

Independent Limited Assurance Report to the Directors and Management of Monash University

Assurance conclusion

Based on our limited assurance procedures, as described in this statement as of 2 July 2018, nothing has come to our attention that causes us to believe that Monash University's bond issuance process in relation to its Climate Bond 3 does not meet the Climate Bond Standard's v2.1 and the Green Bond Principles' (June 2017) requirements, in all material respects.

Scope

We have performed a limited assurance engagement in relation to Monash University's Climate Bond 3 issuance in order to provide a conclusion as to whether anything has come to our attention that causes us to believe that the subject matter detailed below ('Subject Matter') does not meet, in all material respects, the criteria as presented below as of 2 July 2018.

Subject Matter and Criteria

The subject matter and associated criteria for this limited assurance engagement are set out in the table below:

Subject Matter	Criteria
<ul style="list-style-type: none"> Monash University's Climate Bond 3 pre-issuance process, as described in Monash University's Climate Bond Documentation, including the Green Bond Framework that sets out: <ul style="list-style-type: none"> Use of proceeds Project selection criteria Internal systems and processes used to manage the proceeds and report on the Climate Bond. 	<p>The Climate Bond Initiatives ('CBI') Standard v2.1 and the Climate Bond Standard Sector Eligibility Criteria for Low Carbon Buildings – Commercial Buildings</p> <p>Criteria found at these links:</p> <ul style="list-style-type: none"> https://www.climatebonds.net/files/files/Climate%20Bonds%20Standard%20v2_1%20-%20January_2017.pdf https://www.climatebonds.net/files/files/Commercial%20Property%20Criteria.pdf <p>The Green Bond Principle's (June 2017) requirements on:</p> <ul style="list-style-type: none"> Use of Proceeds Process for Project Evaluation and Selection Management of Proceeds Reporting <p>Criteria found at this link:</p> <ul style="list-style-type: none"> https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/GreenBondsBrochure-JUNE2017.pdf

Assurance Approach

Our assurance approach was conducted in accordance with the Australian Standard on Assurance Engagements ASAE 3000: *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* ('ASAE 3000').

Management Responsibility

The management of Monash University ('Management') is responsible for the collection, preparation and presentation of the Subject Matter in accordance with the criteria and for maintaining adequate records and internal controls that are designed to support the Climate Bond issuance process.

Assurance Practitioner's Responsibility

Our responsibility is to express a limited assurance conclusion as to whether anything has come to our attention that causes us to believe that the Subject Matter is presented in accordance with the criteria, in all material respects. Our assurance engagement has been planned and performed in accordance with the Australian Standard on ASAE 3000.

Level of Assurance

A limited assurance engagement consists of making enquiries and applying analytical, appropriate testing, and other evidence-gathering procedures sufficient for us to obtain a meaningful level of assurance as the basis for providing a negative form of conclusion and, as such, do not provide all the evidence that would be required to provide a reasonable level of assurance. The procedures performed depend on the assurance practitioner's judgement including the risk of material misstatement of the specific activity data, whether due to fraud or error. While we considered the effectiveness of Management's internal controls when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Our Approach

Our assurance procedures performed included, but were not limited to:

- Assessing policies and procedures established by Monash University related to the issuance of the Climate Bond 3 to assess whether they were aligned to the requirements of the Climate Bond Standard v2.1 ('CBS') and the Green Bond Principles (June 2017) ('GBP')
- Confirming the eligibility of assets for inclusion in Monash University's Climate Bond 3 against Monash University's Green Bond Framework
- Interviewing selected business unit and group level personnel to understand the key issues related to Monash University's relevant policies and procedures
- Requesting documentation supporting assertions made in the Subject Matter
- Checking the accuracy of calculations performed
- Obtaining and reviewing evidence to support key assumptions and other data
- Seeking management representation on key assertions.

A summary of our procedures is shown in this Table.

CBI Standard Requirement	GBP Requirement	Assurance Procedures
1. Selection of Nominated Projects and Assets	1. Use of Proceeds 2. Process for project evaluation and selection	<ul style="list-style-type: none"> ▶ Reviewed Monash University's statement on the environmental objective of the bond ▶ Reviewed the project identification and selection process which includes assessing eligibility requirements as set out under Part B of the CBS. ▶ Reviewed the register of nominated projects and the process for updating the register for changes to nominated projects ▶ Reviewed that the nominated project meets the environmental objectives and the eligibility criteria set out in the Low Carbon Buildings Criteria (LCBC) of the CBS ▶ Confirmed the nominated project is not inappropriately nominated to other Climate Bonds ▶ Obtained management representation that the expected net proceeds of the bond will not be greater than the fair market value of nominated projects
2. Internal Processes & Controls	3. Management of Proceeds	<ul style="list-style-type: none"> ▶ Confirmed that Monash University has a documented process for tracking the proceeds of the bond ▶ Confirmed that Monash University has documented a earmarking process of managing and accounting for the funds allocated to the nominated project, including estimating the share of the Net Proceeds being used for financing and refinancing ▶ Confirmed that Monash University has a documented process for tracking and investing unallocated net proceeds ▶ Confirmed proposed investment options for unallocated net proceeds meets Requirement 6 of the Standard on Non-contamination of Proceeds
3. Reporting Prior to Issuance	4. Reporting	<ul style="list-style-type: none"> ▶ Obtained management representation that Monash University's disclosure of the bond and nominated project to the market will be aligned to the CBS requirements ▶ Confirmed that Monash University has identified the Verifier for the pre-issuance and post issuance engagements ▶ Confirmed that Monash University has outlined the frequency of periodic on-going assurance engagements

Limitations

There are inherent limitations in performing assurance – for example, assurance engagements are based on selective testing of the information being examined – and it is possible that fraud, error or non-compliance may occur and not be detected. There are additional inherent risks associated with assurance over non-financial information including reporting against standards which require information to be assured against source data compiled using definitions and estimation methods that are developed by the reporting entity. Finally, adherence to ASAE 3000, the Climate Bond Standards v2.1 and Green Bond Principles (June 2017) is subjective and will be interpreted differently by different stakeholder groups.

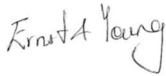
Our assurance was limited to the Monash University's Climate Bond 3 pre-issuance, and did not include statutory financial statements. Our assurance is limited to policies, procedures and project estimates in place as of 2 July 2018, ahead of the issuance of Monash University's Climate Bond 3.

Use of Report

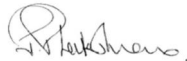
Our responsibility in performing our assurance activities is to the Directors of Monash University only and in accordance with the terms of reference for this engagement as agreed with them. We do not therefore accept or assume any responsibility for any other purpose or to any other person or organisation. Any reliance any such third party may place on the Monash University's Climate Bond 3 issuance is entirely at its own risk. No statement is made as to whether the criteria are appropriate for any third party purpose.

Our Independence and Assurance Team

In accordance with APES 110, the firm and all professional personnel involved in this engagement have met the independence requirements of Australian or International professional ethical requirements. Our team has the required competencies and experience for this assurance engagement.



Ernst & Young



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2 July 2018