

MERIDIAN ENERGY LIMITED GREEN FINANCE PROGRAMME

DNV GL PERIODIC ASSURANCE OPINION CLIMATE BONDS STANDARD PROJECT POOL (WIND)

Scope and objectives

Meridian Energy Ltd ("MERIDIAN" or "Issuer") has converted its financing programme to a Green Finance Programme. The MERIDIAN Green Finance Programme has been structured to include dedicated pool of eligible projects and assets under the Climate Bonds Standard v3.0 ("CBS") and a separate pool of projects and assets aligned to the Green Bond Principles 2021 ("GBP") and Green Loan Principles 2021 ("GLP").

The scope of the CBS periodic verification includes the financial instruments (henceforth referred to as "INSTRUMENTS") notionally earmarked against the pool of eligible projects and assets that meet the CBS ("CBS Pool") listed in Schedule 1.

At the time of periodic verification, the CBS Pool has Instruments to the value of NZD 550m that MERIDIAN is notionally earmarking against it and has submitted the INSTRUMENTS for verification and certification against the CBS. MERIDIAN is notionally earmarking whole issuances against this pool.

MERIDIAN has used the proceeds of the INSTRUMENTS to refinance nominated projects and assets falling under the following categories:

- **Renewable Energy – Wind**

The specific INSTRUMENTS notionally earmarked against the CBS Pool are listed in Schedule 2.

DNV GL Business Assurance Australia Pty Ltd (henceforth referred to as "DNV GL") has been commissioned by MERIDIAN to provide verification of the INSTRUMENTS as an independent and approved verifier under the CBS. Our criteria and information covered to achieve this is described under 'Work Undertaken' below.

No assurance is provided regarding the financial performance of the INSTRUMENTS, the value of any investments in the INSTRUMENTS, or the long-term environmental benefits of the transaction. Our objective has been to provide an assessment that the INSTRUMENTS have met the criteria of the CBS and the associated Sector Criteria on the basis set out below.

The scope of this DNV GL opinion is limited to the Climate Bonds Standard Version 3.0 and the following associated Sector Criteria:

- **Wind Power**

Responsibilities of the Management of MERIDIAN and DNV GL

The management of MERIDIAN has provided the information and data used by DNV GL during the delivery of this review. Our statement represents an independent opinion and is intended to inform MERIDIAN management and other interested stakeholders in the INSTRUMENTS as to whether the established criteria have been met, based on the information provided to us. In our work we have relied on the information and the facts presented to us by MERIDIAN. DNV GL is not responsible for any aspect of the nominated assets referred to in this opinion and cannot be held liable if estimates, findings, opinions, or conclusions are incorrect. Thus, DNV GL shall not be held liable if any of the information or data provided by MERIDIAN's management and used as a basis for this assessment were not correct or complete.

Basis of DNV GL's opinion

DNV GL has conducted the verification against the CBS and associated Sector Criteria through the creation and execution of a verification protocol addressing each requirement of the CBS and the associated Sector Criteria. The detail of areas covered in the DNV GL verification is summarised in Schedule 3 below.

Work undertaken

Our work constituted a high-level review of the available information, based on the understanding that this information was provided to us by MERIDIAN in good faith. We have not performed an audit or other tests to check the veracity of the information provided to us. The work undertaken to form our opinion included:

- Creation and execution of a Climate Bonds Standard Protocol, adapted to include the relevant Sector Criteria for the INSTRUMENTS and nominated projects and assets, as described above and in Schedule 3 to this assessment;
 - Assessment of documentary evidence provided by MERIDIAN on the INSTRUMENTS and supplemented by a high-level desktop research, documentation review and correspondence with key personnel from MERIDIAN. These checks refer to current assessment best practices and standards methodology;
 - Discussions with MERIDIAN management, and review of relevant documentation;
 - Documentation of findings against each element of the criteria. Our opinion as detailed below is a summary of these findings.
 - Review of instruments outstanding that have been notionally earmarked to the asset pool and verification of these amounts.
 - Review of the asset pool valuations at the time of periodic verification.
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Findings and DNV GL's opinion

DNV GL has performed the 2021 Periodic Verification of the MERIDIAN INSTRUMENTS as listed. It is DNV GL's responsibility to provide an independent verification statement on the compliance of the nominated MERIDIAN INSTRUMENTS with the CBS.

DNV GL conducted the verification in accordance with the CBS and with International Standard on Assurance Engagements *3000 Assurance Engagements other than Audits or Reviews of Historical Information*. The verification included i) checking whether the provisions of the CBS were consistently and appropriately applied and ii) the collection of evidence supporting the verification.

DNV GL's approach draws on an understanding of the risks associated with conforming to the CBS and the controls in place to mitigate these. DNV GL planned and performed the assurance engagement by obtaining evidence and other information and explanations that DNV GL considers necessary to give limited assurance that the MERIDIAN Instruments and MERIDIAN CBS Pool meet the requirements of the CBS.

Based on the limited assurance procedures conducted, nothing has come to our attention that causes us to believe that the MERIDIAN INSTRUMENTS are not, in all material respects, in accordance with the Pre and Post Issuance requirements of the CBS and associated Wind Criteria. DNV confirmed and verified the value of instruments outstanding and the valuation of the Wind asset pool to which the instruments have been notionally earmarked. DNV concludes that MERIDIAN maintains an excess of eligible assets relative to the outstanding instruments.

for DNV GL Business Assurance Australia Pty. Ltd.

Sydney, 17 August 2021



Mark Robinson

Manager, Sustainability Services
DNV GL – Business Assurance

About DNV GL

Driven by our purpose of safeguarding life, property and the environment, DNV GL enables organisations to advance the safety and sustainability of their business. Combining leading technical and operational expertise, risk methodology and in-depth industry knowledge, we empower our customers' decisions and actions with trust and confidence. We continuously invest in research and collaborative innovation to provide customers and society with operational and technological foresight. With our origins stretching back to 1864, our reach today is global. Operating in more than 100 countries, our 16,000 professionals are dedicated to helping customers make the world safer, smarter and greener.

SCHEDULE 1: DESCRIPTION OF NOMINATED ASSETS WITHIN THE MERIDIAN CLIMATE BONDS STANDARD POOL

MERIDIAN has provided the schedule of nominated projects and assets for the Climate Bonds Standard Pool as at 30 June 2021 in NZD as follows:

Asset	Type	Location	Linked SDGs	Book Value (NZDm)
Mill Creek	Wind Farm	Wellington, NZ	 	1,156
Te Apiti	Wind Farm	Manawatu, NZ		
Te Uku	Wind Farm	Waikato, NZ		
Westwind	Wind Farm	Wellington, NZ		
Whitehill	Wind Farm	Southland, NZ		
Mt Millar	Wind Farm	South Australia, Australia		
Mt Mercer	Wind Farm	Victoria, Australia		
Total				1,156

For further information on Meridian's Green Finance Programme: <https://www.meridianenergy.co.nz/investors/reports-and-presentations/green-finance>

SCHEDULE 2: LIST OF INSTRUMENTS NOTIONALLY EARMARKED AGAINST THE CLIMATE BONDS STANDARD POOL

MERIDIAN has provided the schedule of instruments to be notionally earmarked against the Climate Bonds Standard Pool at 30 June 2021 in NZD as follows:

Instrument	Type	Value (NZDm)
MERIDIAN Retail Bond (MEL030, Maturing March 2023)	Retail Bond	150
MERIDIAN Retail Bond (MEL040, Maturing March 2024)	Retail Bond	150
MERIDIAN Retail Bond (MEL050, Maturing March 2025)	Retail Bond	200
MERIDIAN EKF Amortising Facility (Loan Facility)	Loan Facility	50
Total		550

SCHEDULE 3: CLIMATE BONDS STANDARD VERIFICATION CRITERIA

Summary criteria for assertions of compliance with the Climate Bonds Standard v3.0

The criteria against which MERIDIAN and its nominated projects and assets have been reviewed prior to inclusion in the asset pool are grouped under the requirements as detailed within the Climate Bonds Standard Version 3.0 including:

Part A: Pre Issuance Requirements

Area	Requirement
Use of Proceeds	<p>Nominated Projects & Assets which are proposed to be associated with the Instruments and which have been assessed as likely to be Eligible Projects & Assets.</p> <p>DNV GL has verified the nominated category of Renewable Energy (Wind) to be aligned with the CBS Taxonomy.</p>
Project Selection	<p>Establish, document and maintain a decision-making process which it uses to determine the eligibility of the Nominated Projects & Assets.</p> <p>DNV GL has verified the method for project selection and evaluation set out by MERIDIAN is compliant with the Project Selection requirements of the CBS.</p>
Management of Proceeds	<p>The systems, policies and processes to be used for management of the Net Proceeds shall be documented by the Issuer.</p> <p>DNV GL has verified the proposed management of proceeds and internal tracking set out by MERIDIAN is compliant with the CBS.</p>
Reporting Prior to Issuance	<p>The Issuer shall prepare a Green Bond Framework and make it publicly available prior to Issuance or at the time of Issuance.</p> <p>DNV GL has verified the form and content of the MERIDIAN Green Finance Framework against the requirements of the CBS and confirmed its compliance.</p>

Reporting	Reporting on use of proceeds and nominated projects and assets. DNV GL has reviewed and confirmed MERIDIAN’s proposed reporting as being compliant and aligned with the requirements of the CBS.
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Part B: Post Issuance Requirements

Area	Requirement
Use of Proceeds	Nominated Projects & Assets which are proposed to be associated with the Instruments and which have been assessed as likely to be Eligible Projects & Assets. DNV GL has confirmed the post issuance requirements.
Project Selection	Establish, document and maintain a decision-making process which it uses to determine the eligibility of the Nominated Projects & Assets. DNV GL has confirmed the post issuance requirements.
Management of Proceeds	The systems, policies and processes to be used for management of the Net Proceeds shall be documented by the Issuer. DNV GL has confirmed the post issuance requirements.
Reporting	Reporting on use of proceeds and nominated projects and assets. DNV GL has confirmed the post issuance requirements.

Part C: Eligible projects and physical assets

Nominated projects and assets include financing of or investments in equipment and systems which enable the mitigation of greenhouse gasses, as detailed in Schedule 1.

Area	Requirement
Wind Energy Generation	<p>Projects eligible include terrestrial wind electricity generation facilities and supporting infrastructure.</p> <p>DNV GL has verified that MERIDIAN’s nominated projects and assets include only eligible terrestrial Wind Farm projects and assets in New Zealand and Australia.</p>

Part D: Certification under the Climate Bonds Standard

Area	Requirement
Pre Issuance Certification	<p>The Issuer or Holder of a Climate Bonds Standard Certified Instrument must satisfy the Pre Issuance Certification requirements including the completion of all forms, Pre Issuance Verification by an approved verifier and provision of relevant information.</p> <p>DNV GL has conducted with Pre and Post Issuance Verification as recorded in this Verification Opinion.</p>
Post Issuance Certification	<p>The Issuer or Holder of a Climate Bonds Standard Certified Instrument must satisfy the Post Issuance Certification requirements including the completion of all forms, Post Issuance Verification by an approved verifier and provision of relevant information.</p> <p>DNV GL has confirmed the post issuance requirements.</p>
Maintaining Certification	<p>The Issuer or Holder shall provide annual reporting to the CBI and comply with non-conformance correction as required.</p> <p>DNV GL notes that MERIDIAN is preparing both CBI Update Reports and Investor/Stakeholder Reporting.</p>