

Procurement Policy

Approved date	23 August 2022
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1 POLICY STATEMENT

Meridian will source and manage the supply of goods and services within a framework of principles, rules and guidelines that enhances and protects our reputation, minimises risk and maximises the value we receive from our supplier engagements.

2 PURPOSE OF THIS POLICY

The policy is designed to ensure that Meridian has a framework under which all procurement and purchasing activity is to be undertaken. It encompasses the principles of best practice procurement while being agile and flexible to meeting the diverse requirements of an electricity generator and retailer.

The purpose of the Policy and related guidelines is to ensure that procurement activity:

- Meets the business requirements and objectives of Meridian.
- Provides the best overall value over the life of the goods or services
- Strongly considers the social, environmental, and economic sustainability impacts through the use, consumption and disposal of a good or service
- Effectively manages supply chain risk
- Is carried out in a transparent, auditable, consistent, and responsible manner which complies with all applicable legislation
- Enhances Meridian's brand and market reputation

3 SCOPE AND FIT

This Corporate Group Policy and this policy and the supporting principles, rules and guidelines applies to all entities within the Meridian Group of companies. For further information on the detailed application of this policy refer to the following where appropriate:

- Code of Conduct
- Supplier Code of Conduct
- Internal Controls Policy and Framework
- Fraud and Corruption Guidelines
- Procurement Principles, Rules and Detailed Guidelines
- Delegation of Authority Policy
- Risk Management Policy
- Discretionary Expenditure Guidelines

- Whistleblowing “Speaking Up” Policy
- Privacy Policy

4 POLICY DETAIL

General

- All procurement and purchasing activity must be undertaken in accordance with the requirements of this Policy, its annexures and the supporting principles, rules, and guidelines.
- Where appropriate, Strategy & Finance will manage categories of spend that are used across Meridian Energy Limited or the Group
- Where appropriate, Business Units will manage categories of spend on behalf of Meridian where they are deemed to be specific to that Business Unit or that Business Unit is the primary user. GMs are accountable for ensuring their procurement practices and processes are managed in accordance with this policy.
- All procurement activity including supply plans, tender documents and contracts – valued at over \$100k and / or which is deemed by a procurement or legal specialist to present a high risk to delivery of core business, consequential damages, risk to our reputation or our supply chain - will require review and approval in line with the governance framework described in the Procurement Guidelines and Delegated Authority policy. See Annex A for further detail on financial thresholds.
- Any procurement activity assessed as having medium or high levels of procurement risk, regardless of its value, will require the development of an appropriate supply plan and probity plan. For the purposes of this policy, unless otherwise stated, the following definitions shall apply:

Term	Definition
Procurement	Is the discipline of providing business value and differentiation through the development and maintenance of supplier relationships that reduce overall cost, manage supply risk, improve efficiency and in strategic areas, contribute to innovation and achievement of best practice.
Purchasing	Relates to the actual process of buying, allowing the benefits of the procurement activity to be realised.
Supply (Procurement) Plan	This is a blueprint for a specific procurement activity. It will provide an overview of current activity – internal and market, identification of tactics to be used, risk identification and outcomes required.

5 RESPONSIBILITIES

Board of Directors	Responsible for approving this policy.
Audit and Risk Committee	Responsible for governance oversight of management's culture and controls around this policy.
Business Unit General Managers	Accountable for ensuring all procurement activity in their BU is undertaken in accordance with this policy

Meridian Group Staff and Contractors	Responsible for complying with the requirements of this policy.
Internal Audit	Responsible for annual compliance review of this policy in accordance with our internal controls programme.
Procurement & Property Manager	Responsible for the development and maintenance of the Procurement Policy, Principles, Rules and Detailed Guidelines

ANNEX A – PROCUREMENT REVIEWS AND FINANCIAL THRESHOLDS

Procurement reviews and assurance will be provided in accordance with the following table:

Value / Criticality	Procurement Review and Assurance required
<\$100k* and consequential damages / loss exceeds \$100k**	Procurement Manager / Business Unit Procurement or Commercial Specialist review and approval.
>\$100k - \$1m*	Procurement Manager / Business Unit Procurement or Commercial Specialist review and Business Unit General, Manager approval.
>\$1m*	Major Projects Steering Committees or Tenders Committees where relevant (which will include representation from a Procurement Manager / Specialist).

Financial thresholds for purchasing activity will be in accordance with the following table:

Value	Procurement Review and Assurance required
\$0 - \$3000	Direct purchase – Purchasing Card or Pay on Invoice.
\$3000 +	Direct purchase – Purchase Order or Strategy & Finance approved Lodge Card facility.

* Over the life of any engagement or formal contract - not per annum.

** Relating to health, safety and wellbeing, quality, warranties, service and support, indemnity and liability should also be considered, and a full review conducted if warranted.