

| Principle | Mighty River Power compliance |
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| <p>1 Ethical standards</p> <p>Directors should observe and foster high ethical standards.</p> | <p>Compliant</p> <p>Mighty River Power's Code of Ethics is published on its website at www.mightyriver.co.nz</p> |
| <p>2 Board composition and performance</p> <p>There should be a balance of independence, skills, knowledge, experience, and perspectives among directors so that the board works effectively.</p> | <p>Compliant</p> <p>Mighty River Power states in its annual report that the Board is made up of nine non-executive Directors. Directors' interests, experience and qualifications are detailed in both the annual report and on the Company website.</p> |
| <p>3 Board committees</p> <p>The board should use committees where this would enhance its effectiveness in key areas while retaining board responsibility.</p> | <p>Compliant</p> <p>To assist Directors the Mighty River Power Board has two standing committees. The Risk Assurance and Audit Committee, chaired by Trevor Janes (a Chartered Accountant) and the Human Resources Committee, chaired by Sandy Maier. Terms of Reference for both committees may be downloaded from the Company's corporate website at http://www.mightyriver.co.nz/ReportsDocuments/Default.aspx?type=Governance+Documents</p> |
| <p>4 Reporting and disclosure</p> <p>The board should demand integrity both in financial reporting and in the timeliness and balance of disclosures on entity affairs. This includes disclosing board and committee charters.</p> | <p>Compliant</p> <p>Mighty River Power publishes its Board Charter on the Company website at http://www.mightyriver.co.nz/ReportsDocuments/Default.aspx?type=Governance+Documents Committee charters are also available on the Company's website, as detailed above.</p> |
| <p>5 Remuneration</p> <p>The remuneration of directors and executives should be transparent, fair and reasonable.</p> | <p>Compliant</p> <p>The remuneration of Directors is published in the Company's annual report. The Company also discloses details of the Chief Executive's remuneration and the number of employees earning over \$100,000 pa.</p> <p>The Human Resources committee considers remuneration policies concerning the Company's employees.</p> |

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| 6 | <p>Risk Management</p> <p>The board should regularly verify that the entity has appropriate processes that identify and manage potential and relevant risks.</p> | <p>Compliant</p> <p>Mighty River Power publishes its risk management policy, and the processes adopted by Directors to mitigate risk, both in its annual report and in the Terms of Reference for the Risk Assurance and Audit Committee. Both of these documents may be found on the Company website.</p> |
| 7 | <p>Auditors</p> <p>The board should ensure the quality and independence of the external audit process.</p> | <p>Compliant</p> <p>Mighty River Power states in its annual report that auditor independence has been confirmed by the Risk Assurance and Audit Committee. The auditor general's appointee also states in his Audit Report (published in the Company's annual report) that he has no other relationship with or interests in the Company or any of its subsidiaries.</p> <p>Note 4 of the Company's financial statements discloses the amount paid to the Company's auditors. It can be clearly seen in this note that the auditors are engaged only for the purposes of auditing the financial statements and not for any other services.</p> |
| 8 | <p>Shareholder relations</p> <p>The board should foster constructive relationships with shareholders that encourage them to engage with the entity.</p> | <p>Compliant</p> <p>Mighty River Power holds both an annual general meeting with Shareholding Ministers and an Annual Public Meeting that is open to all stakeholders and the general public.</p> <p>The Company adheres fully to the government's 'no surprises' policy in which it ensures the shareholder is kept informed of any material or significant events, transactions and other issues relating to the Company.</p> |
| 9 | <p>Stakeholder interests</p> <p>The board should respect the interests of stakeholders within the context of the entity's ownership type and its fundamental purpose.</p> | <p>Compliant</p> <p>Mighty River Power discusses the Company's interaction with stakeholders in its annual report and in more detail in our Community and Environmental reviews. The Company also reports annually on this area under the Global Reporting Initiative Framework.</p> |