concession, fee or other remuneration during the distribution compliance period require a confirmation or notice to the purchaser at or prior to the confirmation of the sale to substantially the following effect:

“The Capital Bonds covered hereby have not been registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold within the United States, or to

or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering of the Capital Bonds and the closing date except in either case pursuant to a valid exemption from registration in accordance with Regulation S under the Securities Act. Terms used above have the meaning given to them by Regulation S.”

Until 40 days after the completion of the distribution of all Capital Bonds or the Tranche of which those Capital Bonds are a part, an offer or sale of the Capital Bonds within the United States by any Joint Lead Manager or any dealer or other distributor (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Regulation S.

## Relevant Member States of the European Economic Area

### PROHIBITION OF SALES TO EEA

**RETAIL INVESTORS** - The Capital Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point

(11) of Article 4(1) of Directive 2014/65/EU ("**MiFID II**"); (ii) a customer within the meaning of Directive 2002/92/EC ("**IMD**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the "**Prospectus Directive**"). Consequently no key information

document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Capital Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Capital Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

## United Kingdom

No communication, invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 ("**FSMA**")) has been or may

be made or caused to be made or will be made in connection with the issue or sale of the Capital Bonds in circumstances in which section 21(1) of the FSMA applies to Genesis.

All applicable provisions of the FSMA with respect to anything done in relation to the Capital Bonds in, from or otherwise involving the United Kingdom must be complied with.

## Japan

The Capital Bonds have not been and will not be registered in Japan pursuant to Article 4, Paragraph 1 of the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**FIEA**") in reliance upon the exemption from the registration requirements

since the offering constitutes the small number private placement as provided for in "*ha*" of Article 2, Paragraph 3, Item 2 of the FIEA. A Japanese Person who transfers the Capital Bonds shall not transfer or resell the Capital Bonds except where the transferor transfers or

resells all the Capital Bonds *en bloc* to one transferee. For the purposes of this paragraph, **Japanese Person** shall mean any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

## Singapore

This Terms Sheet has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Terms Sheet and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Capital Bonds may not be circulated or distributed, nor may the Capital Bonds be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289 of Singapore) (“SFA”)) pursuant to Section 274 of the SFA, (b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Capital Bonds are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Capital Bonds pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in Section 276(7) of the SFA; or
- (5) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

## Hong Kong

No Capital Bonds have been offered or sold or will be or may be offered or sold in Hong Kong, by means of any document other than (a) to professional investors as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the “SFO”) and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a prospectus as defined in the Companies (Winding Up and Miscellaneous Provisions)

Ordinance (Cap. 32) of Hong Kong (the “C(WUMP)O”) or which do not constitute an offer to the public within the meaning of the C(WUMP)O.

No advertisement, invitation or document relating to the Capital Bonds may be issued or in the possession of any person or will be issued or be in the possession of any person in each case for the purpose of issue, whether in Hong Kong or elsewhere, which is

directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Capital Bonds which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors as defined in the SFO and any rules made under the SFO.

## Australia

No prospectus or other disclosure document (as defined in the Corporations Act 2001 of Australia (“**Corporations Act**”)) in relation to the Capital Bonds has been, or will be, lodged with, or registered by, the Australian Securities and Investments Commission (“**ASIC**”) or any other regulatory authority in Australia.

No person may:

- (a) make or invite (directly or indirectly) an offer of the Capital Bonds for issue, sale or purchase in, to or from Australia (including an offer or invitation which is received by a person in Australia); and
- (b) distribute or publish, any Terms Sheet, information memorandum, prospectus or any other offering material or advertisement relating to the Capital Bonds in Australia,

unless:

- (i) the aggregate consideration payable by each offeree or invitee is at least A\$500,000 (or its equivalent in an alternative currency and, in either case, disregarding moneys lent by the offeror or its associates) or

the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 or Part 7.9 of the Corporations Act;

- (ii) the offer or invitation is not made to a person who is a “retail client” within the meaning of section 761G of the Corporations Act;
- (iii) such action complies with all applicable laws, regulations and directives; and
- (iv) such action does not require any document to be lodged with ASIC or any other regulatory authority in Australia.

By applying for the Capital Bonds under this Terms Sheet, each person to whom the Capital Bonds are issued (an “**Investor**”):

- (a) will be deemed by Genesis and any Joint Lead Manager to have acknowledged that if any Investor on-sells the Capital Bonds within 12 months from their issue, the Investor will be required to lodge a prospectus or other disclosure document (as defined in the

Corporations Act) with ASIC unless either:

- (i) that sale is to an investor within one of the categories set out in sections 708(8) or 708(11) of the Corporations Act to whom it is lawful to offer the Capital Bonds in Australia without a prospectus or other disclosure document lodged with ASIC; or
  - (ii) the sale offer is received outside Australia; and
- (b) will be deemed by Genesis and any Joint Lead Manager to have undertaken not to sell those Capital Bonds in any circumstances other than those described in paragraphs (a)(i) and (a)(ii) above for 12 months after the date of issue of such Capital Bonds.

This Terms Sheet is not, and under no circumstances is to be construed as, an advertisement or public offering of any Capital Bonds in Australia.

## Part B

### General Selling Restrictions

The Capital Bonds may only be offered for sale or sold in New Zealand. Genesis has not and will not take any action which would permit a public offering of the Capital Bonds, or possession or distribution of any offering material, in any country or jurisdiction where action for that purpose is required (other than New Zealand). Capital Bonds may only be offered for sale or sold in compliance with all applicable laws and regulations in any jurisdiction in which they are offered, sold or delivered. Any information memorandum, terms sheet, circular, advertisement or other offering

material in respect of the Capital Bonds may only be published, delivered or distributed in or from any country or jurisdiction under circumstances which will result in compliance with all applicable laws and regulations.

By subscribing for Capital Bonds, you indemnify Genesis, the Joint Lead Managers, the Organising Participant, the Registrar and the Supervisor in respect of any loss incurred as a result of you breaching the above selling restrictions.

# Schedule 2 – General Offer Application Instructions and Application Form

An application to subscribe for Capital Bonds under the General Offer must be made on the application form following these application instructions (“**General Offer Application Form**”).

A General Offer Application Form will constitute an irrevocable offer by the applicant to subscribe for and acquire the number of Capital Bonds specified

on the General Offer Application Form (or such lesser number which the Issuer may determine) on the terms and conditions set out in this Terms Sheet, the Capital Bonds Trust Deed and the General Offer Application Form. Applications must be for a minimum of 5,000 Capital Bonds (\$5,000) and thereafter in multiples of 1,000 (\$1,000). Applications for Capital Bonds may

only be lodged from when the offer is expected to open on Monday 18 June 2018 and close at 5.00pm on Monday 9 July 2018.

**Please complete all the relevant sections of the General Offer Application Form using CAPITAL BLOCK LETTERS.**

## 1. Application details and information

Insert your full name(s), address and telephone numbers. Please ensure you supply a mobile or daytime phone number to enable Computershare Investor Services Limited to get hold of you regarding your application if necessary. Applications must be in the name(s) of natural persons, companies or other legal entities, up to a maximum of three names per Application.

Note that **ONLY LEGAL ENTITIES** are allowed to hold Capital Bonds. Applications must be in the name(s) of natural persons, companies or other

legal entities acceptable to Genesis. At least one full given name and surname is required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account designation if completed exactly as described in the examples of correct forms of registrable names below.

### Type of investor

Individual - use given name in full, not initials.

Company - use company title, not abbreviations.

Trusts - do not use the name of the trust, use the personal name(s) of the trustee(s). All trustees must apply as joint applicants.

Deceased estates - do not use the name(s) of deceased, use the personal name(s) of the executor(s).

Clubs / Unincorporated bodies - do not use the name(s) of clubs etc., use the personal name(s) of the office bearer(s).

Superannuation Funds - do not use the name of the fund, use the personal name(s) of the trustee(s).

Use the table below to see how to write your name correctly.

Type of Investor	Correct way to write name	Incorrect way to write name
Individual person	JOHN SMITH	J SMITH
More than one person	JOHN SMITH, MICHELLE SMITH	J & M SMITH
Company	ABC LIMITED	ABC
Trusts	JOHN SMITH, PETER SMITH (JOHN SMITH FAMILY A/C)	SMITH FAMILY TRUST
Partnerships	JOHN SMITH, MICHAEL SMITH, (JOHN SMITH AND SONS A/C)	JOHN SMITH & SONS SMITH
Clubs and unincorporated associations	JOHN SMITH, (SMITH INVESTMENT CLUB A/C)	INVESTMENT CLUB
Superannuation funds	JOHN SMITH LIMITED (SUPERANNUATION FUND A/C)	JOHN SMITH, SUPERANNUATION FUND



## 2. Application amount and payment

Complete the amount of Capital Bonds applied for. Note the minimum amount of Capital Bonds and minimum integral multiples for Capital Bonds that are stated in the General Offer Application Form.

The Capital Bonds are issued at par value so the purchase price is an amount equal to the aggregate amount of the Capital Bonds for which you apply. Payment must be made in New Zealand dollars.

Applicants must pay for the Capital Bonds applied for by a personal cheque, by direct debit or, if the application is for Capital Bonds of an aggregate amount of \$500,000 or more, by bank cheque or any other method approved by the Joint Lead Managers.

GPLFA Bondholders that participate in the General Offer may elect to have the redemption proceeds for their GPLFA Bonds applied and set-off against the subscription moneys payable by them for the Capital Bonds for which they

apply. That election may be made by ticking the appropriate box in the General Offer Application Form.

If you choose the direct debit option you must tick the box authorising the Registrar to direct debit the bank account nominated on the General Offer Application Form on the day the Application Form is received by the Registrar for the amount applied for on the General Offer Application Form. You cannot specify a direct debit date and you must ensure that:

- the bank account details supplied are correct;
- the application funds in the bank account for direct debit are available on the day the Registrar receives the General Offer Application Form;
- the person(s) giving the direct debit instruction has/have the authority to operate the account solely/jointly; and
- the bank account you nominated is a transactional account eligible for direct debit transactions. If you are uncertain you should contact your bank.

Should your direct debit fail, your application will be rejected. If requested a direct debit authority form will be provided to you by the Registrar.

Personal cheques must be in New Zealand dollars and drawn on a New Zealand branch of a financial institution and submitted with the completed General Offer Application Form. Cheques must be made payable to “Genesis Capital Bond Offer”, crossed “Not Transferable” and must not be post-dated. If an applicant’s cheque is dishonoured, the Issuer will cancel that applicant’s allotment of Capital Bonds and may pursue any other remedies available to it at law.

Applicants who are members of the NZClear System, or who are able to have payments made on their behalf through the NZClear System, may settle their applications for Capital Bonds through the NZClear System by prior arrangement with the Registrar up to and including the Issue Date.

## 3. Common Shareholder Number (“CSN”)

If you have other investments registered under a Common Shareholder Number (CSN) you must supply your CSN in the

space provided. The name and address details on your General Offer Application Form must correspond with the

registration details under that CSN.

## 4. Interest and redemption payments

If you currently receive interest or dividend payments from the Registrar by direct credit, and wish your payments in respect of the Capital Bonds to be direct credited to the same account, then you do not need to complete section 4 of the General Offer Application Form.

If you wish to be paid by direct credit and the Registrar does not already hold your bank account details or you wish to have payments credited to another bank account, please tick the box for option 1 and enter the details of the bank account.

If payment to your cash management account with a Market Participant is selected, complete option 2, insert the name of the Market Participant where your cash management account is held and provide your cash management client account number.

## 5. IRD number and resident withholding tax

Provide your IRD number. Only one IRD number is required in the case of a joint holding.

Where applicable elect the rate at which you wish resident withholding tax to be deducted by ticking the relevant box.

Tick the relevant box if you hold a resident withholding tax (RWT) exemption certificate. If you hold a valid exemption certificate, please attach a photocopy of the exemption certificate and supply the expiry date. Please do not attach an original document.

Complete country of tax residence and, if that is not New Zealand, tick the box if you carry on business in New Zealand through a fixed establishment (branch) in New Zealand.

## 6. Electronic correspondence and reporting

By supplying your email address Genesis will be able to deliver your investor correspondence to you

electronically where possible. This is a much more environmentally friendly, cost effective and timely option than

paper based investor mail outs. If you do not provide your email address you will receive communications by mail.

## 7. Agreement of terms

Read the General Offer Application Form carefully and sign and date the form.

The General Offer Application Form must be signed by the applicant(s) personally, or by two directors of a company (or one director if there is only one director, whose signature must

be witnessed), or in either case by an attorney or duly authorised agent. If the General Offer Application Form is signed by an attorney, the power of attorney document is not required to be lodged, but the attorney must complete the certificate of non-revocation of power of attorney on the reverse of the General Offer Application Form.

If the General Offer Application Form is signed by an agent, the agent must complete the certificate of agent on the reverse of the General Offer Application Form. Joint applicants must each sign the General Offer Application Form.

## 8. The General Offer Application Form must be received by the Registrar no later than 5.00pm on Monday 9 July 2018

The General Offer is expected to close at 5.00pm on Monday 9 July 2018. Applicants should remember that the Closing Date may be changed at the sole discretion of the Issuer. Changes will be advised by announcement. The Issuer reserves the right to refuse

to accept applications received by the Registrar after 5.00pm on the Closing Date.

Applications received cannot be revoked or withdrawn.

Your General Offer Application Form should be returned to, or lodged with, an appropriate person as specified under the heading "How to Apply" on page 11 of the Terms Sheet.

## Personal information rights

Personal information provided by you will be held by the Issuer and the Registrar at their respective addresses shown on page 15 of the Terms Sheet or at such other place as is notified upon

request. This information will be used for the purpose of managing your investment. You have a right to access and correct any personal information about you under the Privacy Act 1993.

You can also access your information at [www.computershare.com/nz](http://www.computershare.com/nz). You will be required to enter your CSN and FIN.

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## Genesis Energy Limited Capital Bond Offer

# GENERAL OFFER APPLICATION FORM

Brokers Stamp

Brokers code

Adviser code

This application form ("**General Offer Application Form**") is for an offer of capital bonds ("**Capital Bonds**") by Genesis Energy Limited ("**Genesis**") to New Zealand retail and certain institutional investors and is issued with the terms sheet dated 18 June 2018 ("**Terms Sheet**"), issued by Genesis. Please complete this General Offer Application Form and return it to, or lodge it with, an appropriate person as specified under the heading "**How to Apply**" on page 11 of the Terms Sheet.

Capitalised words used but not defined in this General Offer Application Form have the same meaning given to them in the Terms Sheet.

For applications made through a broker firm ("**Broker Firm**"), your General Offer Application Form must be lodged with the relevant Broker Firm in sufficient time to enable your General Offer Application Form to be forwarded to and received by the Registrar no later than 5.00pm on Monday 9 July 2018.

PLEASE COMPLETE THIS GENERAL OFFER APPLICATION FORM USING BLOCK LETTERS

## 1 Application details and information (please print in block letters)

Applications must be made in the name(s) of natural persons, companies or other legal entities, up to a maximum of three

names per application. First name(s) \_\_\_\_\_ Last name \_\_\_\_\_

First name(s) \_\_\_\_\_ Last name \_\_\_\_\_

First name(s) \_\_\_\_\_ Last name \_\_\_\_\_

Company or Designated Account name \_\_\_\_\_

Postal address & postal code \_\_\_\_\_

Phone number Mobile - Business hours -

## 2 Application amount and payment

Applications must be accompanied by payment in full, in New Zealand currency based on NZ\$1.00 per Capital Bond.

Applications must be for a minimum of NZ\$5,000 and, thereafter, in multiples of NZ\$1,000.

Number of Capital Bonds applied for \_\_\_\_\_

If you are a holder of GPLFA Bonds and wish to apply and set-off the redemption proceeds from your GPLFA Bonds against the subscription moneys payable by you for Capital Bonds, then enter the number of GPLFA Bonds which you hold and wish to be subject to that application and set-off. That application and set-off will be done on a one-for-one basis (ie redemption proceeds for one GPLFA Bond will be applied and set-off against the subscription proceeds for one Capital Bond). To the extent that those redemption proceeds exceed the subscription moneys payable by you, Genesis will pay the excess in cash to you on 16 July 2018.

Number of existing GPLFA Bonds I wish to be used for my application \_\_\_\_\_

I hereby irrevocably and unconditionally instruct Genesis to apply and set-off the redemption proceeds payable to me in respect of the GPLFA Bonds which I wish to be used (as indicated above) against the subscription moneys payable by me to Genesis for the Capital Bonds applied for above.

**If you are not a GPLFA Holder or are subscribing for more Capital Bonds than you hold of GPLFA Bonds you must choose only ONE of the options below for payment of your application moneys. Please tick the box next to your selected option (✓).**

☐ **OPTION 1 – Direct debit** Please direct debit my bank account stated below for the amount of Capital Bonds applied for above (or any lesser amount as determined by Genesis). By ticking this box and signing this General Offer Application Form, I agree that the Registrar is authorised to direct debit my account for the full amount of Capital Bonds applied for (or any lesser amount as determined by Genesis). Future interest payments will be direct credited to this account unless a different account is specified under 4 below.

## NEW ZEALAND DOLLAR BANK ACCOUNT DETAILS FOR DIRECT DEBIT

Name of bank \_\_\_\_\_ Account name \_\_\_\_\_

□□-□□□□-□□□□□□□□-□□□□

Bank Branch Account number Suffix

☐ **OPTION 2 – Cheque** Please find attached my cheque payable to ‘**Genesis Capital Bond Offer**’ and crossed ‘Not Transferable’. I have supplied my bank account details under 4 below for the purpose of direct crediting any future interest paid by Genesis.

☐ **OPTION 3 – NZClear System** Payment will be made by NZClear as arranged with the Registrar (**authorised institutional investors only**). I have supplied my bank account details under 4 below for the purpose of direct crediting any future interest paid by Genesis.

NZClear mnemonic \_\_\_\_\_

### 3 Common Shareholder Number (CSN)

Please note that the application must be in the same name as the CSN below otherwise the application will be deemed to be made without a CSN and a new CSN will be allocated.

If you hold any other securities under a CSN, please enter your CSN here □□□□□□□□□□

### 4 Interest and redemption payments

## OPTION 1 - NEW ZEALAND DOLLAR BANK ACCOUNT DETAILS FOR FUTURE PAYMENTS

Name of bank \_\_\_\_\_ Account name \_\_\_\_\_

□□-□□□□-□□□□□□□□-□□□□

Bank Branch Account number Suffix

## OPTION 2 - FOR THE PURPOSE OF INTEREST PAYMENTS ONLY, DIRECT CREDIT TO MY CASH MANAGEMENT ACCOUNT

Name of Market Participant where Cash Management Account held \_\_\_\_\_

Cash Management Account Client Account Number □□□□□□□□□□□□

If you wish to have your future interest payments direct credited to a different bank account you need to advise the Registrar in writing.

### 5 IRD number and resident withholding tax rate

IRD number (only one IRD number is required in respect of a joint application) □□□-□□□-□□□□

Deduct resident withholding tax (RWT) from my interest earned at the following rate (please tick ✓ one). Please note that companies (other than a company which is acting as a trustee or a company which is a Maori authority) do not need to tick any box unless they hold an RWT exemption certificate. Tax will automatically be deducted at 28%.

☐ 10.5% ☐ 17.5% ☐ 30% ☐ 33%

☐ Exempt – please tick this box if you hold an RWT exemption certificate from the IRD and attach a copy of your RWT exemption certificate. The RWT exemption certificate must relate to the IRD number provided.

Country of residence for tax purposes \_\_\_\_\_ If not a New Zealand tax resident, are you engaged in business in New Zealand through a fixed establishment in New Zealand? **Yes / No** (delete one)

### 6 Electronic correspondence and reporting

To enable Genesis to provide you electronically with correspondence in relation to your holding in this security, please complete your email address below. If you do not provide an email address, investor correspondence will be mailed to you at the address provided on this General Offer Application Form.

Email \_\_\_\_\_



appointed me \_\_\_\_\_ agent;  
(his/her/its)

1. That I have executed the application for Capital Bonds printed on this General Offer Application Form under that appointment and pursuant to the powers thereby conferred on me; and
2. That I have not received notice or information of the revocation of my appointment as agent.

Signature of agent \_\_\_\_\_

Signed at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_ 2018

\*If a donor is a body corporate, state place of registered office or principal place of business of donor and, if that is not in New Zealand, state the country in which the principal place of business is situated.

## 11 Certificate of non-revocation of power of attorney

(Complete this section if you are acting on behalf of the applicant on this General Offer Application Form for whom you have power of attorney)

I, \_\_\_\_\_ of \_\_\_\_\_  
(full name) (place and country of residence)

\_\_\_\_\_  
(occupation)

hereby certify that:

1. By the power of attorney dated \_\_\_\_\_,  
(date of instrument creating the power of attorney)

\_\_\_\_\_  
(full name of person/body corporate which granted the power of attorney)

of \_\_\_\_\_  
(place and country of residence of person/body corporate which granted the power of attorney\*\*)

appointed me \_\_\_\_\_ attorney;  
(his/her/its)

2. That I have executed the application for Capital Bonds printed on this General Offer Application Form under that appointment and pursuant to the powers thereby conferred on me; and
3. That I have not received notice of any event revoking the power of attorney.

Signature of attorney \_\_\_\_\_

Signed at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_ 2018

\* If a donor is a body corporate, state place of registered office or principal place of business of donor and, if that is not in New Zealand, state the country in which the principal place of business is situated.



