

NPT LIMITED

BOARD CHARTER AND GOVERNING PRINCIPLES

THE ROLE OF THE BOARD

The Board establishes the Company's objectives, the major strategies for achieving those objectives, the overall policy framework within which the business of the Company is conducted and monitors management's performance with respect to these matters.

The Board delegates responsibility for the day to day operation and management of the Company to the Chief Executive Office ("CEO"). However the Board has processes and systems in place to ensure that significant issues, risks and major strategic decisions are always considered at Board level. This allows the Company to operate on a day to day basis in a manner which maximises security holder value and manages risk while seeking to ensure that the interests of security holders are adequately protected.

Specific responsibilities of the Board and its Committees include:

- oversight of the Company including its control and accountability procedures and systems;
- setting the strategic direction and objectives of the Company;
- oversee audit and monitor risk;
- approval of operating plans including annual business plans and budgets;
- monitoring actual results against the annual business plan, budget and strategic objectives;
- appointment of the CEO and Chief Financial Officer ("CFO"), and delegating the appropriate authority of the management of the company, and monitoring management's performance on a regular basis;
- setting the remuneration of the Directors;
- approval and monitoring of the progress of capital expenditure, capital management initiatives and acquisitions and divestments;
- approval of capital structure and dividend policies; and
- oversight of disclosure and monitoring of price sensitive matters affecting the Company.

BOARD PERFORMANCE

The Board reviews its performance as a whole on an annual basis and instigates additional comprehensive reviews as may be deemed necessary from time to time. External consultants may be commissioned as needed to assist in the assessment of individual Directors' performance, the effectiveness of the Board's processes and/or the Board's own effectiveness.

CONSTITUTION

The Board is subject to the rules in the Company's Constitution (last revised in November 2010). The Constitution, which provides further details on the Board composition, rotation of Directors and Board meeting procedures, is available to view in the Company's website.

SHARE TRADING

Directors are encouraged to own securities in the Company in their own name (or through associated interests). Directors' security trading is subject to the Company's Share Trading Policy (contained on page 23 of this Manual), the NZSX Listing Rules and the Securities Markets Act 1988. All changes in the shareholdings of Directors are reported to the Board and the NZX. The Directors' shareholdings and changes to those shareholdings are also noted in the annual report to security holders.

GOVERNING PRINCIPLES

The Company's Directors and management are strongly committed to high standards of corporate governance and adherence to the following guiding principles:

Principle 1 – Ethical Standards

The Board observes and fosters high ethical standards.

The Company expects its Directors, officers, employees and representatives to act in a manner consistent with its guiding principles and the values set out in its Code of Ethics. This Code (refer page 7) sets out clear expectations of ethical decision-making and personal behavior with regard to confidentiality, securities trading, transparency, company information, conflict resolution processes, workplace responsibilities, environmental responsibility and stakeholder interaction.

Principle 2 – Board Composition

The Board works effectively as it contains a balance of independence, skills, knowledge, experience and perspectives.

The Board's composition is designed to foster independence of view and ensure the Directors hold an appropriate standard and mix of qualifications, skills and experience given the Company's existing operations and strategic objectives.

The Company's Constitution allows for no less than three or more than six Directors and at least two of the Directors must be resident in New Zealand. Each year one third of the Directors shall retire but will be eligible for re-election. Further information is contained in the Nomination Committee Charter on page 17 and in the Company's Constitution.

Principle 3 – Board Committees

The Board enhances its effectiveness in key areas through the use of committees.

Committees established by the Board develop, review and analyse Company policies and strategies and operate under specific charters. Committees assist the Board to conduct its responsibilities in respect to all material matters and issues requiring Board decisions.

The standing committees of the Board are the Audit and Risk Committee, the Nominations Committee and the Remuneration Committee. The Board has considered that the Company's size prevents them from establishing separate committees at this time and therefore the full Board will fulfill the obligations the Committee Charters. This decision will be reviewed from time to time. The Board may create ad hoc committees where necessary to examine specific issues on its behalf.

Principle 4 – Reporting and Disclosure

The Board demands integrity both in financial reporting and in the timeliness and balance of disclosures on Company affairs.

The Company is committed to providing the investment market with prompt and accurate information on all major events that influence the Company. The Company's Disclosure Policy (refer page 10) is designed to ensure a high standard of compliance with NZX's continuous disclosure requirements. The Audit and Risk Committee (refer page 12) oversees the quality and integrity of external financial reporting including the accuracy, completeness and timeliness of the Company's financial statements.

Principle 5 – Remuneration

The Board ensures that the remuneration of Directors and executives is transparent, fair and reasonable.

The Remuneration Committee (refer page 20) has the responsibility for ensuring that Directors and Company employees are appropriately and fairly rewarded for their work. The Committee makes recommendations in respect of salary and incentive programmes and more generally on issues, plans and policies relating to employee management.

Principle 6 – Risk Management

The Board regularly verifies that the Company has appropriate processes that identify and manage potential and relevant risks.

The Audit and Risk Committee (refer page 12) has responsibility for establishing an acceptable risk tolerance and to actively identify, analyse, evaluate and appropriately treat risk that may impact on the business as set out in the Risk Management Policy on page 14.

Principle 7 – Auditors

The Board ensures the quality and independence of the external audit process.

The Audit and Risk Committee (refer page 12) is responsible for overseeing the external audit of the Company and ensuring the independence of the external auditor. Accordingly, it monitors developments in the areas of audit and any threats to audit independence, to ensure its policies and practices are consistent with best practice.

Principle 8 – Security Holder Relations

The Board fosters constructive relationships with security holders which encourage them to engage with the Company.

The Board is committed to giving all security holders comprehensive, timely and accessible information of all material matters concerning the Company, ensuring that security holders can assess the Company's performance. The Board also values and encourages constructive dialogue with security holders as outlined in the Company's Disclosure Policy on page 10.

Principle 9 – Stakeholder Interests

The Board respects the interests of stakeholders within the context of the Company's ownership type and its fundamental purpose.

The Board's primary responsibility is to work to protect and enhance, long-term, the value of the assets of the Company in the interests of its security holders. However the Board also recognises the legitimate interest of other stakeholders and is committed to managing the Company in a way that will produce positive outcomes for all stakeholders as outlined in the Code of Ethics on page 7.