

ANNEXURE 1

Ngawha Generation Limited

Code of Ethics

This Code of Ethics is the framework of the standard by which the directors, employees, contractors for personal services and advisors of Ngawha Generation Limited and its related companies are expected to conduct their professional lives and has been approved by the Board. The Company is a wholly owned subsidiary of Top Energy Limited and has adopted the Values which apply to all Directors and employees of the Top Energy Group (Top Energy people) This Code is not intended to prescribe an exhaustive list of acceptable and non-acceptable behaviour; rather it is intended to facilitate decisions that are consistent with the Top Energy values, business goals and legal and policy obligations, thereby enhancing performance outcomes. Top Energy people must familiarise themselves with the Top Energy values, as they govern their behaviour while they are employed by Ngawha Generation.

An annual report on action taken in respect of serious breaches of this Code of Ethics will be published.

Directors and employees who are proven to have breached this Code of Ethics will face disciplinary action which, depending on the seriousness and severity of the breach, could include dismissal or legal action or both.

Directors and managers are expected to provide leadership according to these standards of professional ethics and to ensure that they are communicated to Top Energy Generation people who report to them and that where necessary, training on the Code of Ethics will be provided to them.

Ethical questions, or concerns about an ethical question or knowledge of a breach of a legal obligation or a Ngawha Generation policy, should be raised with the Chief Executive as soon as possible. If this is not appropriate, contact the Chair of the Board or the Chair of the Audit and Risk Committee. (Refer to Clause 12, Reporting Concerns, for more information).

1. Commitment to honesty, integrity and ethical behaviour

Top Energy people will act honestly, observe the highest standards of ethical behaviour and conduct and will act with personal and professional integrity.

2. Conflicts of Interest

Top Energy people will not, without the prior consent of Ngawha Generation:

- engage in any other business or commercial activities which would conflict with their ability to perform their duties for Ngawha Generation;
- support a political party or organisation, other than in a personal capacity. This does not preclude attendance and membership of the local branches of the major political parties where the Group's interests can be advanced.
- be directly or indirectly interested or concerned, in any capacity including as a material shareholder (i.e. a shareholder who holds more than 5% of the shares), or as a director, employee, or independent contractor with any other business in the electricity industry; and
- engage in any other activity which could conflict with Ngawha Generation's interests.

3. Gifts

Top Energy people will not accept gifts or personal benefits from external parties if it could be perceived that such acceptance might compromise or influence any decision by Ngawha Generation. Any offer of a gift must be reported by the staff member to the Chief Executive, or in the case of a Director, to the Chair. Distribution of any gifts received will be carried out transparently at the direction of the Chief Executive and may include retention by the Director or staff member receiving the gift, "raffling" amongst all staff, return of the gift or donation to a charity in the Far North.

4. Corporate Opportunities

Top Energy people are expected to advance Ngawha Generation's legitimate interests when the opportunity to do so arises.

Top Energy people will not:

- take for themselves any opportunity discovered through the use of Ngawha Generation property, information or position;
- use Ngawha Generation property (including Ngawha Generation's name), information or position for personal gain;
- compete with Ngawha Generation;
- use information that comes from their roles at Ngawha Generation, if that information has not been reported publicly.

5. Confidentiality

Top Energy people will maintain and protect the confidentiality of information entrusted to Ngawha Generation about work colleagues, stakeholders and Ngawha Generation's business and financial affairs, except where disclosure is allowed by Ngawha Generation or is required by law.

6. Behaviours

Top Energy people will:

- undertake their duties in accordance with Ngawha Generation values;
- always watch over and assist each other to be safe.
- Conduct themselves in a way that demonstrates their honesty is beyond question and will not behave in a manner that has the potential to bring Ngawha Generation's reputation into disrepute;
- deal fairly and honestly with other people at Ngawha Generation and Ngawha Generation's professional advisors and stakeholders and not act in a manner likely to mislead or deceive;
- not enter into transactions or make promises on behalf of Ngawha Generation that Ngawha Generation cannot or does not intend to honour;
- undertake their duties with care and diligence;
- ensure that any personal opinions Top Energy people express are clearly defined as their own and are not represented to be the view of Ngawha Generation;
- value individual's differences and treat people in the workplace with respect in accordance with Ngawha Generation's philosophies of equal employment opportunities, and anti-harassment and discrimination policies;
- to the best of their ability, use reasonable endeavours to ensure that Ngawha Generation records and documents, including financial reports, are true, correct and conform to Ngawha Generation reporting standards and internal controls;
- not accept or offer bribes or improper inducements to or from anyone; and
- not otherwise participate in any illegal or unethical activity.

7. Proper use of Ngawha Generation Assets and Information

Top Energy people have a duty to protect Ngawha Generation assets from loss, damage, misuse, waste and theft. Ngawha Generation assets include systems, information, intellectual property and networks.

Top Energy people will:

- only use Ngawha Generation assets for lawful business purposes authorised by Ngawha Generation; and
- only create and only retain, information and communications required for business needs or to meet legal obligations.

8. Compliance with Laws and Policies

Top Energy people will:

- familiarise themselves with and comply with Ngawha Generation policies, frameworks and processes at all times (including those relating to equal employment opportunities and health and safety);

- abide by the laws, rules and regulations of New Zealand;
- undertake training on legal obligations and policies as required by management from time to time; and
- comply with all statutory and internal disclosure requirements on a timely basis.

9. Delegated Authority

Top Energy people will:

- only act within the delegated authority framework and any authority that may be specifically given to them as a delegated authority holder; and
- ask their manager if they are uncertain as to their level of delegated authority.

10. Reporting Concerns

The Company has a Protected Disclosure Policy (C5.24). Breaches of this Code of Ethics should be reported in accordance with that policy to a manager or the CEO, as appropriate. If this is not appropriate in the circumstances, breaches should be reported to the Chair of the Board of Directors or the Chair of the Audit and Risk Committee.

Ngawha Generation will fully support any employee who, acting in good faith, reports a breach, serious problem or wrongdoing. The identity of the person making the report will be kept confidential where possible – there may be situations however where the proper investigation of the matter inadvertently identifies the reporter or requires his or her identification.

Ngawha Generation requires all Directors, and managers who receive a report of an actual or suspected violation of this Code of Ethics to take all reasonable steps within their control to ensure that:

- the behaviour alleged in the report is thoroughly investigated;
- the rules of natural justice are observed in that investigation; and
- appropriate disciplinary action is taken if the allegation is substantiated.

11. Monitoring and Bi-Annual Review

The directors will monitor adherence with this Code of Ethics and will review this Code every 2 years.

The bi-annual review of this Code of Ethics will be undertaken in accordance with the following process:

- the CEO will prepare a report on all concerns reported to him or her, the Chair of the Board or the Chair of the Audit and Risk Committee, under clause 10 of this Code

- directors and employees will be invited to comment generally on the Code of Ethics
- the CEO will, based on all concerns reported under clause 10 and comments made by employees will make such recommendations as he or she considers appropriate;

Notwithstanding the requirement to conduct a bi-annual review of the Code, if at any time it becomes apparent that as a result of notified breaches under the Code or otherwise, that changes to it should be made immediately, the CEO will bring such changes to the directors for consideration at the next appropriate directors meeting.

If you have feedback on the Code of Ethics please contact the Chief Executive, the Chair of the Board of Directors or the Chair of the Audit and Risk Committee.