

22 September 2020

Genesis Energy Ltd (GNE)

The company will hold its Annual Shareholders Meeting **10.00am Wednesday 30 September 2020**.

You can join the meeting at <https://web.lumiagm.com/> The Meeting Code is 398-583-434.

The company sells electricity, reticulated natural gas and LPG through its retail brands of Genesis Energy and Energy Online. It is New Zealand's largest energy retailer with around 500,000 customers. It generates electricity from a diverse portfolio of thermal and renewable generation assets located in different parts of the country. The company also has a 46% interest in the Kupe Joint Venture, which owns the Kupe Oil and Gas Field off Taranaki.

Dry North Island conditions with hydro generation down 491GWh, coupled with multiple outages resulted in the Huntly coal fired power station being called upon during the year. The company's Future gen strategy is to generate an addition 2650 GWh of renewable energy with the first 450 GWh from the Waipipi Wind Farm coming online in early 2021. Whilst the closure of Tiwai Point smelter will impact the Southland economy it removes an uncertainty and provides an opportunity to accelerate the Future gen strategy.

Revenue was down 4% at \$2.6 billion, EBITDAF was also down 4% at \$356 million with NPAT down 22% at \$46 million. The dividend was 17.2 cents per share.

FY21 Guidance is EBITDAF at \$395 million to \$415 million with Capital Expenditure at up to \$95 million.

The shares are trading at \$2.86 and have traded through a range of \$2.01/\$3.54 over the past year.

Board Composition

The Board comprises an Independent Chair and 6 Independent Directors. Whilst there is a range of skill sets, as we have commented in the past only one Director has an executive background in the energy sector. We would suggest the Board looks to appoint at least one possibly two Directors with sound energy experience to ensure the CEO and senior management team can be questioned on detailed technical matters.

Resolutions

1. To re-elect Doug McKay as an Independent Director.

Doug McKay was appointed to the Board in 2014. He is Chairman of the Bank of New Zealand and Eden Park Trust Board and a Director of National Australia Bank (NAB), IAG New Zealand Limited and Fletcher Building Limited.

Whilst we will support his re-election, we are concerned at the number of governance roles he holds particularly in these times when directors are under pressure.

We will vote undirected proxies **IN FAVOUR** of this resolution.

Proxies

You can vote online or appoint a proxy at <https://www.investorvote.com.au/Login>

Instructions are on the Proxy/voting paper sent to you.

Voting and proxy appointments close **10.00am Monday 28 September 2020.**

Please note you can appoint the Association as your proxy. We will have a representative attending the meeting.

The Team at NZSA