

## **Barbara Chapman, CNZM: Chairman's address to Genesis Energy 2021 ASM**

**Slide: Welcome**

**Video: Barbara in upper right corner, with name and title**

*Kia ora, tēnā koutou katoa.*

Good morning, ladies and gentlemen. I'm Barbara Chapman, Chairman of the Board of Genesis Energy Limited.

On behalf of my fellow directors, our Chief Executive and his team, and all Genesis employees around New Zealand, welcome to our 2021 Annual Shareholders' Meeting.

Continuing restrictions on gatherings due to Covid-19 mean we have once again proceeded with a virtual-only event this year. I thank you for your understanding, and continued participation in Genesis' Annual Shareholders' Meeting.

As Chairman, I regret not being able to engage with you all in person but invite you all to make use of our other channels to provide your feedback on our board's performance.

Today's meeting is being held online via the Computershare Online Meetings platform. This allows Shareholders, Proxies and Guests to attend the meeting virtually. All attendees can watch a live webcast of the meeting and read the company documents associated with the meeting. In addition, shareholders and proxies may ask questions and submit votes.

**Slide: Computershare slide showing how to ask questions during the meeting**

**Video: Barbara in upper right corner**

If you have a question to submit during the meeting, please select the Q&A tab on the right half of your screen at any time. Type your question into the field and press send. Your question will be immediately submitted. Should you require any assistance, you can type your query and one of the Computershare team will assist through the chat function. Alternatively, you can call Computershare on 0800-650-034.

Please note that while you can submit questions from now on, I will not address them until the relevant time in the meeting. Please also note that your questions may be moderated or, if we receive multiple questions on one topic, amalgamated. Finally, due to time constraints we may run out of time to answer all your questions. If this happens, we will answer them in due course via email.

You will also be able to vote on today's resolutions using the Computershare platform. I will refer to the instructions on how to vote when we reach that point in today's meeting.

Bryce Henderson of Deloitte is with us online today as our company's auditor on behalf of the Auditor General.

Notice of the meeting has been duly given to shareholders, and we have the required quorum. I now declare the 2021 Annual Shareholders' Meeting of

Genesis Energy Limited officially open.

Thank you all for joining us today.

**Slide: Agenda**

**Video: Barbara in upper right corner**

I will quickly run through the agenda for this morning.

Firstly, I will provide a brief overview of the Board's key highlights of the year.

Genesis Energy's Chief Executive Officer, Marc England, will then provide you with a more detailed overview of our company performance, strategy, and our targets for the coming financial year.

There will then be an opportunity for you to ask questions of the Board and the Executive.

Finally, we will move to the formal business of today's meeting. At that point I will outline the process for the discussion and voting on the three resolutions in the Agenda.

Shareholders will be then provided with an opportunity to raise any items of general business that may be lawfully put to the meeting

If there are any additional discussion points that you feel haven't been covered in today's meeting please reach out to the board directly at the email address:

[board@genesisenergy.co.nz](mailto:board@genesisenergy.co.nz)

**Video shows each of the Directors with their name.**

**Barbara remains in the upper right corner.**

To begin, let me introduce your Board of Directors.

### **Maury Leyland Penno**

[Maury waves in acknowledgement]

Maury joined the Genesis Board in 2016, is a member of the company's Audit and Risk Committee, and the Human Resources and Remuneration Committee.

Maury is a qualified engineer and brings a wide range of governance and operational experience in large corporations and infrastructure companies. In particular, her skills focus on risk and crisis management and human resources.

Thank you for joining us today Maury.

### **Tim Miles**

[Tim waves in acknowledgement]

Tim joined our Board in 2016, coming to us from his previous role as Chief Executive of Spark Digital. He's a member of the Human Resources and Remuneration Committee and the Nominations committee.

Tim has had a long career in customer and technology-focused roles at the most senior levels, both in New Zealand and internationally, and applies that

insight and scrutiny to all of the Board's work.

Thank you for joining us today Tim.

### **Doug McKay**

[Doug waves in acknowledgement]

Doug joined our Board in 2014, and is a highly experienced commercial executive and director. He chairs our Human Resources and Remuneration Committee and is a member of the Nominations Committee.

As well as his extensive experience in the energy sector, Doug has also been CEO of numerous local and international companies, such as Lion Nathan and Goodman Fielder, and was the inaugural CEO of the 'supercity' Auckland Council.

Thanks Doug for joining us today.

### **Paul Zealand**

[Paul waves in acknowledgement]

Paul also joined our Board in 2016 and is a member of the company's Human Resources and Remuneration Committee and the Nominations Committee.

Paul has over 40 years' experience in the oil and gas sector, including senior executive and Chief Executive roles at Shell and Origin Energy. In particular, he brings strong expertise around health, safety and environmental management,

and advice around operational risk.

Thanks Paul for joining us here today.

### **James Moulder**

[James waves in acknowledgement]

James joined the Board in 2018 and is a member of the company's Audit and Risk Committee. James has strong governance experience, having held a number of non-executive Board and Advisory Board positions in the electricity sector.

James brings strong industry experience in carbon and energy asset management, and data analysis experience to your Board. His background advising the electricity industry's regulatory bodies also strengthens our governance

James is presenting himself for re-election today, thanks for joining us.

### **Catherine Drayton**

[Catherine waves in acknowledgement]

Catherine joined the Genesis Board in March 2019 and is the chair of the Company's Audit and Risk Committee.

Catherine is a former senior partner at PwC, specialising in mergers and acquisitions, culminating in her leading the Assurance and Advisory divisions in

Central and Eastern Europe. Her extensive cross-sector governance experience also encapsulates multiple directorships across the healthcare, infrastructure and energy sectors. Catherine has proven to be an excellent addition to our Board.

Thank you Catherine for joining us here today.

**Video shows Marc England and Matt Osborne. Barbara remains in the upper right corner.**

Joining me in this presentation is Genesis CEO Marc England [Marc waves], who will speak shortly, and our Chief Corporate Affairs Officer, Matthew Osborne [Matt waves].

Our Chief Financial Officer Chris Jewell departs this week for a new challenge after eight years with the company. We thank him for his outstanding contribution to Genesis and wish him well for the future.

My presentation will touch on a number of matters that Marc will discuss in more detail. You will have the opportunity to ask questions on these matters towards the latter part of the meeting.

Ladies and Gentlemen, I am proud to lead a strong and capable Board of Directors, each of whom gives generously of their time, providing their extensive experience and specialist skills for the benefit of the Company, our staff, our stakeholders and the wider community. I am also presenting myself for re-election today as a Director, and look forward to continuing to help guide Genesis into the future.

**Slide: Financial Performance**

**Video: Barbara in upper right corner**

Genesis has a meaningful purpose – to empower New Zealand’s sustainable future. Our aspirations are to be our customers’ first choice for energy management, and to be an active enabler of New Zealand’s energy transition. To achieve this we need to be a top performing company.

This year, our EBITDAF was \$358 million, an increase on last year’s \$356 million. Underlying earnings were \$75 million, up from \$53 million, and Free Cash Flow was \$191 million, up from \$168 million.

Dividends grew for the seventh year in a row. The full year dividend was 17.40 cents per share, representing a 6.8% gross yield.

Looking ahead, our FY22 EBITDAF guidance is \$420 million to \$440 million.

These positive results are pleasing considering the challenges and opportunities faced by management and the Board this year. The issues the Board dealt with were reflective of the current environment and our ongoing focus on our future.

In addition to the strong focus by management and the Board on the implications of Covid for our people and our customers, a key consideration for the Board this year was a strategic review of our interest in the Kupe gas field. This review resulted in our decision that it was in the best interests of Genesis to retain our part ownership of Kupe.



The Board also considered and approved the decision to enter into litigation with Beach Energy around the issue of liability for the payment of carbon credits. We did this with careful consideration of the best interests of shareholders, given the magnitude of the value to the company had the litigation resulted in Genesis not being required to meet those ongoing carbon costs. As you will know we did not win this litigation, and were directed to resume our historical position of paying for the carbon liability. An external review of our decisions and processes around this litigation is almost finalised, and it is pleasing to note that the interim findings were supportive of the good diligence and governance processes undertaken by management and the Board.

Challenges and opportunities like the Kupe review and Beach litigation require a strong corporate governance focus, and a highly skilled Board. In recognition of the fact that Genesis Directors have not received any increase to Directors' fees since 2016, this year we undertook a market benchmarking study to consider whether those fees were commensurate with the size and complexity of the business.

The fees received by Genesis Directors were largely in the lowest 25% of comparable companies. Accordingly, we have put a resolution to shareholders today to increase these fees in order to ensure we can continue to attract and retain excellent Directors for your board.

A high performance Board is critical for the ongoing success of Genesis. With the last formal review of Board performance having been undertaken in 2016,

this year the Board committed to conducting an external review process to ensure our ongoing effectiveness.

The review included a whole-of-Board evaluation as well as evaluations of the Chair and individual Directors. The outputs and recommendations from this process have been discussed by the Board, and individual Directors' feedback will be used for ongoing professional development purposes.

**Slide: Supporting our Customers through COVID-19**  
**Video: Barbara in upper right corner**

Being customers' first choice of energy management is one of our top priorities, and the continuing effects of Covid-19 have led us to find new ways to support them. Over the past year we've developed a dedicated team to support the elderly, and those with medical or financial circumstances requiring extra care.

I'm very proud of Te Tira Maanaki o Kenehi, the Genesis Caring Team, and the empathy they show in finding solutions to our vulnerable customers' unique circumstances.

**Slide: Our People**  
**Video: Barbara in upper right corner**

We frequently receive good feedback about the capability of our Executive team. We don't take this for granted, and continue to invest in our top people. This year we began an Executive development programme, providing

assessments and coaching to ensure our Executives continue to develop their talents and abilities in leading their teams.

Ultimately this process, along with the Board evaluation process, will help the company perform at its best and maximise shareholder returns.

Diversity and inclusion principles and practices remain a strong focus within Genesis, and are a particular priority for Marc. This year Genesis updated its diversity and inclusion policy, and is delivering on a strategy to promote and raise awareness of our diversity and our cultural capability. We've started the process toward earning the Rainbow Tick, have developed a Te Reo Māori resource for staff, and have continued to close the gender pay and leadership gaps.

**Slide: The Climate Challenge**  
**Video: Barbara in upper right corner**

The recommendations of the Climate Change Commission and subsequent policy settings will have far reaching implications and provide a framework to transform New Zealand society and the economy. We supported the Commission's work with submissions that advocated for a 30-year national energy strategy that takes into account the inter-connectedness of the system and enables the right sequencing and prioritisation of actions to avoid unintended consequences.

If we get it right as a country, we can mobilise investment and markets to accelerate our transition and deliver a dependable, low cost and low emissions energy system that underpins the country's transformation.

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In conclusion, along with my fellow Directors and our Genesis Energy team, I would like to thank you for your support of our company over the past year.

I have every confidence that your Board, overseeing our strong executive team, will position the company as an essential and profitable part of New Zealand's energy future, while at the same time living up to the company's purpose and vision.

It is now my pleasure to invite your Chief Executive, Marc England, to speak.  
Welcome Marc.

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**Marc England, Chief Executive Officer's address to Genesis Energy 2021 ASM**

**Slide: 'Protecting our staff' (Saliva testing at Huntly)**  
**Video: Marc in upper right corner, with name and title**

Kia Ora everyone. Thank you, Barbara, for the kind introduction, and for providing an overview of some of the challenges and opportunities the company has faced in what has been a demanding year.

The journey through Covid-19 has proven to be a marathon rather than a sprint. I'm proud of how our staff have adapted to fluctuating alert levels and

varied restrictions to continue supporting our customers and keep our sites operational. They have also stepped up to be part of our proactive response to the pandemic. Our staff at Huntly undertook saliva testing as soon as the Level 4 lockdown was initiated in August, and due to some staff receiving training and accreditation in sample collection earlier in the year, we were able to remain relatively self-sufficient. An effective saliva testing regime through Levels 3 and 4 at Huntly gave our staff peace of mind and ensured this critical part of New Zealand's energy network remained operational.

We also joined other businesses this month in calling on the Government to allow us to import rapid antigen tests to give additional health protection for staff and help ensure workplace continuity. The Government responded and has agreed. For Genesis, the immediacy of rapid antigen testing will add another layer of protection to the saliva testing we'll continue to use. Huntly's specialised workforce play an essential role in New Zealand's energy security; antigen testing will give our staff reasonable confidence before they step on site that they are safe to do so.

My address today has four main elements – a summary of our financial performance in the 2021 financial year, the state of the energy market and Genesis' role in it, Genesis' business success over the past year, and our future steps.

As a business, we remain committed to maximising shareholder value as we navigate the challenges of Covid-19, and New Zealand's transition to a low-carbon future.

**Slide: Financial performance**  
**Video: Marc in upper right corner**

First, an overview of the numbers.

- Genesis' FY21 EBITDAF was \$358 million, impacted by the decision to utilise the carbon Fixed Price Option, and the unfavourable Beach arbitration decision relating to carbon obligations. Together, these two items lowered EBITDAF by \$60 million, and NPAT and underlying earnings by \$43 million.
- However, we achieved underlying earnings of \$75 million, up from \$53 million in FY20.
- Free Cash Flow was \$191 million, up from \$168 million in FY20.

Genesis has proactively protected shareholder value. The full year dividend amounts to 17.40 cents per share, up 1.2 per cent on last year's 17.20 cents per share, representing a 6.8% gross yield.

Our Dividend Policy has been revised to a range of 70% to 90% of Free Cash Flow from one based on maintaining dividends in real terms. The change in policy ensures our dividends will better reflect underlying business performance over time, and introduces the flexibility to make funds available to invest in delivering on a lower carbon future through our Future-gen strategy.

Recognising the importance of dividends to our investors, the change in policy does not represent a departure from our aim to grow dividends year on year:

- The FY21 full year dividend represents a pay-out ratio of 96% of Free Cash Flow, or 76% when the impact of Carbon Fixed Price Option and Beach arbitration decision are excluded
- The FY21 full year dividend was the 7th consecutive year of dividend growth

FY22 EBITDAF guidance is \$420 million to \$440 million subject to normal hydrological conditions, any material one-off expenses or other unforeseen circumstances. The key drivers for this guidance are increased renewable generation delivered through a full year of the Waipipi wind farm in operation and a return to normal hydrology, and portfolio optimisation delivered through re-contracting activity and growth in LPG.

For a detailed breakdown of our FY21 performance and dividend policy, I recommend you visit the Genesis website's investor centre where our FY21 investor presentation is available for you to review. In this presentation, our Chief Financial Officer Chris Jewell and I talk in detail about the Company's financial performance, as well as the broader and underlying themes I'll touch on today.

**Slide: Future-gen**  
**Video: Marc in upper right corner**

We took bold steps this year, committing to removing 1.2 million tonnes of carbon emissions by 2025 tied to the internationally recognised benchmark of limiting global warming to below 1.5°C of pre-industrial temperatures. This

supports New Zealand's commitments under the 2015 Paris Agreement.

The targets have been verified by the Science Based Targets initiative (SBTi). Genesis was the first New Zealand generator-retailer to use them in committing to the 1.5°C goal. This will mean a 36% reduction in carbon emissions from electricity generation. Despite the market challenges experienced in FY21, we remain steadfast in our commitment to meet these ambitious targets.

How? Through our Future-gen strategy. The objective is to economically displace baseload thermal generation with 2650 GWh of new renewable generation by 2030, enough to power 380,000 households a year. We achieved the first chunk of that in March with the completion of the Waipipi wind farm in South Taranaki. We signed a 20-year power purchase agreement with Tilt Renewables for all of the electricity generated from that site – 455GWh per year.

In August we announced the signing of a similar agreement with Tilt Renewables for the Kaiwaikawe wind farm to be built in Northland by early 2024, giving us an additional 230GWh per year. The same month we came to an agreement with Contact Energy to purchase around 500GWh per year of geothermal generation from its new Tauraha plant near Taupō, and announced our intention to develop utility scale solar of 750GWh per year. Combined, these projects will already create 1935 GWh per year of renewable generation, putting us well on the way toward our goal of 2650GWh.

The Emissions Trading Scheme and cost of carbon is working to its intended



effect. With the price of carbon increasing the marginal cost of thermal generation, building or procuring new renewable generation has become economically viable. Our Future-gen projects are clear examples of the impact of the ETS in driving the build of new renewables.

**Slide: Security of supply**

**Video: Marc in upper right corner**

The critical role of Genesis is providing security of supply through the transition to renewable energy was highlighted by this year's difficult market conditions. Extremely low hydro levels and tight supply of gas meant Huntly once again became an essential backstop and supplier of energy to other major generators and smaller retailers. Supply contracts, known as swaptions, to meet their shortfall from renewable sources, ballooned from around 154,000 MWh in FY20 to nearly 820,000 MWh this year.

The value of Huntly's fuel flexibility, and our position at the intersection of the electricity and gas markets, enabled us to reach supply agreements for gas with Methanex and Ballance Agri-Nutrients. These agreements helped support energy security through winter and ensure steady electricity and gas supply to our customers and other market participants.

Reliable gas supplies will likely remain a challenge for the sector through a transition to a lower carbon future. Similar but greater issues are now playing out in Europe with tight gas supplies playing havoc with energy markets in several countries. For the time being in New Zealand, coal will occasionally

need to be used to fill any shortfall in hydro, wind or gas. However, the good news is, while we had to burn a lot of it this year, we believe the electricity sector has reached peak coal. With new renewable generation being enabled by Genesis and our competitors we expect much less coal-based thermal back up generation over the next few years. Fuel diversity remains important though. We need options should there be a shortage of one or more sources of electricity in the future.

The North Island blackouts in early August were a reminder that short-term demand spikes may need different market or generation solutions going forward. We're co-operating with the various enquiries into that event as part of the industry's shared accountability for the outages.

This week saw the release of the Electricity Authority's review of competition in the wholesale market, which recommended a number of options to address what the EA considers to be pricing issues affecting consumers and generators. We're now considering the report and will make a submission by the deadline of 8 December. For now, suffice to say Genesis considers it crucial the electricity sector can continue to invest in new renewable energy to replace baseload thermal, and support New Zealand in decarbonising.

Indeed, the strength of the gentailer model is that it enables investment in generation for the future. About \$4 billion has been committed to new renewable projects by the four gentailers, including our Future-gen projects mentioned earlier. We also have the capacity to develop energy storage. The South Island Lake Onslow project has been put forward as one such energy storage option – storing water for hydro generation should it be needed – but

we believe there may be better alternatives closer to the North Island population centres with the greatest electricity demand. Huntly's Rankine units, for example, could be extended beyond 2030 to burn biomass as an alternative to coal. We're planning to run a trial there early next year, and if successful, will start to look seriously at biomass supply, transport and storage options.

**Slide: Living our purpose**  
**Video: Marc in upper right corner**

Our belief in our ability to play our part in addressing climate change is reflected in our refreshed purpose, strategies and vision. Our purpose - 'Empowering New Zealand's sustainable future' – will be achieved through strategies of 'Building for the future', 'Navigating the transition' and 'Delivering more from our core'. This will enable us to realise our dual vision of being customers' first choice for energy management and being an active enabler of New Zealand's energy transition. Genesis is taking a leadership role in transitioning New Zealand to a low emissions economy, built around affordable, reliable and renewable electricity.

Our sustainability commitments align with five of the 17 UN Sustainable Development Goals – Decent Work and Economic Growth, Affordable and Clean Energy, Reduced Inequalities, Partnerships to Achieve Goals, and Climate Action. We literally walked the talk in late 2020 with the move of our head office in Auckland to a 6 Green Star rated building. We did away with staff carparks, removed company cars from salary packages and replaced our corporate car fleet with the EV car sharing start-up, Zilch. We provided staff

with a 25% subsidy for public transport, car-pool hubs in South and West Auckland, a free shuttle service from the eastern suburbs, and with top end changing facilities to encourage staff to ride, run or walk to work.

The result? Our people loved it. Compared to the travel routines in our previous offices which had carpark for everyone, we've seen a 50% increase in people taking public transport or using EVs, 102% increase in biking, running, walking or e-scootering to work, 81% of staff have signed up to the public transport subsidy and there are 984 less carbon contributing trips each week, a reduction of 71%. Staff have collectively reduced carbon emissions by 158t per annum, so far.

We also turned our attention to our commercial fleet, becoming the first company in the southern hemisphere to put the new, fully electric, Fuso eCanter on the road, delivering LPG gas cylinders to customers around Auckland. We're now gathering information about the technology, charging, maintenance and cost of running the electric truck as we work toward converting more of our fleet over time.

We've not only transformed from within, we want to build a sustainable ecosystem around us. We're part-owner of the carbon-zero certified retailer Ecotricity, and the EV car share service Zilch. They run their businesses at arm's length without interference from us, but we share experiences and learn from each other as we work toward similar goals.

In the community, we've partnered with the Pūhoro Charitable Trust, supporting Māori students at schools near our generation sites to choose

subjects and career pathways in science, technology, engineering and maths (STEM). The first three programmes launched this year at schools close to our Tongariro and Waikaremoana power schemes.

And we help nurture another kind of resident near our hydro schemes – the endangered whio, or blue duck. On the 10<sup>th</sup> anniversary of our partnership with the Department of Conservation this year, we re-signed to support DOC's efforts for another five years, providing funding for predator control. It was encouraging to hear the number of breeding pairs of whio have tripled during our support, with almost 1700km of river now protected.

We support our staff in championing causes close to their heart through our volunteer programme. More than 200 staff took up the opportunity to volunteer this year, a 25% increase on last year. This is reflective of our team's strong commitment to sustainability and climate change across the business. Nearly three-quarters of staff told us in a survey this year that it was very important for them to work for a company that values sustainability. Through volunteering, sustainability can take many forms, from driving cancer patients to their treatment, working in community kitchens or schools, to ocean conservation projects.

Having the right type of leaders across the business is an important part of our future success. We operate in a rapidly evolving environment where, more than ever, we need leaders at different levels who are capable of adapting and have a growth mindset. This year we launched the Adaptive Leaders Programme. This is strengthening our ability to navigate and handle the complexities of change and develop high performing teams that are aligned,

empowered and accountable. So far, more than 90 leaders have successfully completed the course and we are already seeing the results ripple across the business.

Our employee culture is having an impact – our staff net promoter score rose from 59% to 71% in the past year.

**Slide: Digital transformation**  
**Video: Marc in upper right corner**

We're embarking on another stage of our digital transformation that will deliver a significant step-change in the way we connect and provide services to customers. We have already undertaken work towards being a more data driven organisation that over time will enable us to make better decisions, and unlock new insights into our operations, markets and customers.

Customers continue to engage with Energy IQ in greater numbers. This year there were more than 11.6 million interactions and over 275,000 unique users while we focused on making things easier for customers across a raft of services from moving home, to paying bills and ordering LPG deliveries.

We're also providing insight via data from smart meters that enables customers to make decisions that matter to them. In recent years, our smart meter electricity customers have had access to a wealth of features that allow them to manage their use hourly, forecast their consumption, provide usage spike alerts and a breakdown of their consumption at an appliance level. A new feature allows customers to understand which times during the day have high

or low carbon generation, allowing them to plan their use to reduce carbon emissions.

In a New Zealand first, we also started rolling out smart meters for reticulated gas customers in May. We expect to install 6000 by the end of this year. The goal is to have 90,000 more rolled out by mid-2024. Bill estimates and manual readings will no longer be required. We're working to fully integrate EIQ features so customers have full visibility across all their energy use.

As more New Zealanders turn to EVs, we've adapted our billing to accommodate charging and reward our customers for being sustainably minded. **Our Energy EV** plan offers electricity rates that are 50% lower at night. From 9pm to 7am, their entire household power is cheaper. We're working on more innovative solutions for residential and business customers to support the move to EVs – look out for announcements over the next six months.

**Slide: Customer care**

**Video: Marc in upper right corner**

As Barbara mentioned earlier, the effects of Covid-19 have thrown into sharp relief the difficulties faced by many of our customers. We established Te Tira Maanaki o Kenehi, the Genesis Caring Team, initially for those who are medically dependent, elderly or in hardship, and extended it to anyone financially impacted by Covid-19. Our staff take time to understand each person's circumstances and find the right solution for them. This includes partnering with various social agencies with specialist skills to provide extra help if needed.

Our proactive approach with customers showing early signs of financial stress reduces the risk of debt accumulating in a way that becomes damaging. As a result, we've seen a dramatic decline in bad debt expense, and a 40% reduction in disconnections.

Our Power Shout rewards initiative have proven extremely popular, with 23% of new customers saying Power Shout was their reason for choosing Genesis. This year we gave away more than 2.5 million hours of power, and passed the milestone of giving away 10 million hours since the programme was introduced in 2018. It was an ideal bonus to extend to customers during lockdown – we offered 280,000 customers a 5-hour Power Shout to support their time at home.

One of our biggest residential customer projects this year was migrating 320,000 to new plans to create options for customers on how they want to be rewarded, such as e-bill or Dual Fuel discounts. This followed a government recommendation to remove prompt payment discounts, which were judged to disadvantage some customers. The new plans are fairer for all, while still rewarding customer behaviour.

We also supported our Small & Medium Enterprise customers through lockdown, reaching out to more than 1300 who did not have smart meters to suggest they send us a manual meter read so their next bill reflected their lower usage.

Our LPG deliveries were considered an essential service and we're grateful to



our team for continuing to supply our residential and business customers through lockdown. By the end of the financial year, our LPG business had grown to over 80,000 customer connections, up from 56,000 in FY18.

As a result of these initiatives and more, our brand continues to resonate with consumers, finishing the year as the most considered and preferred energy brand in the market. Among customers, 62% see Genesis as being first to market with new technology to help people manage their energy use, up 19% on the previous year. Regarding sustainability, 42% know we are committed to reducing our emissions and impact on the environment, a 10% lift year-on-year. Both these markers reflect our key strategies of being our customers' first choice for energy management and executing our Future-gen plan.

**Slide: Future steps**  
**Video: Marc in upper right corner**

As we progress towards a more sustainable future, Huntly still has a key role to play. It's ideally located for major electricity generation, close to demand, with high voltage connection and an abundant local workforce. Genesis has partnered with a number of external experts to test the viability of biomass conversion at Huntly. A trial burn of biomass is planned for early next year, and if successful, we'll assess its commercial viability.

We're also embracing the responsibility we feel to help high-emitting sectors and our large business customers reduce their carbon footprint. Through energy insights and decarbonisation roadmaps, we provide useful information, tailored recommendations and help in putting them into action. By year's end

we grew the number of customers we engaged with in this way from 6% to more than 20%. We partnered with Christchurch-based carbon and engineering consultants DETA on more than 20 energy audits for medium to large companies across agriculture, manufacturing, tourism and local government.

Building on the work we've done with large customers, we're piloting a new digital platform that will help small-medium businesses measure their energy consumption, as well as the costs and emissions from the electricity they use. This allows them to understand their emissions profile and identify ways to reduce it.

In terms of our own carbon offsets, Genesis elected to make use of the Carbon Fixed Price Option of \$35 per tonne to meet its calendar year 2020 carbon obligations under the New Zealand Emissions Trading Scheme. Electing to use the FPO allowed Genesis to retain 2.2 million New Zealand Units, improving Genesis' future carbon hedge position. Our forecast emissions are now hedged through to FY26, and the cumulative financial benefit is expected to be a \$50m-\$100m improvement of EBITDAF over the period from FY22-FY27

The Government's Emissions Reduction Plan released this month recognised that a national energy strategy will be an important foundation for decarbonising New Zealand, and that electricity will play a key role. We would like to see Government move quickly to collaborate with business in defining this strategy with a strong commitment to a more renewable energy system supported by clear policies. As I've outlined today, the electricity sector is well positioned to be the engine room for the country's transition to a low carbon energy future, supporting carbon-intensive industries such as transport and

those using process heat to electrify. We look forward to working with Government to ensure the right settings are in place to maximise the opportunity electricity presents.

Recognising the leadership role Genesis has and will continue to play in New Zealand's transition to a low-carbon future, this month we launched the Climate Change Hub on our website. This is a meeting place for ideas, inspiration and practical guides on how energy can help reduce emissions, for us as individuals, through our businesses, and as a country. We'll be sharing the Hub's stories through our communications networks, and I urge you to visit the Hub to sample the variety of articles already there. We'll continue building it as New Zealanders find new and innovative ways to play their part in addressing climate change.

**Slide: With You, For You**  
**Video: Marc in upper right corner**

To conclude, Genesis is a consistent and reliably performing company with a strong, credible management team that executes the Company's strategy well, and delivers to our stated objectives, with an eye to the future.

Genesis' diverse generation portfolio, of wind, hydro and thermal enables us to be flexible in our support of the market and consistently deliver good returns to investors, regardless of the weather. This give us a unique value proposition that enables us to adapt to market conditions far more effectively than our competitors. The critical nature of our role in New Zealand's overall energy security has been highlighted this year.

At the same time, we embrace the opportunity to take a leadership role in supporting New Zealand toward a low-carbon future, be that through our own Future-gen strategy of renewable generation, assisting our business customers in decarbonising, or contributing to the Government's emissions reduction plan.

We've proactively addressed the challenges Covid-19 has thrown at us, protecting our people and our operations. We'll continue to adapt, and I thank our staff for their flexibility, dedication and willingness to go the extra mile for our customers and our business through this difficult time.

I want to add a special note of thanks to our departing Chief Financial Officer Chris Jewell. In his eight years with Genesis, Chris has been instrumental in many of the decisions we've taken as a company. He stepped into the CFO role in 2016 despite finance not being his core background and has led the function superbly over the past five years. Chris is heading off to be CFO of Lodestone Energy, a start-up solar developer, motivated by the opportunity to be part of something from the beginning. We wish him all the best.

Genesis' Group Manager Planning and Reporting, Emma Oettli, has kindly agreed to be Acting Chief Financial Officer as I continue to search for a permanent CFO. Emma is a member of the Chartered Institute of Management Accountants and has more than 15 years financial experience. She formally takes the seat on 1 November and I look forward to having her at the Executive table.

The future for Genesis is exciting – exploring new options for Huntly, building new renewable generation, and finding new ways to help our customers manage their energy use. We look forward to your continued support as we empower New Zealand’s sustainable future.

I will now hand back to Barbara.

.....

**Barbara Chapman, Chairman’s address to Genesis Energy 2021 ASM - continues**

**Slide: Computershare slide on how to ask questions**

**Video: Barbara and Marc to the right, with names and titles**

We now have an opportunity to take questions on the company’s performance and management for the year ended 30 June 2021.

Questions are now open, so please use the question functionality in the Computershare site. Depending on whether you are viewing this on your computer or via smartphone app, the layout may be slightly different. But to ask a question, select the Q&A tab, type your question into the box at the bottom of the screen and press 'Send'

We also have members of the executive here to address specific operational queries. Please note your questions may be moderated or, if we receive multiple questions on one topic, amalgamated. We will attempt to get through as many questions as we can in the allotted time, but if you have any questions we don’t have time to address today, please contact us at

[board@genesisenenergy.co.nz](mailto:board@genesisenenergy.co.nz).

When asking your question, please state your name, whether you are an individual shareholder, or whether you are a proxy holder or shareholder representative.

- 1. QUESTIONS WILL GO INTO THE MODERATOR WINDOW*
- 2. MODERATOR CHOOSES WHICH QUESTIONS TO APPROVE OR IGNORE*
- 3. THE CHAIR WILL NEED TO READ OUT THE QUESTION SO ALL VIRTUAL ATTENDEES CAN HEAR (IT WILL NOT APPEAR ON SCREEN FOR GUESTS)*
- 4. REFER TO THE RELEVANT DIRECTOR, MARC OR CHRIS AS REQUIRED*
  
- 5. If questions **are too technical or specific customer-type questions**– Defer to an exec member for after the meeting*
  
- 6. If questions are too long or too hard to follow, invite shareholder to send in a written question.*
  
- 7. Moving On - If there are a lack of approved questions appearing in the site, call for last questions and after a reasonable period of time, move on.*

**Slide: Computershare slide on how to vote**

**Video: Barbara in upper right corner**

Thank you, ladies and gentlemen. I now move to the formal part of the meeting. This year we have three resolutions on which to vote.

You will be able to cast your vote through the Computershare platform under the Vote tab. Once voting has opened, the resolutions will allow votes to be submitted. To vote, simply select your voting direction from the options shown on screen. You can vote for all resolutions at once or by each resolution. Your

vote has been cast when the tick appears. To change your vote, simply select 'Change Your Vote'. You may change your vote until the time I declare voting closed.

I now declare voting open on all items of business. The resolutions will now be open in the Vote tab, please submit your votes at any time. I will give you a warning before I move to close voting.

I have asked Catherine Drayton to chair this part of the meeting relating to my re-election. Catherine....

**Slide: Resolution 1 – Re-election of Barbara Chapman**  
**Video: Director Catherine Drayton joins Barbara on screen with Catherine's name and title (Chair, Audit & Risk Committee)**

**Catherine:**

**Resolution 1 proposes:** That Barbara Chapman, who is eligible for re-election, be re-elected as a Director of the company.

The Board has confirmed that Barbara is standing as an independent Director.

The Board recommends Barbara to you as a Director of Genesis Energy Limited and unanimously supports her re-election.

I now invite Barbara to address the meeting.

**[Catherine's image disappears while Barbara speaks]**

*[Barbara speaks to the resolution]*

**[Catherine reappears to join Barbara on screen]**

Is there any discussion on this resolution?

***Catherine or Barbara as appropriate to respond to any comment or questions.***

There appears to be no further discussion.

I now put to the vote the ordinary resolution:

***That Barbara Chapman be re-elected as a Director of the company.***

We will give you a moment to vote via the Computershare site in relation to this Resolution.

**[Catherine's image disappears]**

**Slide: Resolution 2 - re-election of James Moulder**

**Video: Director James Moulder joins Barbara on screen, with James' name and title (Director)**

Thank you Catherine.

**Resolution 2 proposes:** That James Moulder, who is eligible for re-election, be re-elected as a Director of the company.



The Board has confirmed that James is standing as an independent Director.

The Board recommends James to you as a Director of Genesis Energy Limited and unanimously supports his re-election.

I now invite James to address the meeting.

**[Barbara's image disappears while James speaks]**

*[James speaks to the resolution]*

**[Barbara reappears to join James on screen]**

Is there any discussion on this resolution?

***Barbara or James as appropriate to respond to any comment or questions.***

There appears to be no further discussion.

I now put to the vote the ordinary resolution:

***That James Moulder be re-elected as a Director of the company.***

We will give you a moment to vote via Computershare site in relation to this Resolution.

**[James' image disappears]**

**Slide: Resolution 3 – Directors' remuneration**

**Video: Barbara in upper right corner**

**Resolution 3 proposes:** That the annual total pool for Directors' remuneration be increased by \$132,950, from \$940,000 to \$1,072,950, with the increase taking effect from 1 November 2021.

***Barbara speaks to this, taken from the notes in the Notice of Meeting document.***

The last increase in Directors' fees was approved by shareholders in 2016. As we did in 2016, the Company engaged independent third-party expert advisers Korn Ferry to assist with the review process.

Korn Ferry looked at the appropriate level of fees, compared to companies which have a similar scale of operations and level of complexity to Genesis Energy. A summary of their report was sent to shareholders with the Notice of Meeting.

Korn Ferry advised that Genesis Energy should aim to maintain a market median position with fees generally between 95% and 100% of median. The Board was also advised that Board and Committee fees were generally well below market median.

The proposed increase in the total annual remuneration pool and the individual allocations for the Board and Committee structure described in the

Notice of Meeting, are approximately 100% of median and are in line with Korn Ferry's recommendations.

Is there any discussion on this resolution?

***Barbara responds to any comment or questions.***

There appears to be no further discussion.

I now put to the vote the ordinary resolution:

**That the annual total pool for Directors' remuneration be increased by \$132,950, from \$940,000 to \$1,072,950, with the increase taking effect from 1 November 2021.**

We will give you a moment to vote via the Computershare site in relation to this Resolution.

Ladies and gentlemen that concludes our discussion on the items of business. In a minute, I will close the voting system. Please ensure that you have cast your vote on all resolutions. I will now pause to allow you time to finalise those votes.

**...wait for 60 seconds**

Voting is now closed.

**Slide: Resolutions – summary of proxies**

**Video: Barbara in upper right corner**

Thank you all for casting your votes. Your votes will now be collated by Computershare and the results of the voting will be announced to the market this afternoon.

This slide, which is for your information, is a summary of the proxies received by the Company before voting closed.

**Slide: General Business**

**Video: Barbara in upper right corner**

Shareholders now have an opportunity to raise any items of general business that may lawfully be put to the meeting. You can use the Computershare site to do this. Select the Q&A tab, type the item you wish to raise into the box at the bottom of the screen, and press 'Send'

Barbara directs responses to any items raised.

**Slide: Thank You**

**Video: Barbara in upper right corner**

To wrap up, this is my third year leading the board as Chairman, and I thank my colleagues on the board for their support, and the support and hard work of Marc England and his Executive team.

I am proud to lead an organisation committed to a more sustainable future for New Zealand. We have built strong foundations for future growth, and I look forward to continuing the good work, for you our shareholders and for our customers and our wider stakeholders.

Thank you everyone for joining us here today. This concludes our 2021 Annual Shareholders' Meeting.

**Slide: With You. For You.**