

Compliance Policy

Approved date	23 February 2021
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1 POLICY STATEMENT

The Meridian Energy Group aims to comply with the law.

To assist this, the Meridian Energy Group operates an active programme to ensure ongoing compliance across the group with the terms of all Material Contracts, resource consents, legislation (including the Electricity Industry Participation Code 2010 (the “Code”), and Internal Policies.

2 PURPOSE OF THIS POLICY

The purpose of this policy is to:

- Define and attribute key areas of responsibility for the ongoing operation and execution of compliance across the Meridian Energy Group;
- Mandate compliance initiatives to be undertaken on a consistent and integrated basis throughout the Meridian Energy Group; and
- Support and underpin the operation of Meridian's compliance framework.

3 SCOPE AND FIT

This Compliance Policy is designed to assist and ensure ongoing compliance with the terms of all Material Contracts, resource consents, legislation (including the Code) and Internal Policies (including subsidiary internal policies).

This Compliance Policy is a Corporate Policy within the Meridian Policy Framework alongside Meridian's risk, health and safety, and environment policies. For further information on the detailed application of this policy refer to the Compliance Policy Process [here](#).

This policy is applicable to all business units and subsidiaries of Meridian Energy Limited.

4 DEFINITIONS

Chief Executive means the Chief Executive of Meridian Energy Group.

Compliance Activities has the meaning set out in the Compliance Policy Process.

Direct Reports means all employees who report to the Chief Executive (and, for the purposes of this policy, the CEOs (or equivalent) of Meridian's subsidiaries).

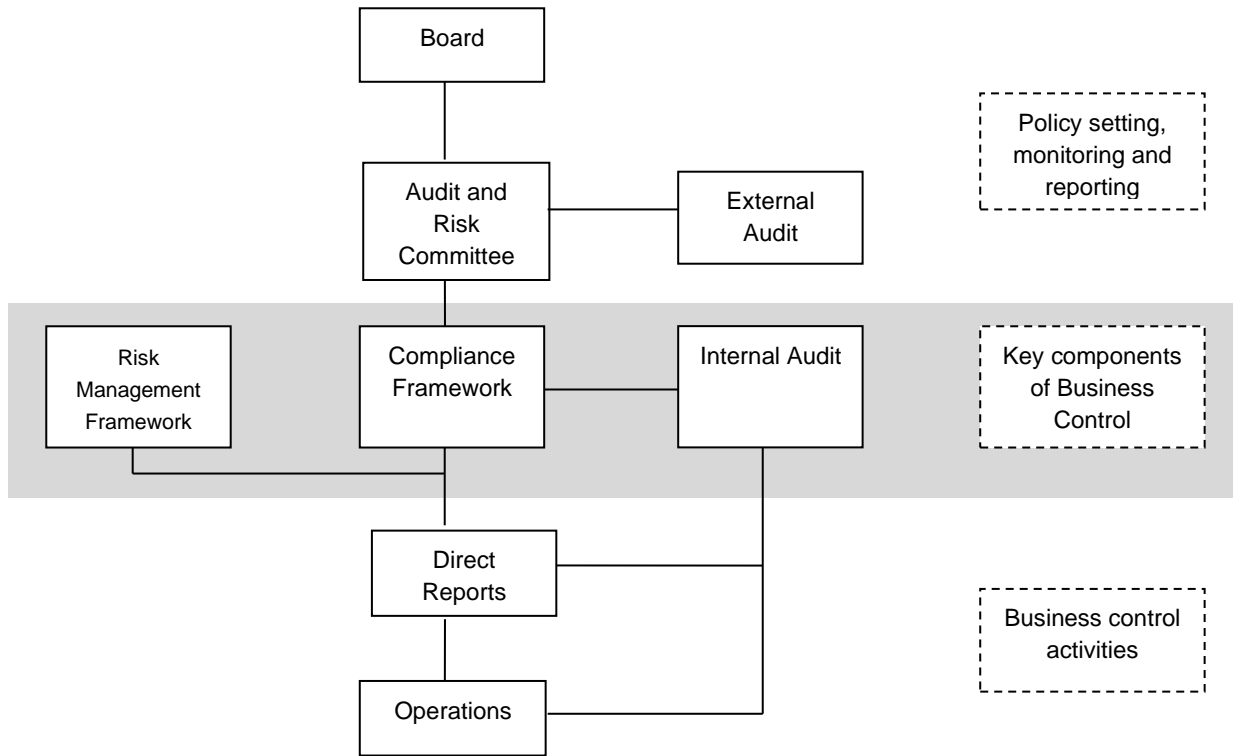
Internal Policies means all internal policies of the Meridian Energy Group.

Material Contracts are defined as any contract with a value at risk greater than NZ \$100,000.

Priority [A/B/C] Event has the meaning set out in the Compliance Policy Process.

Priority Level has the meaning set out in the Compliance Policy Process.

5.1 STRUCTURE OF THE COMPLIANCE FRAMEWORK



5.2 KEY ACTIVITIES REQUIRED BY THIS POLICY

- **Classification of Compliance Requirements** – Each Direct Report must identify the key areas of compliance relevant to his or her directorate, business unit or subsidiary company and classify that requirement as Priority Level A, B or C based on the impact any non-compliance with that requirement would have on Meridian with respect to reputation, value at risk or seriousness of injury.
- **Design and Implementation of Compliance Activities** – Each Direct Report must develop a set of Compliance Activities that enables the Direct Report to identify all instances of non-compliance that are detectable through reasonable efforts¹.
- **Monthly Compliance Statement** – Each Direct Report must include a compliance statement in his or her monthly report to the Chief Executive, in the form set out in the Compliance Policy Process.
- **Develop Response Activities** – Each Direct Report must develop and implement appropriate response activities for any instance of non-compliance identified. All Priority A and B Events must be reported to a lawyer within the Legal Team within 24 hours of identification.
- **Board Reporting** – All Priority A Events must be reported to the Board at the scheduled meeting directly following identification of the incident of non-compliance.

¹ The concept of 'reasonable effort' is utilised to ensure that the above activities are conducted in a cost-effective manner.

6 RESPONSIBILITIES

Title	Key Responsibilities
Meridian Board	<ul style="list-style-type: none"> • Approves the Compliance Policy and Compliance Policy Process and subsequent significant changes on the recommendation of the Audit and Risk Committee. • Monitors significant instances of non-compliance through regular reporting from the Chief Executive and the Direct Reports (where a Priority A incident has occurred).
Chief Executive	<p>Reviews all instances of significant non-compliance through receipt of monthly compliance statements from Direct Reports and ensures regular reporting of significant instances of non-compliance to the Board.</p>
Direct Reports	<ul style="list-style-type: none"> • Responsible for compliance within their respective business unit or subsidiary company. • Undertakes reasonable effort² to design and implement the Compliance Activities to obtain assurance that compliance is being achieved and to identify, manage and report instances of non-compliance throughout their directorate, business unit or subsidiary company (as applicable). • Provides a monthly compliance statement to the Chief Executive.
Commercial Support Manager	<ul style="list-style-type: none"> • Comments and provides recommendations from Meridian Energy's external and internal auditors relevant to the Compliance Policy or the Compliance Policy Process.
General Counsel	<ul style="list-style-type: none"> • Monitors all instances of non-compliance through receipt of non-compliance reports from Direct Reports and provides legal guidance to Direct Reports in developing response activities. • Responsible for the annual review and governance of the Compliance Policy and the Compliance Policy Process. • Makes recommendations as to changes, deletions and additions to the Compliance Policy or Compliance Policy Process, supported by appropriate analysis. • Identifies areas of tension or concern.

² The concept of 'reasonable effort' is utilised to ensure that the above activities are conducted in a cost-effective manner.