



## Disclosure Document to Shareholders

10 November 2017

Dear Shareholder

### **Provision of Financial Assistance in connection with Genesis Energy Limited's Talent Retention Plan in respect of the FY17/18**

*Under sections 79 and 80 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 the Talent Retention Plan ('TRP').*

#### **Genesis Energy TRP**

The TRP was implemented by the Company in 2017. The intent of the TRP is to incentivise the retention and commitment of the highest performing individuals identified as being critical to the delivery of the company's strategy.

Under the TRP, employees identified by the Company as being critical to the delivery of the Company strategy ('Participants') will be invited into the TRP. Participants will be awarded with shares where:

- 50% of those shares will vest after a 2 year period; and
- the remaining 50% will vest in year 3 if the Participant remains at Genesis Energy.

The shares will be funded by the Company and will be held on trust by a Trustee until the relevant vesting dates.

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 TRP and the trust deed entered into by the trustee and the Company.

#### **Board Resolutions**

In relation to the TRP FY17/18 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, in an amount of up to \$404,429.16 in aggregate (which includes the general operating costs for the trustees for FY17/18).

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 TRP offer for FY17/18 be approved, consistent with the structure approved by the Board in June 2017 (paper attached at **Appendix 1**).

2. Genesis Energy should provide financial assistance to employees participating in the TRP by the payment of money to the Trustee of the TRP to purchase any award shares and the on-going administration costs over the FY17/18 Plan Year ("**Financial Assistance**")
3. The giving by Genesis Energy of Financial Assistance is in the best interests of Genesis Energy and is of benefit to those shareholders not receiving the assistance.
4. The terms and conditions under which Financial Assistance is to be given are fair and reasonable to Genesis Energy and those shareholders not receiving the assistance.
5. Genesis Energy will, immediately after giving Financial Assistance, satisfy the solvency test set out in section 4 of the Companies Act 1993.
6. The reasons for the Directors' conclusions are:
  - a. Giving the Financial Assistance is in the best interests of Genesis Energy, and is of benefit to those shareholders not receiving Financial Assistance, because it incentivises the retention and commitment of those high performing individuals identified as being critical to the delivery of the company's strategy.
  - b. The terms and conditions are fair and reasonable to Genesis Energy and to those shareholders not receiving Financial Assistance because the costs of providing Financial Assistance are relatively small and are outweighed by the benefit of the retention of high performing individuals that is achieved under the TRP.
  - c. The Board believes, after considering the following matters, that immediately after payment of the proposed Financial Assistance, Genesis Energy will be able to pay its debts as they become due in the normal course of business, and the value of Genesis Energy's assets will be greater than the value of its liabilities (including contingent liabilities):
    - the most recent audited financial statements of Genesis Energy for the year ended 30 June 2017 that comply with the Financial Reporting Act 2013 and the Financial Markets Conducts Act 2013;
    - Genesis Energy'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 Genesis Energy's assets and liabilities (including contingent liabilities).
7. In accordance with section 80 of the Companies Act 1993, Genesis Energy will upload to the NZX and ASX platforms the disclosure document complying with section 79 of the Companies Act within 10 working days of providing the Financial Assistance.

Yours sincerely



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Marc England  
Chief Executive

