

# Governance Roadshow

November 2022

Barbara Chapman CNZM – Chairman  
Tim Miles – Director



**genesis** With you. For you.

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# Genesis Energy Board of Directors

- Genesis Energy has a diverse Board, purposefully recruited to provide a broad range of experience and capabilities.
- Barbara Chapman joined the Board in May 2018 and assumed the role of Chairman in October 2018. Barbara 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 Chairman of the Human Resources and Remuneration Committee. He has previously served as Chief Executive of Vodafone UK, Vodafone Group Chief Technology Officer and in other senior leadership roles in the technology sector.
- Two new Directors have been appointed in the past year:
  - Hinerangi Raumati-Tu'ua** (Waikato, Ngaati Mutunga), appointed in March 2022. She is currently Chair of Tanui Group Holdings, having previously served as Chief Financial Officer. She has governance experience across infrastructure, fisheries and several iwi commercial entities.
  - Warwick Hunt**, appointed in September 2022. He has previously served as Managing Partner of PwC United Kingdom and Europe, Middle East and Africa. He has experience across energy, professional services, financial services and agribusiness.



**Barbara Chapman CNZM**  
Chairman  

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BCom, CMInstD



**Hinerangi Raumati-Tu'ua**  
Director  

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BMS, MMS, FCA, MNZM



**Tim Miles**  
Director  

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BA  
Chairman of Human Resources and Remuneration Committee



**Catherine Drayton**  
Director  

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BCom, LLB, FCA  
Chairman of Audit and Risk Committee



**Warwick Hunt MNZM**  
Director  

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BAcc (Hons), FCA, FKCL



**Paul Zealand**  
Director  

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BSc Mech. Eng (Hons), MBA














**James Moulder**  
Director  

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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

Matrix as at 30 June 2022



# Incoming Chief Executive Malcolm Johns

- Malcolm Johns will commence as Chief Executive on 13 March 2023. He brings experience in leading large organisations, sustainability leadership and delivering value for shareholders.
- He has served as Chief Executive of Christchurch Airport since 2014 and was previously Chief Executive of Intercity Group.
- He is a founding signatory and member of the Climate Leaders Coalition Steering Group, and Chair of the APEC Business Advisory Council Climate Leadership for Businesses Task Force.
- Johns is a graduate of the University of Waikato and Northwestern University. He has completed executive leadership programmes at the University of Cambridge and The Wharton School.



**Malcolm Johns**  
Incoming Chief Executive  
**BMS**

# A Refreshed Leadership Team to Navigate the Transition



**Malcolm Johns**  
Chief Executive

**BMS**

Joins as Chief Executive in March 2023.



**Tracey Hickman**  
Chief Customer Officer

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

Over 28 years energy sector experience, including ten years in executive roles in generation, trading, fuels and retail. Currently interim Chief Executive and Chief People Officer.



**James Spence**  
Chief Financial Officer

**BSc, CA**

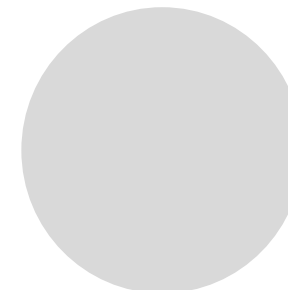
Experience as Chief Financial Officer at three integrated energy companies in Australia and North America.



**Matthew Osborne**  
Chief Corporate Affairs Officer

**BCom, LLB**

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



**Chief People Officer**

**Vacant**

Tracey Hickman in acting capacity.



**Peter Kennedy**  
Chief Digital Officer

**BFor.Sc (Hons), ACMA**

Over 15 years of digital, marketing and customer experience in the United Kingdom and New Zealand.



**Pauline Martin**  
Chief Trading Officer

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

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



**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
STI	Set at 50% of fixed remuneration	60% based on Company shared KPI's of EBITDAF, Customer, Safety & Wellness, Sustainability, and Strategic objectives.	137%
		40% based on Individual KPIs	
LTI	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%

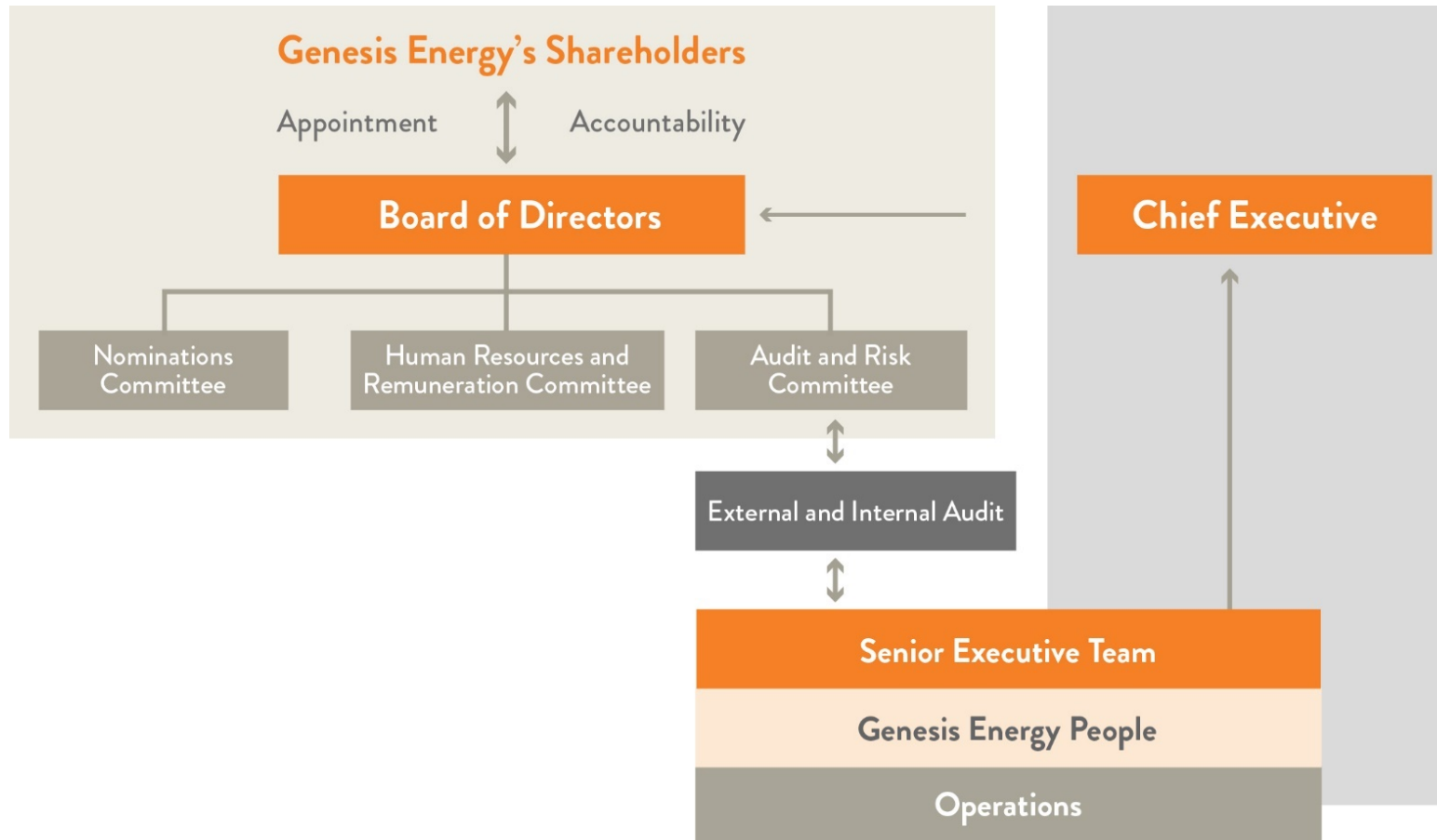
The above STI payments for FY22 were paid in FY23. As noted in the Total Remuneration Earned table, the FY20 LTI did not meet the absolute or relative TSR metrics at its vesting date of 30 June 2022 and consequently all rights under the FY20 LTI lapsed.

## 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.

# Board Structure and Policies are aligned with Best Practice



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



# 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.

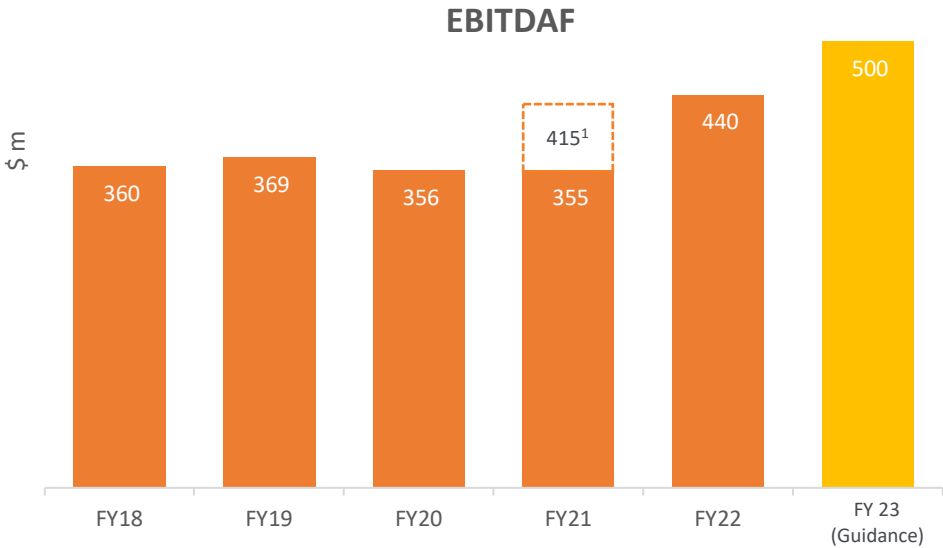
3. At the 2021 Annual Shareholder Meeting, shareholders approved a pool of \$35,000 for additional work by Directors. In FY22, one-off payments of \$5,000 were made to each of Catherine Drayton and James Moulder for work performed by them on financing matters.

# Genesis' Purpose is to Empower New Zealand's Sustainable Future



# A Track Record of Delivering Shareholder Value

- Genesis has a strong record in delivering for shareholders with an annualised TSR of 10.3% over the past six years.
- FY23 EBITDAF guidance was recently increased to around \$500 million.
- The Company has provided stable and growing dividends, increasing every year since share market listing.

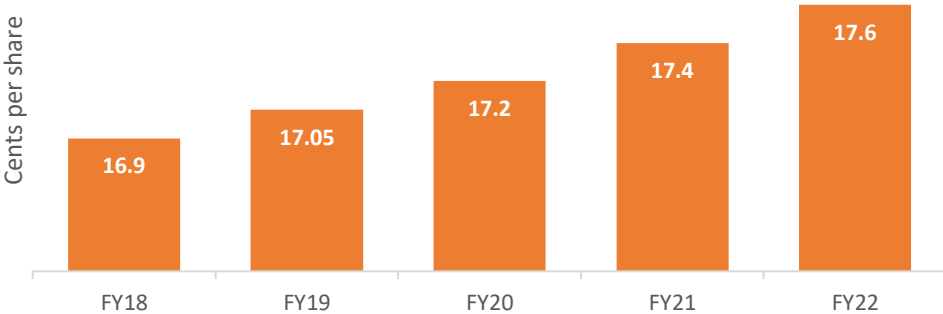


1. FY21 EBITDAF includes impact of arbitration and use of carbon Fixed Priced Offer.

**Total Shareholder Return (GNE)**



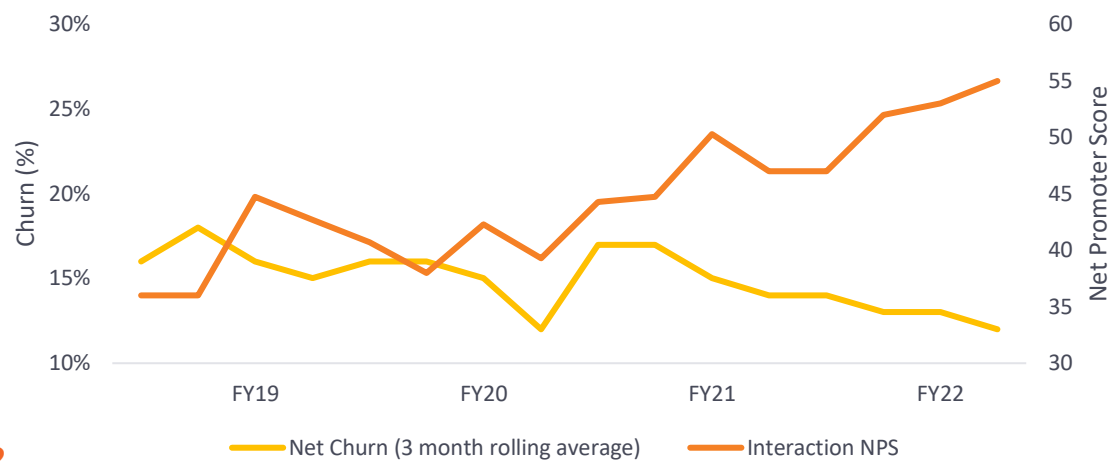
**Dividends**



# Supporting our Customers

- The Company has seen continued growth in customer satisfaction and loyalty. In FY22, interaction Net Promoter Score (iNPS) increased to record levels, while net churn declined to 12.8%.
- Power Shout Gifting was launched in FY22 enabling customers to gift free power to Kiwis in financial hardship. Over 62,000 hours were donated by Genesis customers. The Company contributed an additional 68,000 hours.
- Our Manaaki Kenihi programme continues to support vulnerable customers. Since launch, residential disconnections for non-payment have decreased by 50%.

Churn Decline and iNPS Growth



## Declining Customer Churn

12.8%

Net churn, down from 15.9% in FY21

## Net Promoter Score

51 pts

Increase of 4 pts on FY21

## Hours of Free Power Donated

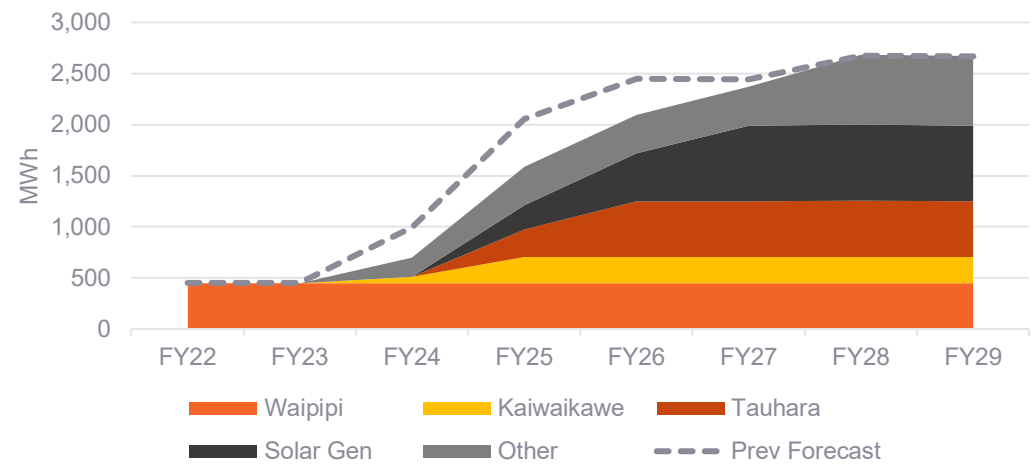
130,000

By our customers and the Company to people in need



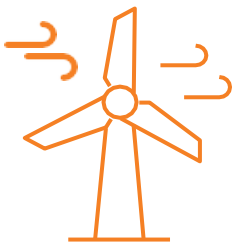
# Displacing thermal generation through Future-Gen

## Future-Gen Portfolio Pipeline



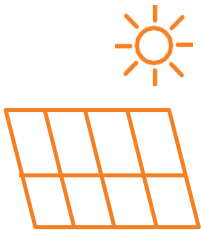
## Future-Gen Projects

	Ann. GWh	MW Capacity	Start Date
Waipipi	450 GWh	133MW	November 2020
Solar-gen	Up to 740 GWh	Up to 500MW	First generation FY25, full volume by FY27
Kaiwaikawe	230 GWh	72MW	April 2024
Tauhara	520 GWh	63MW	January 2025



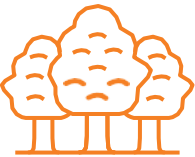
## Power Purchase Agreements (PPA)

- Inflationary pressures have increased costs of renewable development.
- Due to delays and increasing costs, Mercury have advised that Kaiwaikawe financial close is at risk.



## Solar Development

- Genesis continues to progress solar development in partnership with FRV. Since signing the joint venture in February, four potential sites have been identified and are undergoing appraisal.



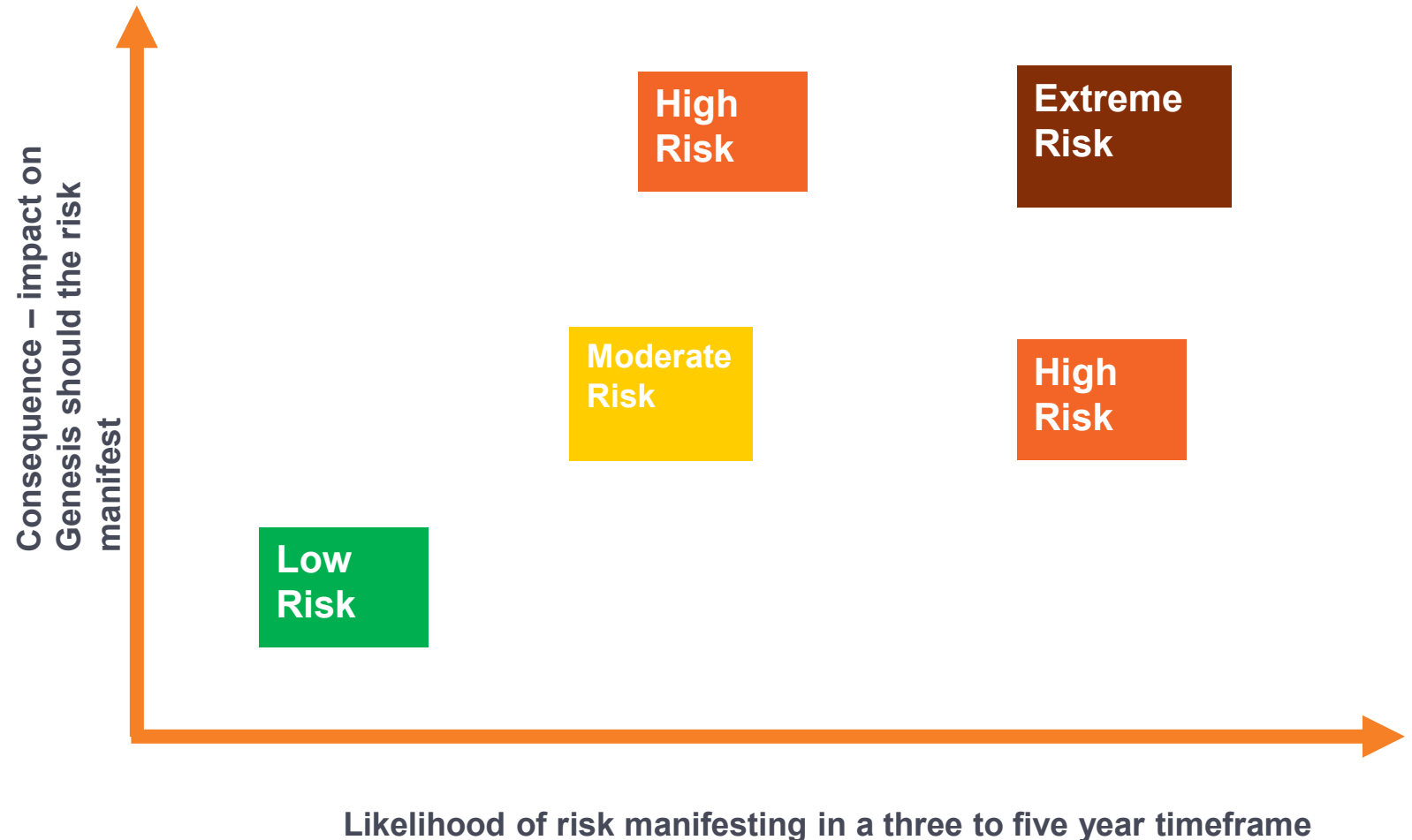
## Biofuels

- Genesis is continuing to progress a trial of biofuels as a potential replacement for coal at the Huntly Power Station. After logistical delays, workstreams are progressing in preparation for a test burn in FY23.
- Genesis is engaging with industry, government and other stakeholders about the future of biofuels in New Zealand.

# Assessment of Strategic Risks

— Board considers risks across a likelihood and consequences framework

- Directors consider strategic risks by reference to a framework based on the likelihood of occurrence and severity of the consequences.
- 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.



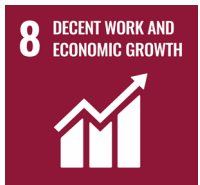
# Sustainability is at the Core of Genesis' Strategy



## A low carbon future for all



- 44% reduction in Scope 1 and 2 emissions since FY21.
- 29% of C&I customers purchasing energy services, including decarbonisation roadmaps.
- Trialling of Energy as a Service programmes to support industrial decarbonisation.



## A more equal society



- 21 apprentices/interns/work experiences through Ngā Ara Creating Pathways programme to engage rangatahi Māori in STEM education, study and career pathways.
- Gender balanced Executive team and declining gender equity gap.



## A sustainable business



- Whoio breeding pairs grew from 298 in 2011 to 694 in 2022, showing thriving eco-systems around our assets.
- Launch of sustainable finance framework, with \$660m across sustainability linked loans and green bonds.



# Emissions Reductions Target

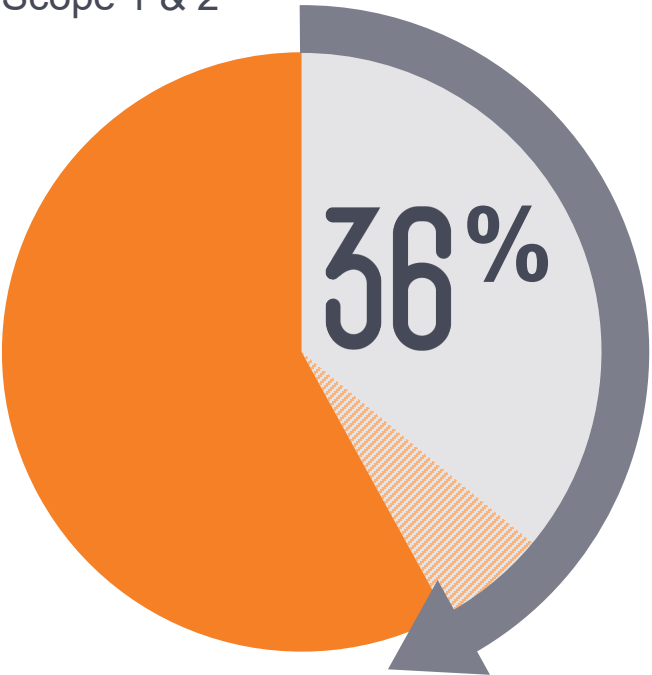
— A Science Based Target consistent with limiting global warming to 1.5°C

Target Year <sup>1</sup>:  
2025

Reduce emissions<sup>2</sup>  
by at least  
1.2 million tonnes

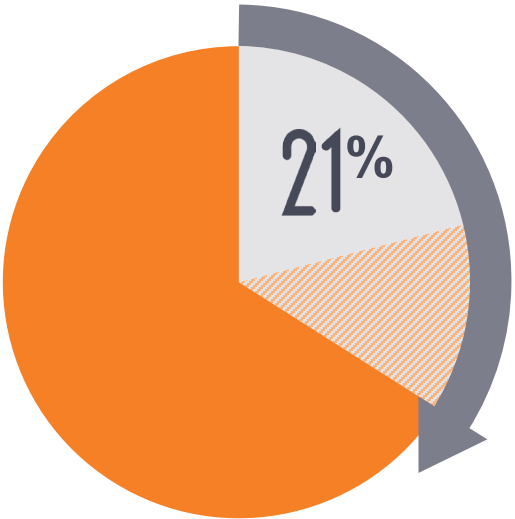
- 1. Target is based on our FY20 as the base year.
- 2. Combined scope 1, 2 & 3

Reduce direct emissions  
Scope 1 & 2



Reduction for 1.5°C

Reduce indirect emissions  
Scope 3



Genesis ambition

Remaining emissions





Further questions please contact:

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