

# Governance Roadshow

May/June 2023

Barbara Chapman CNZM – Chairman  
Warwick Hunt MNZM - Director



**genesis** With you. For you.

# Disclaimer

This presentation has been prepared by Genesis Energy Limited ('Genesis Energy') for information purposes only. This disclaimer applies to this document and the verbal or written comments of any person presenting it.

The information in this presentation is of a general nature and does not purport to be complete nor does it contain all the information required for an investor to evaluate an investment. This presentation should be read in conjunction with Genesis Energy's Annual Report for FY22 and accompanying market releases.

This presentation may contain projections or forward-looking statements. Forward-looking statements may include statements regarding Genesis Energy's intent, belief or current expectations in connection with Genesis Energy's future operating or financial performance, or market conditions. Such forward-looking statements are based on current expectations and involve risks, uncertainties, assumptions, contingencies and other factors, many of which are outside Genesis Energy's control. Although management may indicate and believe that the assumptions underlying any projections and forward-looking statements are reasonable, any of the assumptions could prove inaccurate or incorrect and there can be no assurance that the results contemplated in those projections and forward-looking statements will be realised. Actual results may differ materially from those projected. Genesis Energy gives no warranty or representation as to its future financial performance or any future matter.

EBITDAF, underlying earnings and free cash flow are non-GAAP measures. These non-GAAP measures should not be considered in isolation from, or construed as a substitute for, other financial measures determined in accordance with GAAP or NZ IFRS.

While all reasonable care has been taken in compiling this presentation, to the maximum extent permitted by law, Genesis Energy accepts no responsibility for any errors or omissions, and no representation is made as to the accuracy, completeness or reliability of the information, in this presentation. The information in this presentation does not constitute financial product, legal, financial, investment, tax or any other advice or a recommendation and nothing in this presentation should be construed as an invitation for any subscription for, or purchase of, securities in Genesis Energy.

All references to \$ are to New Zealand dollars, unless otherwise stated.

Except as required by law, or the rules of any relevant securities exchange or listing authority, Genesis Energy is not under any obligation to update this presentation at any time after its release, whether as a result of new information, future events or otherwise.



# Genesis Energy Board of Directors

- Diverse Board, purposefully recruited to provide a broad range of experience and capabilities
- Key governance bodies have experienced chairs:
  - **Barbara Chapman** joined the Board in May 2018 and appointed Chair of the Board in October 2018. Served as Chief Executive and Managing Director of ASB Bank for seven years and has extensive governance experience.
  - **Tim Miles** joined the Board in November 2016 and is Chair of the Human Resources and Remuneration Committee. Served as Chief Executive of Vodafone UK, Vodafone Group Chief Technology Officer and in other senior leadership roles in the technology sector
  - **Catherine Drayton** joined the Board in March 2019 and is Chair of the Audit and Risk Committee. Extensive governance experience and a former senior partner at PwC, specialising in mergers and acquisitions.
- Two new Directors appointed in 2022:
  - **Hinerangi Raumati-Tu'ua** (Waikato, Ngaati Mutunga) - currently Chair of Tanui Group Holdings. Governance experience across infrastructure, fisheries and several iwi commercial entities
  - **Warwick Hunt** - former Managing Partner of PwC (UK, Europe Middle East and Africa). Experience across energy, professional services, financial services and agribusiness



**Barbara Chapman CNZM**  
Chair  
BCom, CMInstD



**Hinerangi Raumati-Tu'ua**  
MNZM  
Director  
BMS, MMS, FCA



**Tim Miles**  
Director  
BA  
Chair of Human Resources and Remuneration Committee



**Catherine Drayton**  
Director  
BCom, LLB, FCA  
Chair of Audit and Risk Committee



**Warwick Hunt MNZM**  
Director  
BAcc (Hons), FCA, FKCL














**Paul Zealand**  
Director  
BSc Mech. Eng (Hons), MBA



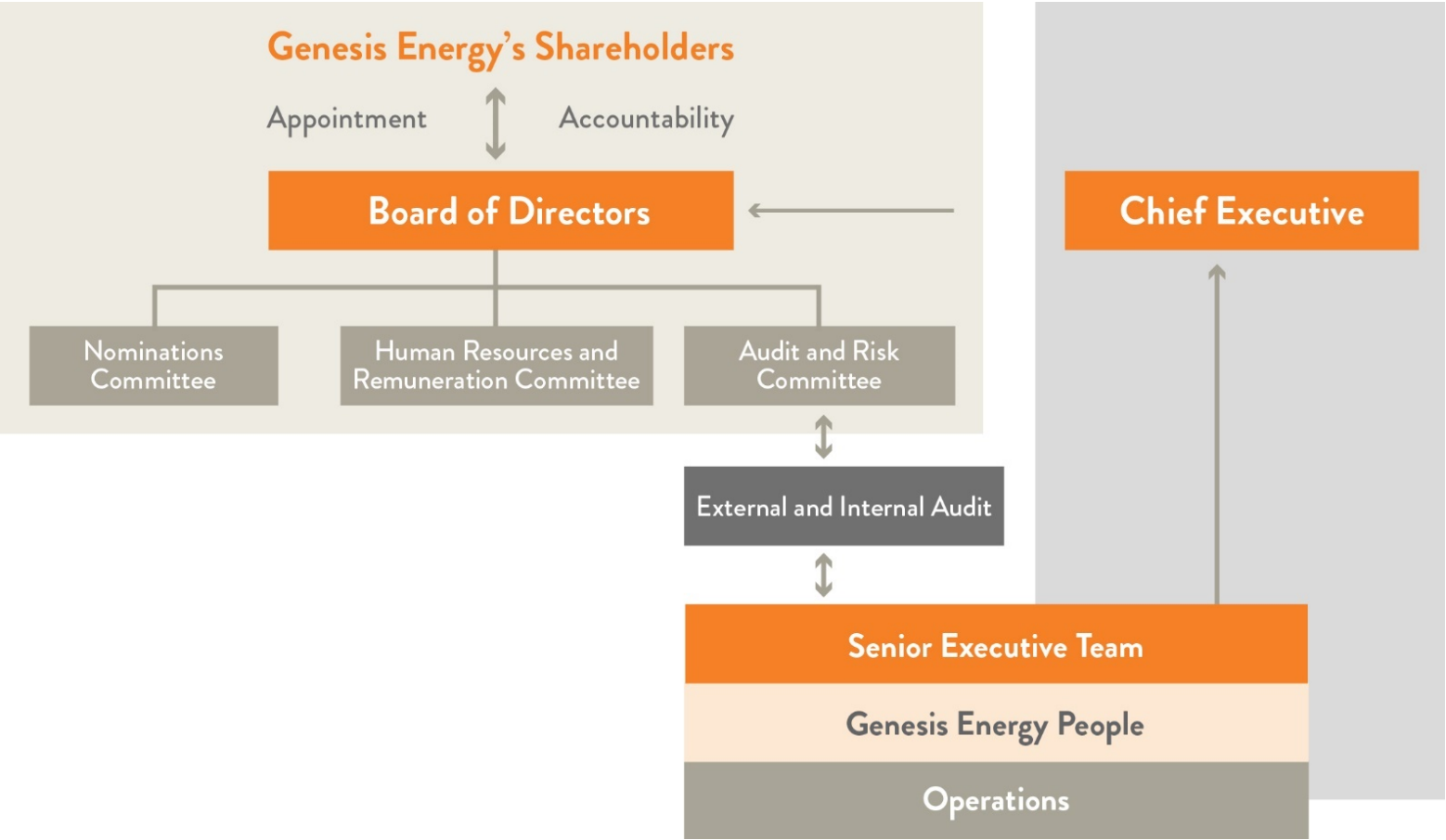
**James Moulder**  
Director  
BA, BCA

# Board Skills Matrix

Strategic Focus	Director Expertise	Governance Capabilities
Business strategy and leadership experience		A proven record of developing and executing business strategy
Listed company governance experience		Experience in listed company governance and driving and assessing the effectiveness of the executive
Regulated industry knowledge and experience		Electricity sector experience or experience in a similarly regulated industry
Government and stakeholder relationship experience		A proven record of successfully engaging and managing key external stakeholder relationships
Finance / Accounting / Audit Committee experience		Experience in financial accounting, reporting and internal financial controls
Corporate finance / capital markets / transactional experience		Experience in corporate finance related transactions – such as capital raising and/or mergers and acquisitions
Large industry operational (capital) project management experience		Experience within the electricity sector or similar large scale industrial business
Health and safety, risk experience		Deep understanding of excellence in Health & Safety in strategic and operational context and applicable legislative framework
Customer insight, data, marketing and brand experience		Experience in consumer retail and execution of marketing and brand strategies to deliver growth
Technology / innovation and digitalisation experience		Detailed understanding of the role of technology and innovation in delivering a superior customer experience
People / culture / reputation management		Deep understanding of the strategic importance of people, values, behaviours and management style as drivers of organisational culture and reputation

 Primary  Secondary

# Board Structure and Policies aligned with Best Practice



- Policies and charters are formally reviewed by the Board within the third year after the last review, to ensure they remain 'fit-for-purpose'
- Policies benchmarked against third party companies as part of the review process
- Committee performance reviewed against responsibilities in charters

# A Refreshed Leadership Team to Navigate the Transition



**Malcolm Johns**  
Chief Executive

**BMS**

Joined as Chief Executive in March 2023. Previously Chief Executive of Christchurch Airport. Has held governance roles in transport, infrastructure and tourism.



**Tracey Hickman**  
Chief Commercial Officer

**MA (Hons), AMP (Harvard)**

Over 28 years energy sector experience, including ten years in executive roles in generation, trading, fuels and retail.



**James Spence**  
Chief Financial Officer

**BSc, CA**

Experience as Chief Financial Officer at three integrated energy companies in Australia and North America.



**Pauline Martin**  
Chief Trading Officer

**B.E (Electrical & Electronic)**

Over 15 years' experience in wholesale markets, transmission, generation development and retail markets.



**Matthew Osborne**  
Chief Corporate Affairs Officer

**BCom, LLB**

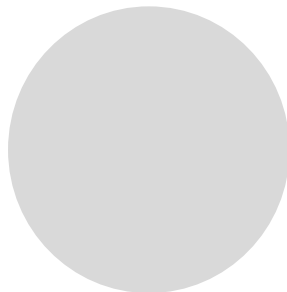
Corporate counsel/executive with over 20 years' experience across legal, regulatory, sustainability, communications and governance.



**Claire Walker**  
Chief People Officer

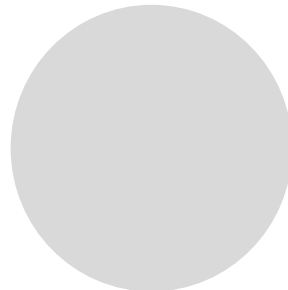
**BA, Dip Business Admin**

20 years' experience in human resource management. Deputy Chair of the Sustainable Business Council.



Chief Digital Officer

Recruitment Underway



Chief Customer Officer

Recruitment Underway



**Rebecca Larking**  
Chief Operations Officer

**MSc, Dip Business Admin**

18 years energy sector experience across environmental, generation, business sales and retail operations.

# Executive remuneration linked to Strategy, Performance and Sustainability

Genesis' remuneration policy is underpinned by three key objectives:

- Create a sense of longer-term commitment in the relationship between the Company, key employees, and shareholders.
- Be easy to understand, communicate, and transparent for all stakeholders.
- Reward, retain and motivate high performers.

In FY23 the Company introduced a sustainability metric into the Executive Long-Term Incentive (LTI) scheme. This will vest depending on achievement of the Science Based Target and represents 20% of the LTI.

## Breakdown of CE pay for performance FY22

	FY22 Weighting Percentage	Performance Measures	Percentage Achieved
<b>STI</b>	Set at 50% of fixed remuneration	60% based on Company shared KPI's of EBITDAF, Customer, Safety & Wellness, Sustainability, and Strategic objectives. 40% based on Individual KPIs	137%
<b>LTI</b>	Conditional awards of shares under a Long Term Incentive Plan set at 60% of fixed remuneration	50% weighting relative TSR performance against an industry peer group, 50% weighting absolute TSR against NZX and ASX performance	0%

The above STI payments for FY22 were paid in FY23. As noted in the Total Remuneration Earned table, the FY20 LTI did not meet the absolute or relative TSR metrics at its vesting date of 30 June 2022 and consequently all rights under the FY20 LTI lapsed.

## The following LTI Plan was granted to the CE in FY22, for vesting in FY24 (30 June 2024)

Grant Year	Basis of Award	Face Value of award	Performance Period	Performance Measure
FY22	60% of Fixed Remuneration (Base Salary + Benefits)	\$780,000 in the form of 268,907 ordinary shares	July 2021 - June 2024	50% relative TSR measured against the Peer Gen-Tailor Group 50% absolute TSR measured against Genesis Cost of Equity.

Due to the CEO's resignation, any rights granted in the FY22 year will lapse on his departure.

# Directors' Fees

- Genesis places significant value and importance on attracting and retaining Directors of the right calibre and skill set that companies of our complexity require.
- Directors' fees were last approved by shareholders at the Company's 2021 Annual Shareholder Meeting.

## Approved Directors' fees – from 1 November 2021

	Position	Fees per annum	Total
Board of Directors	Chairman	200,000	200,000
	Member (x7) <sup>1</sup>	100,000	700,000
Audit and Risk Committee	Chairman	26,000	26,000
	Member (x3) <sup>1</sup>	15,650	46,950
Human Resources and Remuneration Committee	Chairman	20,000	20,000
	Member (x3)	10,000	30,000
Nominations Committee	Chairman <sup>2</sup>	-	-
	Member (x3)	5,000	15,000
Pool for additional work or attendances <sup>3</sup>		35,000	35,000
<b>Total approved pool</b>			<b>\$1,072,950</b>

1. During the year the Board consisted of six Directors plus the Chairman and the Audit and Risk Committee had two members plus its Chairman.

2. The Chairman of the Board is the chairman of the Committee and does not receive any fees for Committee membership.

3. At the 2021 Annual Shareholder Meeting, shareholders approved a pool of \$35,000 for additional work by Directors. In FY22, one-off payments of \$5,000 were made to each of Catherine Drayton and James Moulder for work performed by them on financing matters.



# A Diverse Asset Portfolio and Strong Customer Loyalty

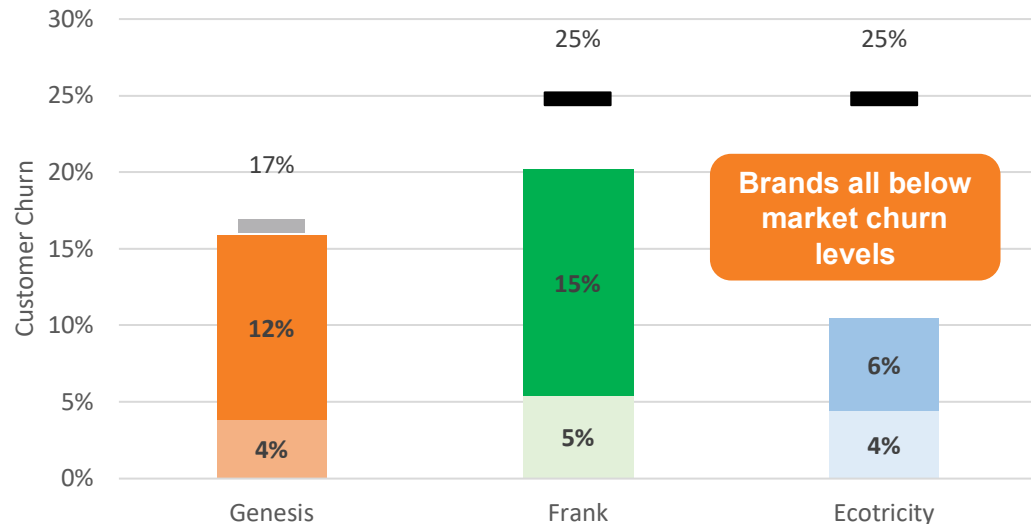
- Genesis holds a diverse portfolio of generation assets, geographically dispersed, utilising multiple renewable and thermal sources. This will continue to increase as Future-gen is developed.
- The Huntly Power Station is a key strategic asset for Genesis and New Zealand, providing up to 1200MW of capacity close to major population centres.
- The Company's range of innovative products and strong brands result in market leading customer loyalty and value.

Diverse Assets throughout New Zealand

	Ownership	Joint Venture	PPA
Hydro	● NI/SI		
Wind	● NI		● ● NI
Solar		● NI/SI	
Geothermal			● NI
Thermal	● NI		

● Current ● Future-gen

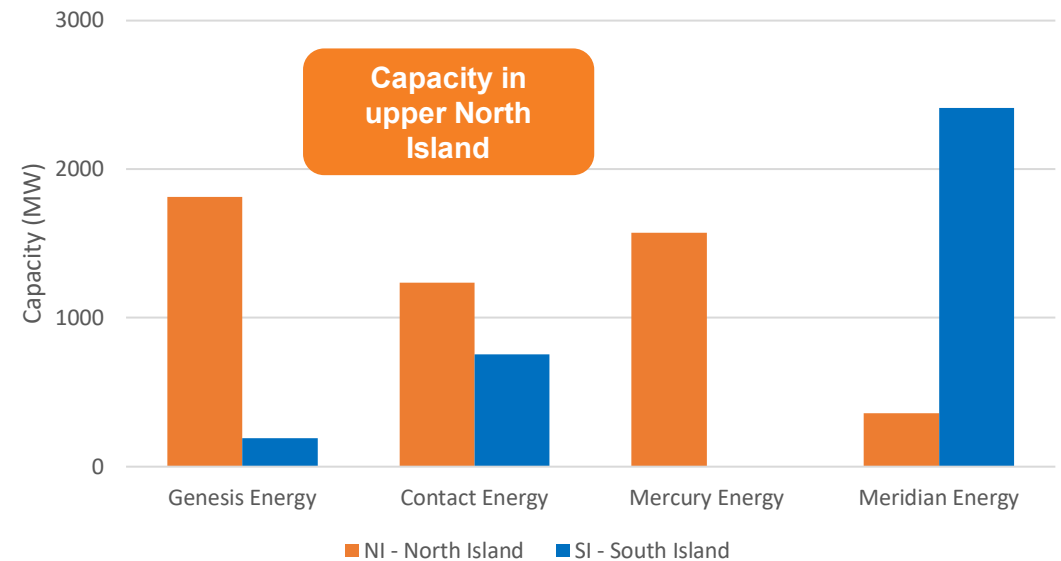
Strong Loyalty across all Company Brands



9. ■ YTD Move Churn ■ YTD Trader Switch Churn – Tier 1 Avg (excl. Genesis) / T2 Avg (excl Frank)

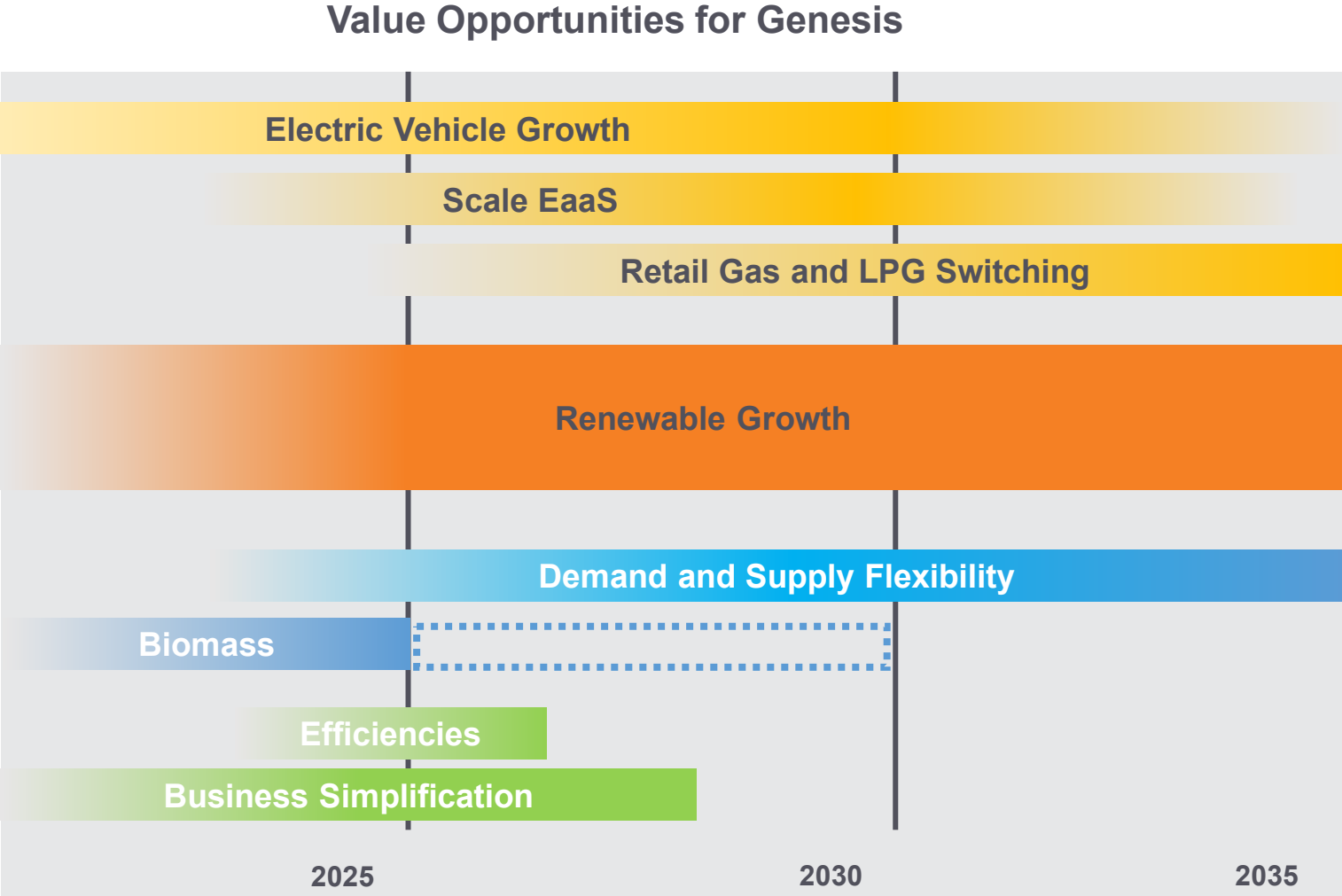
Source: Electricity Authority

Strategically located Generation Assets



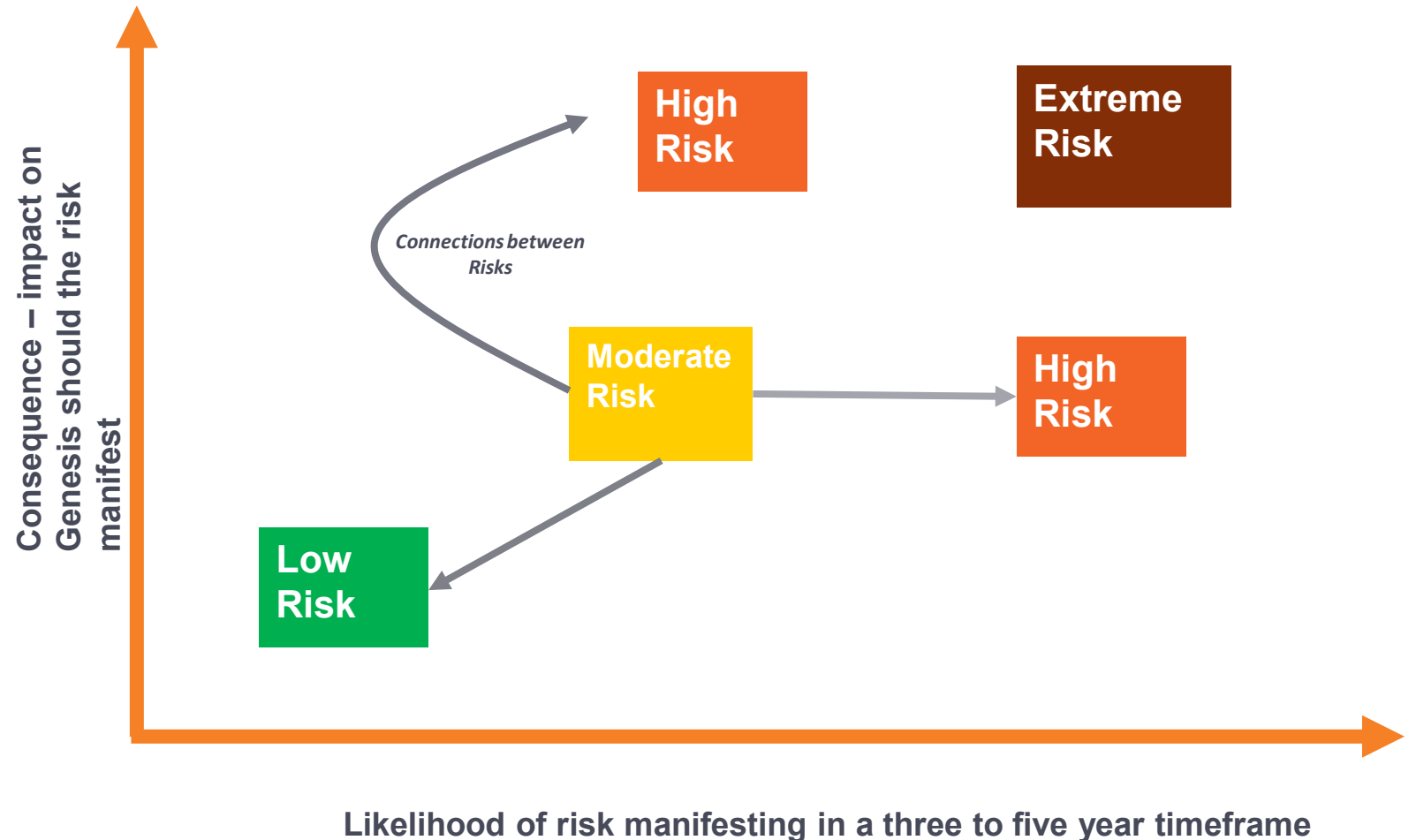
# Genesis is reviewing the market over a 10-year horizon, to ensure the company is best placed for the future

- Genesis is reviewing the New Zealand energy market and considering the company’s opportunities in the next 10 years and beyond.
- The focus is to identify future value pools and further opportunities for decarbonisation.
- Key aspects for the review that are being considered:
  - Electrification of transport and heat, across industrial and residential sectors.
  - Renewables development. Determining the best structure and composition of renewable generation for Genesis’ portfolio.
  - Flexibility. Developing flexibility to support a highly renewable sector and the role of Huntly in support this.
  - Business prioritisation, simplification and efficiencies to focus investment and effort.



# Board Considers Risks on Likelihood and Consequence Framework

- Directors consider strategic risks by reference to a framework based on the likelihood of occurrence and severity of the consequences.
- Interconnection between risks has been a focus of the Board.
- Key risks that the Board consider include, but are not limited to:
  - Global energy prices and the impact on Genesis and New Zealand.
  - Regulatory risks impacting the retail or wholesale segments.
  - Investors, customers and stakeholder's views on sustainability and carbon emissions.
  - Impact of a higher interest rate environment.

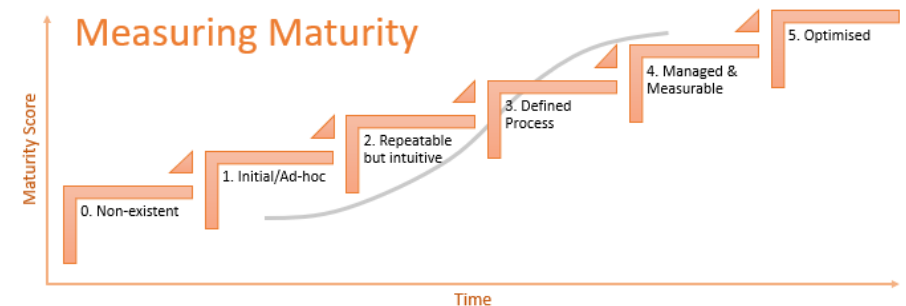
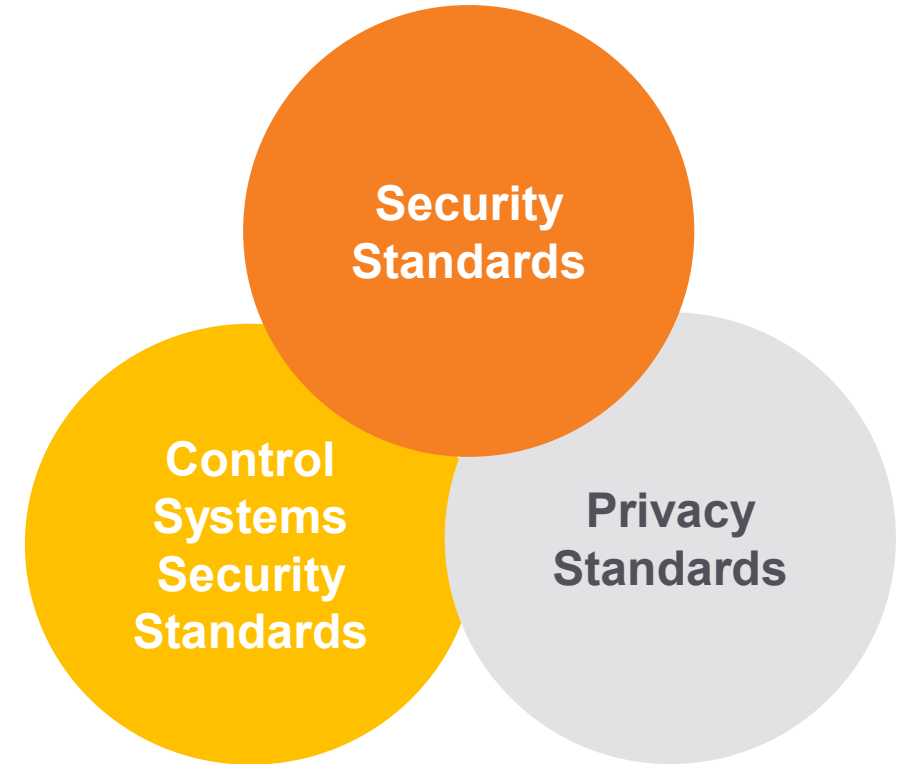


# Genesis is engaging as regulations evolve

	Market Challenges	Genesis Position
ETS Changes	<ul style="list-style-type: none"><li>Review of the Emissions Trading Scheme to ensure it incentivises businesses to decarbonise and provide stronger incentives for gross emissions reductions.</li></ul>	<ul style="list-style-type: none"><li>Genesis supports timely and equitable decarbonisation. As New Zealand's highly and increasingly renewable electricity system will be a key enabler, changes that result in higher electricity costs for consumers and businesses must be considered carefully.</li></ul>
Security of supply	<ul style="list-style-type: none"><li>Meeting winter peak demand has become increasingly challenging as demand increases and the national generation fleet transitions to renewables. Government review continues on solutions to dry year risk.</li></ul>	<ul style="list-style-type: none"><li>Regulatory and market settings should provide incentives for the appropriate mix of solutions (generation plant and demand response) for peak demand and dry year risk.</li></ul>
Climate change	<ul style="list-style-type: none"><li>The Government is being urged to broaden, strengthen, and accelerate action on emissions reduction to meet climate change objectives.</li></ul>	<ul style="list-style-type: none"><li>Genesis is constructively engaging with development of the Gas Transition Plan and New Zealand Energy Strategy, to help ensure a workable pathway for the energy sector that reduces emissions while ensuring security of supply and minimising the impact on households.</li></ul>
Planning reform	<ul style="list-style-type: none"><li>The Government is overhauling the resource management framework, introducing new legislation and a new National Policy Statement on Renewable Electricity Generation.</li></ul>	<ul style="list-style-type: none"><li>Genesis supports improvements and a holistic approach. Any resulting framework should support New Zealand's decarbonisation ambitions – both for development of new infrastructure and consenting existing plant.</li></ul>

# Information and System Security

- Information security is a priority for the Board, signing off on the Information Security Policy in October 2021.
- The Policy outlines how the company protects information and systems from unauthorised access.
- Genesis' approach is proactive, holistic and aligned to an ecosystem of internationally recognised standards.
  - ISO 27001 – globally recognised information security management standard
  - VCSS-CSO – New Zealand security standard for control systems operators
  - ISO 27701 – globally recognised privacy information management standard
- Current and emerging risks are reviewed by the Audit and Risk Committee on quarterly basis.



# 2025 Sustainability Framework

Empowering New Zealand's sustainable future.

## 2025 Targets:

- 1 Achieve 1.5°C-aligned Science Based Target by reducing our emissions by more than 1.2m tonnes of CO<sub>2</sub> by 2025.
- 2 Empower our customers to reduce their carbon footprint.
- 3 Positive outcomes for nature through partnering on conservation and restoration.
- 4 4,000 educators use STEM learning resources or equipment offered by the School-gen programme.
- 5 Provide a total of 96 apprenticeship, internship and work experience opportunities through Ngā Ara Creating Pathways (FY22-FY25).
- 6 Support community organisations to help families improve the warmth of their homes and partner with others to enable fair access to energy for New Zealanders in need.
- 7 Support our customers in vulnerable circumstances by working with others.
- 8 Integrate Te Ao Māori worldview into Genesis' culture and the way we do business and improve cultural capability of Genesis.
- 9 Improve the health and wellbeing of our people, through our Me We Us – Ahau Mātou Tātou wellbeing programme.
- 10 40:40:20 workforce gender split (40% male, 40% female, 20% any gender identity), 50% female senior leaders.



# Sustainability Reporting

This year the following disclosures have been made and are available for review:

- **Climate Risk Report.** Outlines climate-related financial risks and opportunities under different climate scenarios. The report aligns with the TCFD Framework.
- **Greenhouse Gas Inventory Report.** Provides transparency of Genesis emissions.
- **Modern Slavery Statement.** Outlines the risks of modern slavery in Genesis’ operations and domestic and international supply chains and actions to address those risks.
- **Sustainable Finance Report.** Performance against the commitments Genesis has made for our Sustainability Linked Loans, and Green Bond eligible assets.
- **Sustainability Index.** Outlines Genesis’ approach to sustainability, the GRI Index and Sustainable Development Goals.

## CLIMATE-RELATED RISK ASSESSMENT

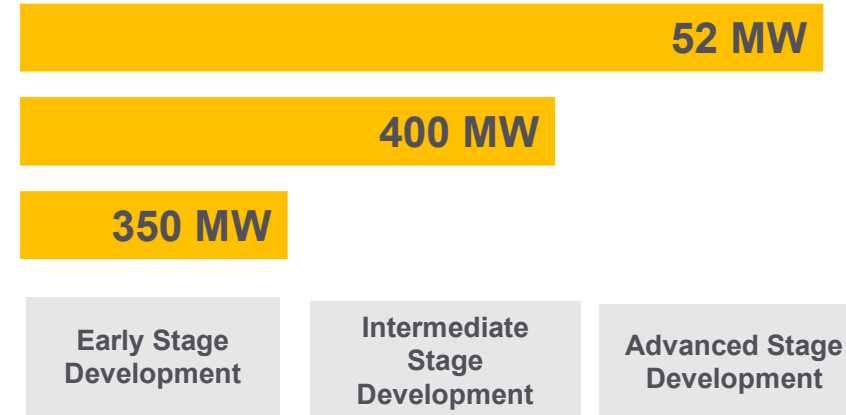
Transition risks		
1. Regulation	2. Market	3. Technology
<b>Event:</b> Regulatory changes impacting thermal generation or sale of fuel	<b>Event:</b> Consumer and investor preference, and stakeholder perception, impacting our operating landscape	<b>Event:</b> Technological developments
Risk & some opportunity	Risk & some opportunity	Opportunity & some risk
<b>Timeframe:</b> Short-term (1-10 years)	<b>Timeframe:</b> Short to Medium-term (1-20 years)	<b>Timeframe:</b> Short to Medium-term (1-20 years)
<b>Impact rating:</b> Moderate	<b>Impact rating:</b> Moderate – High	<b>Impact rating:</b> High

Physical risks		
4. Chronic	5. Chronic	6. Acute
<b>Event:</b> Environmental and physical changes impacting thermal generation	<b>Event:</b> Long-term climate changes that impact hydro generation	<b>Event:</b> Acute climate events causing damage to critical infrastructure and assets
Risk	Risk & opportunity	Risk
<b>Timeframe:</b> Short-term (1-10 years)	<b>Timeframe:</b> Long-term (gradual increase in likelihood over next 20-30 years)	<b>Timeframe:</b> Long-term (gradual increase in likelihood over next 20-30 years)
<b>Impact rating:</b> Moderate	<b>Impact rating:</b> High	<b>Impact rating:</b> High

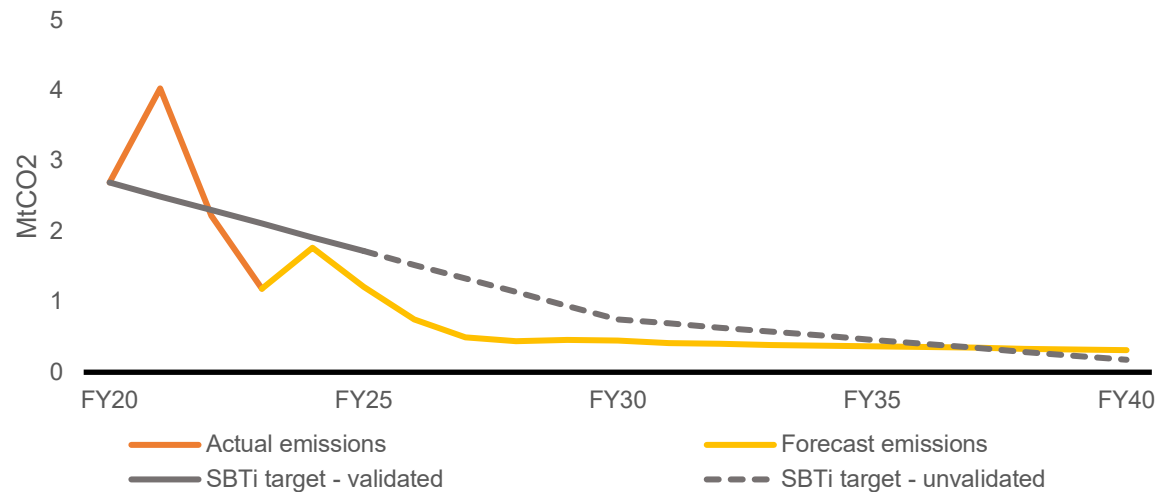
# An active enabler of New Zealand's energy transition

- Genesis and our partners FRV Australia have announced a 52MW solar project at Lauriston, Canterbury.
- In addition to Lauriston, the Joint Venture is in negotiations for three solar sites in the North Island with potential capacity of 400MW.
- Inflationary pressures have increased costs of renewable development and supply chain issues have delayed the timeline of some PPAs.
- In January 2023 Genesis lodged an application to extend consent for the Castle Hill Wind Farm. The new application retains the best sites for wind generation. No decision has been made for development of the site.

## SOLAR DEVELOPMENT PIPELINE



## GENERATION EMISSIONS AND SCIENCE BASED TARGETS



## FUTURE-GEN PROJECTS

	Generation	Capacity	Start Date
Waipipi	450 GWh	133 MW	November 2020
Solar-gen	Up to 740 GWh	Up to 500 MW	First generation FY25, full volume by FY27
Kaiwaikawe	230 GWh	72 MW	Mid-2025
Tauhara	550 GWh	63 MW	January 2025



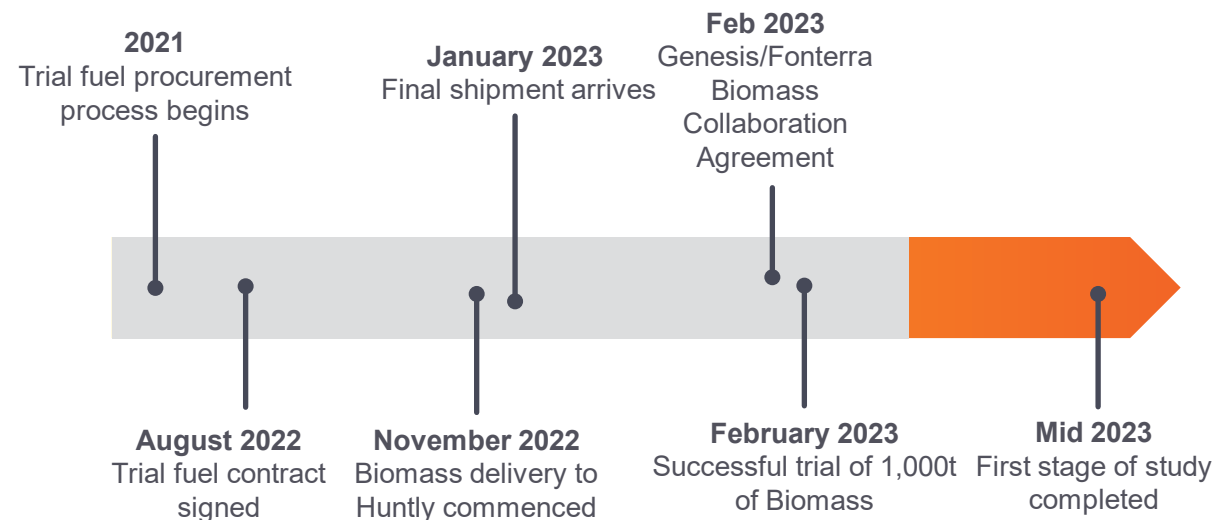
# Trial has Demonstrated Biomass Viability

- In February 2023 Genesis completed a technical viability trial using 100% renewable biomass in the Huntly Rankine Units. The trial demonstrated that the black pellets could be a drop-in replacement for coal.
- The trial utilised Canadian sourced advanced biomass. Global prices for advanced biomass are similar to that of coal (inclusive of carbon) but costs and the environmental impact of transportation make it unsuitable.
- Carbon emissions from biomass fuel are significantly less than coal.<sup>1</sup>
- Genesis is partnering with Fonterra to explore the viability of a domestic biomass industry. Other contributors are close to being finalised.

	Test	Result	
<b>Reclaim and Storage</b>	Movement of fuel into internal bunkers.	Successful internal transfer with minimal spillage. Minor dust suppression required.	✓
<b>Plant Modifications</b>	Checking suitability of plant, mill capability and ability of delivery to furnace.	Minor reversible modification to mill made.	✓
<b>Health and Safety</b>	Hazop study recommendations implemented.	Explosion and fire risks managed.	✓
<b>Plant Performance</b>	Testing fuel feed rate, boiler output, and emissions.	Pending full analysis of trial data but initial indications positive.	⊙

## Domestic Biomass Assessment

- Consider potential sources for raw material for advanced biomass production.
- Identify potential sites for domestic production.
- Assessment of production technologies
- Estimate capital costs for plant development.
- Outline other potential users of a domestic biomass supply.



<sup>1</sup> Currently, transporting and processing biomass requires some fossil fuel. Improved carbon reductions could be achieved as we develop zero-emissions transport, energy, and electricity sectors.



Further questions please contact:

**Tim McSweeney** – Investor Relations Manager

[timothy.mcsweeney@genesisenergy.co.nz](mailto:timothy.mcsweeney@genesisenergy.co.nz)

M: 027 200 5548