



Corporate Governance Statement

Compliance with NZX Corporate Governance Code

As a listed issuer, Manawa Energy Limited ("**Manawa Energy**") is required to disclose in its Annual Report or on its website whether, and to what extent, its corporate governance practices differ from the recommendations under the NZX Corporate Governance Code (1 April 2023 version).

Manawa Energy is committed to sound corporate governance that will ensure the company operates effectively and with accountability and transparency. It does not comply with all the recommendations of the NZX Corporate Governance Code and where it diverges from a recommendation in the NZX Corporate Governance Code this is recorded within this Corporate Governance Statement ("**Statement**").

Manawa Energy's corporate governance policies, practices and procedures can be found on the corporate governance section of the website—<https://www.manawaenergy.co.nz/governance-documents>.

References in this Statement to the "**Group**" are to Manawa Energy together with its subsidiaries.

Principle 1: Code Of Ethical Behaviour

Code of Ethics

A Code of Ethics has been developed and approved by the Board of Directors ("**Board**"), which applies to the Board and the Group's employees, consultants and contractors. Manawa Energy is committed to maintaining the highest standards of honesty, integrity and ethical conduct and has adopted a Code of Ethics to deter wrongdoing and to promote:

- › Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- › Full, fair, accurate, timely and understandable disclosure in reports and documents filed by Manawa Energy and in other public communications made by Manawa Energy;
- › Compliance with applicable laws, rules and regulations;
- › Internal reporting of violations of the Code of Ethics; and
- › Accountability for adherence to the Code of Ethics.

The Code of Ethics is not an exhaustive list of acceptable or non-acceptable behaviour, rather it is intended to guide decisions, so they are consistent with Manawa Energy's values, business goals and legal and policy obligations.

Conflicts of Interest

The Code of Ethics sets out expectations on directors, employees, consultants, and contractors in relation to the management of conflicts of interest, including that they must not, directly or indirectly, act in any manner which involves Manawa Energy and in which they have a personal interest which is incompatible or inconsistent with their obligations to Manawa Energy.

Where any Manawa Energy director has a conflict of interest or is otherwise interested in any transaction, that director is required to disclose his or her conflict of interest, and thereafter neither participate in the discussion nor vote in relation to the relevant matter. Manawa Energy maintains a register of disclosed interests.

Protected Disclosures (Whistleblowing) Policy

The Group has established a Protected Disclosures (Whistleblowing) Policy in order to facilitate the disclosure and impartial investigation of any serious wrongdoing. This policy advises employees, directors, consultants, and contractors (current and previous) of their right to disclose serious wrongdoing and sets out the Group's internal procedures for receiving and dealing with such disclosures. The policy is consistent with, and facilitates, the Protected Disclosures Act 2000.

Financial Product Dealing ("Insider Trading") Policy

In order to protect Manawa Energy's reputation and safeguard employees who may want to buy or sell Manawa Energy securities, the Group's Financial Product Dealing ("Insider Trading") Policy requires an approved procedure to be followed by all employees, contractors and directors. Certain persons required to make disclosures of trading in quoted financial products under the Financial Markets Conduct Act 2013.

Principle 2: Board Composition and Appointment

Director Appointments

When the Board is considering appointing a director, Manawa Energy undertakes a rigorous evaluation process of the current skill set of the Board and identifies the desired skills and experience of a new director. If appointed by the Board, the director then stands for election at the next shareholders' meeting as required under the NZX Listing Rules.

Shareholders are also entitled to nominate a director for appointment to the Board, whose appointment is then voted on by shareholders at an annual or special meeting). In addition, under Manawa Energy's constitution, a shareholder holding not less than 25 percent of Manawa Energy's shares is entitled to appoint one director.

Prior to appointment or re-election, directors are required to specifically acknowledge that they have the time to fully discharge their responsibilities to Manawa Energy. Directors are expected to comply with all relevant legislation and regulation in fulfilling their roles.

Role of the Board

The directors are elected by the shareholders and are responsible to the shareholders for the performance of the Group. Their focus is to enhance the interests of shareholders and other key stakeholders and to ensure the Group is properly managed. The Board draws on relevant corporate governance best practice principles to assist and contribute to the performance of the Group.

The Board has developed a charter that outlines responsibilities that encompass the following:

- › assisting Manawa Energy to serve the interests and expectations of customers, employees, investors, partners and external stakeholders ethically, honestly, fairly, diligently and in accordance with applicable laws;
- › creating and reinforcing a culture of diversity, inclusion, excellence and performance, particularly in respect of people, financial performance, and health and safety;
- › setting strategy through the approval of Manawa Energy's strategic plan and monitoring implementation of that plan by the executive team ("Management");
- › approving the annual budget;
- › establishing corporate governance standards, disclosures and other practices for Manawa Energy consistent with the requirements for NZX listed companies;
- › approving, implementing and monitoring financial, audit and risk policies (that are more extensively described in the Audit and Risk Committee Charter);
- › approving, implementing and monitoring health & safety policies;
- › monitoring compliance with regulatory and legal requirements;
- › selecting and appointing the Chair;
- › identifying and nominating (or appointing) Director candidates and overseeing Director induction and ongoing Director professional development;

- › establishing, developing and overseeing a process to annually review the skills mix and composition of the Board and Board committees, and developing and reviewing Board succession planning;
- › establishing, developing and overseeing a process to annually review and evaluate the performance of the Board, the committees of the Board and individual Directors;
- › selecting, appointing and supporting the Chief Executive Officer, determining his/her conditions of service and monitoring his/her performance against established objectives;
- › setting specific and general delegations for the Chief Executive Officer (which may be further sub-delegated);
- › assessing Manawa Energy's solvency and overall performance; and
- › protecting and enhancing Manawa Energy's reputation.

Each year the Board has a minimum of eight scheduled one day meetings, at least one extended strategic planning meeting, and unscheduled meetings to consider and/or review substantial projects and any other special circumstances that may arise from time to time.

The full Board determines the board size and composition, subject to limits imposed by Manawa Energy's Constitution and requirements under the NZX Listing Rules. The Constitution provides for a maximum of seven directors.

The NZX Listing Rules also require that at least two directors must be independent directors. The Board has determined that Joanna Breare and Sheridan Broadbent are independent directors. The Board has also determined that Deion Campbell and Phillippa Harford (by being associated with Infratil Limited), Joe Windmeyer (by being associated with Infratil Limited and being a provider of professional services to Manawa Energy) and Michael Smith (by being associated with TECT Consumer Trust) are non-independent directors.

Recommendation 2.8 of the NZX Corporate Governance Code is that a majority of the board should be independent directors. Manawa Energy has not adopted Recommendation 2.8. Manawa Energy has four non-independent directors (determined as noted above) and two independent directors. This reflects that Manawa Energy is a subsidiary of Infratil Limited, and the TECT Consumer Trust has exercised its right under Manawa Energy's constitution to appoint one director.

Recommendation 2.9 of the NZX Corporate Governance Code is that an issuer should have an independent chair of the Board. Manawa Energy has not adopted Recommendation 2.9. At the request of majority shareholder Infratil Limited, a nominee of Infratil Limited (currently Deion Campbell) is Chair of the Board.

Director Agreements

Manawa Energy has in place director agreements for all director appointments from April 2019.

Director Training

Directors undertake a comprehensive induction upon joining the Board. Time is regularly set aside in Board meetings to upskill directors on key issues facing Manawa Energy.

Manawa Energy supports continuous education and funds external training for directors on relevant issues. A fund has been created for directors' training, which can be used by individual directors upon approval by the Chair where the training will benefit Manawa Energy and the individual director.

In October 2022, several directors (accompanied by members of the Executive Team) went on a Board study tour to Europe and various cities in the United States of America to share insights and experiences with other companies at the forefront of renewable energy development and technology.

The Board monitors director training including external training undertaken by the director.

Diversity and Inclusion

Manawa Energy values diversity of views, background and experience. Manawa Energy believes diversity leads to better decision making, innovation and creativity. Diversity also helps build the capability to be successful for shareholders, meet the needs of customers and aspirations of staff.

The Group has a Diversity and Inclusion Policy which reflects its commitment to diversity and inclusion tailored towards the unique nature of the generation business. Manawa Energy aims to achieve an environment which supports and values diversity and where all people feel included. Specifically, Manawa Energy aspires to be a workplace where: our people feel valued and included; diversity of thinking and approach is valued; a broad range of people are encouraged to be part of Manawa Energy and make employment decisions without bias; and we have a diverse Board of Directors and executive team.

Manawa Energy continues to determine the most appropriate activities and actions to make a real difference. These activities include reviewing its diversity and inclusion performance; reviewing recruitment practices; and considering actions and future objectives for improving diversity and inclusiveness.

Committee Meetings and Attendance

Meetings and attendance for the year ended 31 March 2023 are listed below.

Number of meetings held/attended for the year ended 31 March 2023

Director	Board meeting	Audit and Risk Committee	People and Remuneration Committee	Governance and Nominations Committee	Independent Directors Committee	Comments
Total meetings held	11	4	5	2	1	
Kevin Baker	11	4	–	–	–	
Paul Ridley-Smith	11	–	5	2	–	
Joanna Breare	11	4	5	–	1	
Sheridan Broadbent	11	4	–	2	1	
Michael Smith	9	–	4	2	1	
Deion Campbell	7	–	–	2	–	Director appointed 20 July 2022
Peter Coman	2	–	–	–	–	Director resigned effective 20 July 2022

Review of Board Performance

The Board ensures that its performance is regularly reviewed, either by an external facilitator, or internally, as appropriate. The Board will also undertake an annual review of its own processes and procedures to ensure that these are not overly complex and assist the Board in fulfilling its role.

Principle 3: Board Committees

The Board has established three standing Subcommittees being; the Audit and Risk Committee, the People and Remuneration Committee and an Independent Directors Committee.

Audit and Risk Committee

The Board has established a standing Audit and Risk Committee. The Audit and Risk Committee consists of at least three directors, no more than half of whom may be associated with a single shareholder. The Chair of the Audit and Risk Committee must not be the Chair of the Board. The Audit and Risk Committee meets at least four times a year. The members of the Audit and Risk Committee are Sheridan Broadbent (Chair), Joanna Breare and Phillippa Harford.

The role of the Audit and Risk Committee is formally recorded in a charter document approved by the Board. The primary objective of the Audit and Risk Committee, as set out in the charter, is to assist the Board in fulfilling its responsibilities relating to overseeing the accounting and reporting practices and managing the risks of the Group. In particular, the Audit and Risk Committee's main responsibilities are to:

- › Review and report to the Board on the annual report, the interim financial report and all other financial information published by the Group or released to the market;
- › Assist the Board in reviewing the effectiveness of the organisation's internal control environment;
- › Determine the scope of the internal audit function and ensure that its resources are adequate and used effectively, including co-ordination with external auditors;
- › Assist the Board to discharge its responsibilities to exercise due care, diligence and skill in relation to the oversight of the effective management of the Group's material business risks;
- › Recommend to the Board the appointment, removal and remuneration of the external auditors, and review the terms of their engagement, and the scope and quality of the audit; and
- › Review and approve, within established procedures, and before commencement, the nature and scope of non-audit services being provided by the external auditors. These procedures include quantitative and qualitative thresholds for the review and include all relatively significant projects.

In fulfilling its responsibilities, the Audit and Risk Committee receives regular reports from Management and the internal and external auditors. It also meets with the internal and external auditors at least three times a year – more frequently if necessary. The internal and external auditors have a clear line of direct communication at any time to either the Chair of the Audit and Risk Committee or the Chair of the Board.

The People and Remuneration Committee

The Board has established a People and Remuneration Committee. The People and Remuneration Committee consists of at least two directors. The Chair of the People and Remuneration Committee must be an independent director. If there are more than two members of the People and Remuneration Committee, no more than half of the members may be associated with a single shareholder. The People and Remuneration Committee meets at least four times a year. The members of the People and Remuneration Committee are Joanna Breare (Chair), Deion Campbell and Michael Smith.

The role of the People and Remuneration Committee is formally recorded in a charter document approved by the Board. The primary objectives of the People and Remuneration Committee are to establish coherent people and remuneration strategies, policies and practices which meet the Board's people and remuneration policies as outlined in principle 5 below.

The responsibilities of the People and Remuneration Committee include:

- › reviewing and recommending to the Board for approval the remuneration policies and specific remuneration levels and packages for directors, the Chief Executive Officer and relevant management;
- › reviewing and recommending to the Board for approval the remuneration policies and aggregate remuneration levels for non-executive staff;
- › reviewing succession planning and associated executive development plans for the critical senior executive roles;
- › reviewing and recommending to the Board for approval the diversity, code of ethics and protected disclosures policies;
- › approval of all other "people and culture" policies or delegating this approval to the Chief Executive Officer if appropriate;
- › reviewing and reporting to the Board on compliance with policies with a focus on monitoring unconscious bias e.g. gender bias;
- › review the key measurable objectives of diversity and ensure progress is reviewed regularly;
- › manage the employment or removal of the Chief Executive Officer, including overall employment terms;
- › participate in the process of employment or removal of the Chief Financial Officer (or equivalent role) and recommend to the Board their confidence in any appointment or removal; and
- › monitor the Group's key people risks including compliance with employment law and regulations.

Recommendation 3.3 of the NZX Corporate Governance Code is that a majority of an issuer's remuneration committee should be independent directors. Manawa

Energy has not adopted Recommendation 3.3. The People and Remuneration Committee comprises one independent director and two non-independent directors. The Board considers this is appropriate given the current composition of the Board.

The Independent Directors Committee

The Board has established an Independent Directors Committee to consider matters from time to time when a conflict arises. The standing members of the Independent Directors Committee are Manawa Energy's independent directors. Additional directors can be invited to join the Independent Directors Committee to consider specific conflict matters where that director does not have a conflict or interest in relation to the matter. The standing members of the Independent Directors Committee are Sheridan Broadbent (Chair) and Joanna Breare.

The role of the Independent Directors Committee is formally recorded in a charter document approved by the Board. The Independent Directors Committee is activated from time to time as a conflict arises which is required to be considered by the Independent Directors Committee.

Manawa Energy Insurance Limited

Manawa Energy also has a wholly-owned subsidiary, Manawa Energy Insurance Limited, which is a captive insurance company, and manages key insurance matters on behalf of the Group.

Other Sub Committees

The Board establishes sub-committees on an as required basis to consider such things as special projects.

Takeover Protocols

The Board has adopted the Takeover Response Policy to assist Manawa Energy in the event of an unsolicited offer or unsolicited approach by a potential acquirer for a controlling stake in Manawa Energy.

The overall objective of Manawa Energy's takeover response strategy is to maximise value for shareholders. The specific objectives of this strategy and the Takeover Response Policy are to ensure that Manawa Energy:

- › is well prepared for any takeover or similar approach;
- › is able to respond in a professional, timely and co-ordinated manner;
- › shareholders are fully informed with respect to the value of Manawa Energy, the value of the offer and the offer process; and
- › complies with all of its legal, regulatory and NZX Listing Rule requirements.

Principle 4: Reporting and Disclosure

Continuous Disclosure Policy

The Group has a Continuous Disclosure Policy to:

- › ensure Manawa Energy achieves best practice in complying with its continuous disclosure obligations under the Financial Markets Conduct Act 2013 and the NZX Listing Rules;
- › ensure that all of Manawa Energy's shareholders have the same access to "Material Information" about the Group and its prospects in a timely manner; and
- › ensure Manawa Energy and individual officers do not contravene the Financial Markets Conduct Act 2013 or the NZX Listing Rules (which carry serious penalties).

This will be achieved by ensuring that procedures are in place for:

- › identifying potential Material Information;
- › reporting such potential Material Information for review; and
- › timely disclosure of Material Information.

Delegated Authorities Policy

The Group has a Delegated Authorities Policy in place that has been approved by the Board. The Delegated Authorities Policy provides limited authority to certain Group employees to purchase goods and services, enter into sales contracts and approve credit, sign deeds, indemnities and guarantees, and sign other contracts and documents. The Delegated Authorities Policy is reviewed annually.

Principle 5: Remuneration

The Board has established coherent people and remuneration strategies, policies and practices which:

- › ensure Manawa Energy has the appropriate level of capability, culture, leadership and diversity within its workforce to meet its current and future requirements;
- › ensure that there is appropriate succession planning, including in respect of the Chief Executive Officer;
- › ensure that employees are treated fairly and respectfully, given opportunities for vocational and professional development, irrespective of identity, and that the employment environments are welcoming;
- › enable Manawa Energy to attract, retain and motivate employees who

will facilitate the efficient and effective management and operation of Manawa Energy and create value for shareholders;

- fairly and reasonably reward employees having regard to the performance of Manawa Energy, the performance of the employees and the external market; and
- comply with the relevant provisions of the Employment Relations Act 2000, Holidays Act 2003, Human Rights Act 1993, Companies Act 1993, NZX Listing Rules and any other legal requirements relevant to people and remuneration issues.

These policies are overseen by the People and Remuneration Committee. Full disclosure of the Chief Executive's and Directors' remuneration is included in the annual report.

Principle 6: Risk Management

Risk Management

The Group has developed a comprehensive, enterprise-wide risk management framework. Management actively participates in the identification, assessment, and monitoring of new and existing risks. Particular attention is given to market risks that could impact on the Group. Management undertakes regular reporting to appraise the Audit and Risk Committee and the Board of the Group's risks and the treatment of those risks.

The Audit and Risk Committee reviews and if considered satisfactory, recommends for approval by the Board annually, the Group's insurance programme. The Group's insurance programme is also managed by its wholly-owned subsidiary, Manawa Energy Insurance Limited, a captive insurance company.

Energy Trading Policy

The Group has adopted an Energy Trading Policy to manage the risk relating to the purchasing of electricity and gas from wholesale energy markets and the trading of carbon related products. Derivative instruments are used to set the price of electricity at a future nominated time. The Energy Trading Policy allows wholesale energy and carbon trading to occur within risk limits set by the Board.

Treasury Policy

The Group has a Board approved Treasury Policy to manage finance, interest rate, foreign exchange and foreign investment risks. The Treasury Policy approves the use of certain instruments for risk management purposes, and it prohibits any activity that is purely speculative in nature. It also sets out exposure limits, delegated authorities and internal controls. The Treasury Policy is reviewed by Management annually and independently every three years.

Environmental Policy

The Group recognises the importance of environmental issues and is committed to the highest levels of performance. To help meet this objective the Group has developed and implemented both environmental policies and a comprehensive environmental management system. These have been established to facilitate the systematic identification of environmental issues and to ensure that they are managed in a structured manner. These measures allow the Group to:

- Monitor its compliance with all relevant legislation.
- Continually assess and improve the impact of its operations on the environment.
- Encourage employees to actively participate in the management of environmental issues.
- Use energy and other resources efficiently.
- Encourage the adoption of similar standards by the Group's principal suppliers, contractors and distributors.
- Ensure procedures are in place to appropriately deal with any adverse environmental event that may occur.

Other Corporate Policies

The Group has a number of other policies covering but not limited to human resource activities, health and safety, buildings and security, business continuity and disaster recovery planning. These policies are regularly reviewed and approved by senior management and, where appropriate, the Board.

Principle 7: Auditors

Internal Control

The Group has adopted a system of internal control. The system is based upon written procedures, policies, guidelines and organisational structures that provide an appropriate division of responsibility, sound risk management, a programme of internal audit, and the careful selection and training of qualified personnel.

While the Board acknowledges that it is responsible for the overall control framework of the Group, it recognises that no cost-effective internal control system will preclude all errors and irregularities.

Internal Audit

The Group has established an internal audit function that is responsible for monitoring the Group's system of internal financial control and the integrity of the financial information reported to the Board. Internal audit operates independently

from the Board and reports its findings directly to the Audit and Risk Committee. Internal audit liaises closely with the external auditor, who reviews the internal audit work undertaken to the extent necessary to support its audit opinion.

External Audit

The Board has engaged KPMG to act as external auditor. Manawa Energy's key audit partner is changed at least every five years in accordance with the Audit and Risk Committee Charter. The auditors' report describes the work undertaken and the results of that work. A copy of the report can be found in the annual report.

Principle 8: Shareholder Rights and Relations

The Role of Shareholders

The Board aims to ensure that shareholders are informed of all major developments affecting the Group's state of affairs. Information is communicated to shareholders in the annual, interim reports, and various announcements to NZX. Quarterly operational information is also provided following the end of each quarter via NZX announcement and also published on the Manawa Energy website. The Board encourages full participation of shareholders at the annual meeting to ensure a high level of accountability and identification with the Group's strategies and goals.

Voting Rights

Every shareholder present in person, by proxy or by representative, on a vote by voices or a show of hands has one vote, and on a poll has one vote for each fully paid share held. Shares held as treasury stock do not have voting rights. Manawa Energy has a policy of only voting by way of poll at its shareholder meetings.

This Statement was approved by the Board on 21 September 2023. Unless otherwise stated, all of the information in this Statement is current as at 21 September 2023.



Clayton Delmarter

Chief Executive

Date: 21 September 2023