

20 September 2023

Partner Reference
Don Holborow - Wellington

Transpower New Zealand Limited
Waikoukou
22 Boulcott Street
Wellington 6011

Writer's Details
Direct Dial: +64-4-924 3519
Fax: +64-4-472 6986

Sent by Email

For: David Knight, General Counsel &
Company Secretary

Chris Birkinshaw, Deputy General Counsel

Dear David and Chris

Legal sign-off for NZGP1 major capex proposal

We have been assisting Transpower with the preparation of an updated major capex proposal (**MCP**) for the Net Zero Grid Pathways 1 (**NZGP1**) proposed investment. The NZGP1 MCP was originally submitted to the Commerce Commission in December 2022.

Our task has been to review the updated NZGP1 MCP for compliance with the MCP content requirements in the Transpower Capital Expenditure Input Methodology (**Capex IM**).

Schedule G of the Capex IM contains the detailed content requirements for an MCP. Among other things, clause 7.4.1 of the Capex IM requires an MCP to comply with Schedule G. The Commerce Commission may reject an MCP that does not comply with the Capex IM.

The Transpower Chief Executive's certificate must contain certifications that, having made all reasonable enquiries, the Chief Executive believes:

- (a) the Schedule G information in the MCP was derived from and accurately represents, in all material respects, the operations of Transpower;
- (b) the proposed investment to which the information relates was approved in accordance with the applicable requirements of Transpower's director and management approval policies; and
- (c) the MCP complies, in all material respects, with the requirements of clause 7.4.1.

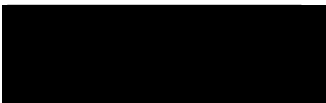
We are satisfied that the NZGP1 MCP complies, in all material respects, with Schedule G of the Capex IM (relevant to certification (c)). This opinion goes to whether there is sufficient content in the NZGP1 MCP to meet each relevant requirement of Schedule G in all material respects. We do not have a view on the adequacy of that content to support the proposed investment.

Attachment A to the NZGP1 MCP contains a detailed compliance checklist.

Also, on the basis of the Transpower Board's approval of the NZGP1 proposed investment and delegation of approval of the NZGP1 MCP to the Transpower Chief Executive at the Board's November 2022 meeting, we believe the NZGP1 proposed investment has been approved in accordance with the applicable requirements of Transpower's director and management approval policies (relevant to certification (b)).

Please let me know if you have any questions about this letter or the NZGP1 MCP's compliance with the Capex IM.

Yours sincerely



Amanda Stephenson
Senior Associate
SIMPSON GRIERSON