

Procurement Policy

Approved date	4 December 2024
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1. POLICY STATEMENT

Meridian will source and manage the supply of goods and services within a framework of principles and guidelines that effectively manage third party risk and maximise the value we receive from our supplier engagements.

2. PURPOSE OF THIS POLICY

The purpose of the Policy (and supporting principles and guidelines) is to ensure that procurement activity:

- Meets the business' requirements and aligns with Meridian's strategic objectives
- Provides the best overall value over the life of the goods or services that are contracted
- Effectively assesses, monitors and manages third-party risk
- Is carried out in a transparent, auditable, consistent and responsible manner which complies with all applicable legislation
- Is undertaken using a category management approach including the key components of category strategy, data and insights, performance measurement and supplier relationship management
- Protects and contributes to Meridian's brand and market reputation

3. SCOPE AND FIT

This Policy, and the supporting principles and guidelines, apply 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:

- Procurement Principles & Guidelines
- Delegation of Authority Policy
- Discretionary Expenditure Guidelines
- Internal Controls Policy
- Supplier Code of Conduct

- Code of Conduct
- Cyber Security Policy for Third Parties
- Sustainability Policy
- Risk Management Policy

4. POLICY DETAIL

- All sourcing and buying must be undertaken in accordance with this Policy, its annexures and the supporting principles and guidelines.
- Business Units will source and 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. Group Procurement will manage all other categories of spend that are used across Meridian Energy Limited or the Group.
- General Managers are accountable for ensuring procurement practice is managed in accordance with this Policy.
- All procurement activity valued at over \$200k and / or deemed by a procurement or legal specialist to present a high risk to delivery of core business, consequential damages, or significant third-party risk; will require a Procurement Plan and the supporting business assurance as described in the Procurement Principles & Guidelines and Delegated Authority Policy.

5. DEFINITIONS

For the purposes of this Policy, unless otherwise stated, the following definitions shall apply:

Term	Definition
Procurement	<p>Procurement is the process of planning, sourcing, purchasing, managing and paying for goods and services.</p> <p>Procurement adds value and reduces risk across Meridian's supply chain by establishing the right working relationships with suppliers aligned to the criticality of the good/service to our business.</p>
Sourcing	<p>Relates to the process of undertaking all the elements within a Procurement Plan that includes identifying potential suppliers, evaluating their capability against a defined set of requirements, conducting negotiations, and – subject to an approved recommendations paper - entering a contract with a supplier.</p>

Buying	Relates to the process of providing a committal (i.e. Purchase Order) to a supplier, allowing the benefits of the sourcing activity to be realised.
Procurement Plan	A strategic document that outlines the approach to acquiring goods and services. It ensures that procurement activities align with the purpose statements as detailed in this Policy.

6. 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.
Investment Committee	Responsible for reviewing and approving all business cases with sourcing and supply contracts in accordance with Annexure A.
Chief Financial Officer (CFO)	Responsible for reviewing and approving all sole-sourced goods / services.
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.
Group Procurement	Responsible for the development and maintenance of the Procurement Policy, Principles and Detailed Guidelines, procurement templates, Supplier Code of Conduct, Oracle Procurement Cloud design and configuration, forming, reviewing and approving Procurement Plans, sourcing goods and services and managing corporate categories of spend.
Sourcing Specialist	Responsible for reviewing and approving Procurement Plans, sourcing goods and services and establishing and managing supply contracts.

7. POLICY INFORMATION TABLE

Name	Procurement Policy
Description	Provides the framework under which all planning, sourcing, buying and supplier management is to be undertaken.
Type	Corporate Policy
Owner	Head of Procurement & Workplace
Approval	Board of Directors
Last Approval Date	November 2022
Review Frequency	Bi-annually
Next Review Date	December 2026
Applies To	All entities within the Meridian Group of companies
Linked Policies, Guidelines, Processes and Procedures	Procurement Principles and Guidelines Delegation of Authority Policy Procurement at Meridian – Electric Avenue

ANNEX A – PROCUREMENT, BUSINESS ASSURANCE AND FINANCIAL THRESHOLDS

Sourcing and Buying activity must be in accordance with the following table and the procurement assurance conditions:

Sourcing Type	Value	Guidance and Procurement / Business Assurance
Transactional	\$0 - \$19,999	Direct purchase using Pcard (w
Tactical	\$0 - \$199,999*	Requires requisition and/or purchase order – simple, blanket, or complex Denotes the value over the life of any committal / agreement
Strategic	\$200,000 - \$999,999	Requires a Procurement Plan, Sourcing Specialist Review and ongoing contract owner
	>\$1m	Requires all the above, plus a business case and Investment Committee approval.
Sole Sourcing	>\$200,000	Requires a Procurement Plan and CFO approval

* Procurement Assurance must be sought where:

- It is deemed by a sourcing specialist, sustainability specialist, IC security team specialist or health and safety business partner, to present a material third party risk
- It is deemed by the Head of Renewable Construction, Generation Leadership Team Leader or Chief Information Officer, to present a material risk to the delivery of core business (the ability for Meridian to produce, distribution, trade or retail/sell electricity) or contains risk of significant consequential damages
- It is deemed by a legal counsel to present material legal and/or contractual risk(s)
- Is deemed by the General Manager of Corporate Affairs and Sustainability or the Head of Retail Strategy and Commercial, to present a material risk to Meridian's reputation

Purchasing Card Role/Group and Limits

Group / Role	Transaction Limit	Monthly Limit	Procurement / Business Assurance
Standard User	\$3,000	\$5,000	Scope of use governed by Discretionary Expenditure Policy
Buyers	\$5,000	\$10,000	GM approved Scope of use governed by Discretionary Expenditure Policy <u>and</u> the Procurement Policy Alternative limits subject to GM approval
Travel Administrators and Longhaul Travellers	\$5,000	\$15,000	GM approved Scope of use governed by Discretionary Expenditure Policy
General Managers	\$10,000	\$20,000	CEO approved Scope of use governed by Discretionary Expenditure Policy
CEO	\$10,000	\$20,000	Chair of Board approved Scope of use governed by Discretionary Expenditure Policy