

## Independent Reasonable Assurance Report to the Directors and Management of Monash University

### Assurance conclusion

Based on our reasonable assurance procedures, as described in this statement as of 15 November 2016, in our opinion Monash University's bond issuance process in relation to its 2016 Green Bond meets the project identification, project minimum criteria, management of proceeds, and reporting requirements of the Climate Bond Standard, in all material respects.

### Scope

We have performed a reasonable assurance engagement in relation to Monash University's 2016 Green Bond issuance in order to provide an opinion as to whether the subject matter detailed below ('Subject Matter') meets, in all material respects, the criteria as presented below as of 15 November 2016.

### Subject Matter

The Subject Matter for our assurance is:

- Monash University's Green Bond Issuance process, being:
  - Identification of energy efficiency upgrade, solar energy generation, commercial building and outdoor LED upgrade projects
  - Minimum criteria for eligible energy efficient upgrade, solar energy generation, outdoor LED upgrade and lower emissions intensity commercial building projects
  - Policies and procedures for the management of proceeds
  - Policies and procedures for reporting on use of proceeds and project performance.
- Monash University's list of 2016 Green Bond nominated solar, energy efficiency upgrades, outdoor LED upgrades and commercial building projects.

### Criteria

The criteria for our procedures ('the criteria') are Climate Bond Standard v2.0 and the Climate Bond Standard Sector Eligibility Criteria for:

- Low Carbon Buildings – Commercial Buildings
- Low Carbon Buildings – Upgrade Projects
- Solar

### 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* and ASAE 3100: *Compliance Engagements*.

### 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 Green Bond issuance process.

### Assurance Practitioner's Responsibility

Our responsibility is to express a reasonable assurance conclusion as to whether the Subject Matter is presented in accordance with the criteria, in all material aspects. Our assurance engagement has been planned and performed in accordance with the Australian Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ('ASAE 3000') and ASAE 3100: *Compliance Engagements* ("ASAE 3100").

### Level of Assurance

A reasonable assurance engagement consists of making enquiries and applying analytical, controls testing and other evidence-gathering procedures that are sufficient for us to obtain a meaningful level of assurance as the basis for a positive form of conclusion. 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 2016 Green Bond
- Confirming eligibility of nominated projects for inclusion in Monash University's 2016 Green Bond
- Interviewing selected business unit and group level personnel to understand the key issues related to the Monash University's policies and procedures
- Reviewing selected performance information for all nominated projects, and 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.

A summary of our procedures is shown in this Table.

Items	Section	Clause	Assurance Procedures
1	Selection of Nominated Projects and Assets	1.1	<ul style="list-style-type: none"> <li>Reviewed Monash's Environmental Objective and confirmed it was aligned with the Climate Bond Standard's taxonomy and consistent with process for selecting Nominated Projects &amp; Assets</li> <li>Reviewed documentation of the process that Monash University follows to identify projects, and confirmed eligibility requirements for inclusion of Nominated Projects in the 2016 Green Bond issuance.</li> </ul>
		1.2	<ul style="list-style-type: none"> <li>Reviewed the project selection process and assess the technical requirements for each project type under Part B of the standard.</li> </ul>
		1.3	<ul style="list-style-type: none"> <li>Reviewed the register of Nominated Projects &amp; Assets and the process for updating the register for changes to Nominated Projects &amp; Assets</li> </ul>
		1.4	<ul style="list-style-type: none"> <li>Confirmed the nominated projects and assets are not inappropriately nominated to other Climate Bonds</li> </ul>
		1.5	<ul style="list-style-type: none"> <li>Assessed the expected Net Proceeds are not greater than the fair value of Nominated Projects &amp; Assets and confirmed the value of each Nominated Projects and Assets</li> </ul>
2	Internal Processes & Controls	2.1.1	<ul style="list-style-type: none"> <li>Confirmed that Monash University has a documented process for tracking the proceeds of the bond</li> </ul>
		2.1.2	<ul style="list-style-type: none"> <li>Confirmed that Monash University has a documented process for tracking and investing unallocated Net Proceeds</li> <li>Confirmed proposed investment options for unallocated Net Proceeds meets the requirements of Requirement 6 of the Standard, Non-contamination of Proceeds</li> </ul>
		2.1.3	<ul style="list-style-type: none"> <li>Evaluated the earmarking process of managing and accounting for the funds allocated to the Nominated Projects and Assets</li> <li>Confirmed the process for estimating the share of the Net Proceeds being used for financing and refinancing</li> </ul>
3	Reporting Prior to Issuance	3.1.1	<ul style="list-style-type: none"> <li>Tested nominated projects and assets to determine that they meet the minimum technical requirements of the Climate Bonds Standard</li> </ul>
		3.1.2	<ul style="list-style-type: none"> <li>Confirmed the bond disclosure document has identified the intended temporary investment instruments for unallocated proceeds</li> </ul>
		3.1.3	<ul style="list-style-type: none"> <li>Confirmed that Monash University bond disclosure document has outlined the pre-issuance approach</li> </ul>
		3.1.4	<ul style="list-style-type: none"> <li>Confirmed that Monash University bond disclosure document has outlined the frequency of periodic on-going assurance engagements</li> </ul>

### 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, ASAE 3100 and the Climate Bond Standard v2.0 is subjective and will be interpreted differently by different stakeholder groups.

Our assurance was limited to the Monash University's 2016 Green Bond pre-issuance, and did not include statutory financial statements. Our assurance is limited to policies and procedures in place as of 15 November 2016, ahead of the issuance of Monash University's 2016 Green Bond.

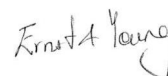
### Use of Report

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 2016 Green Bond 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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15 November 2016