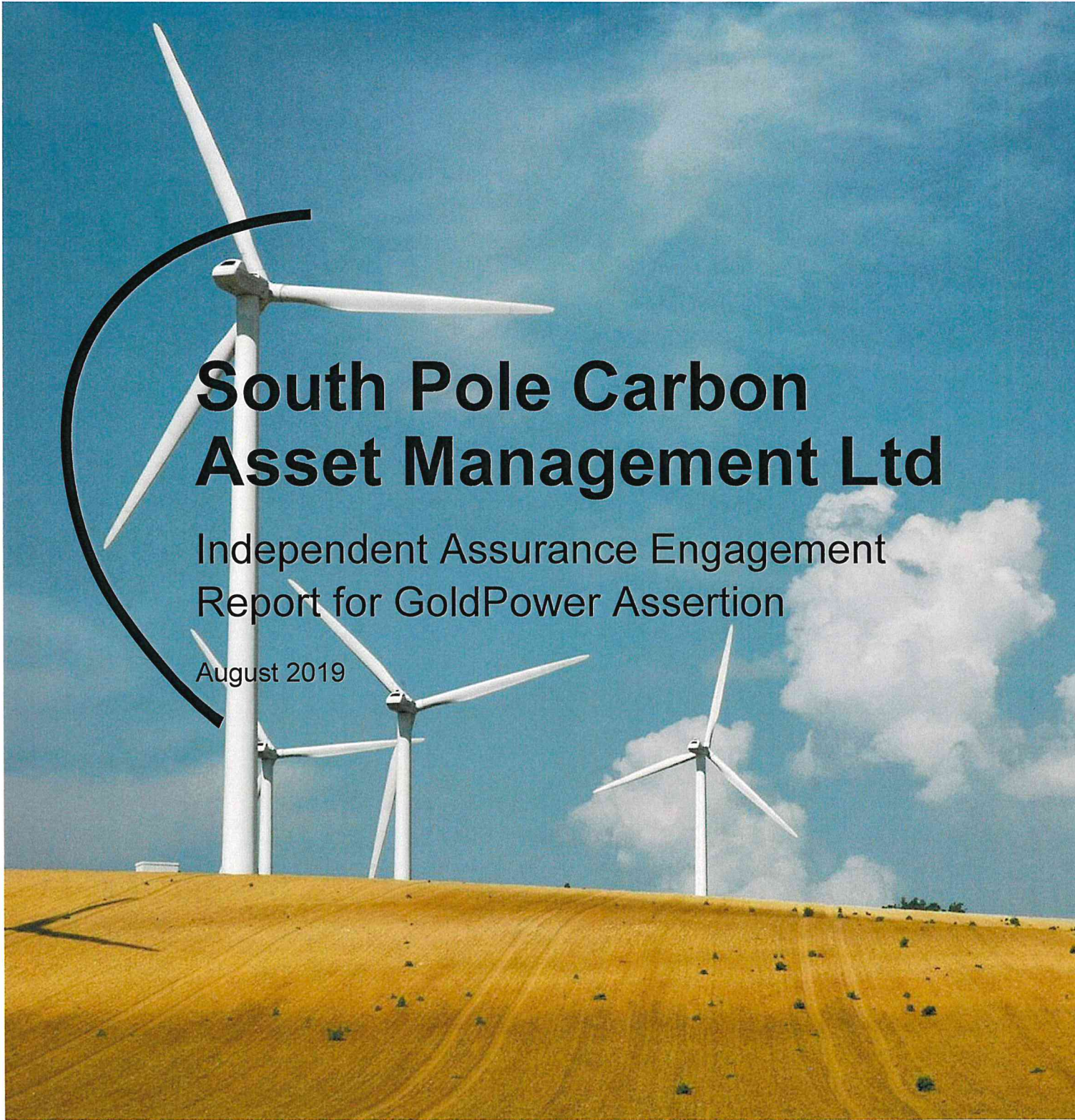


The background of the cover is a photograph of several white wind turbines standing on a golden, rolling hill under a blue sky with scattered white clouds. A large, black, curved line is drawn over the left side of the image, partially encircling the text.

South Pole Carbon Asset Management Ltd

Independent Assurance Engagement
Report for GoldPower Assertion

August 2019

Now, for tomorrow

Contents

INDEPENDENT ASSURANCE REPORT TO THE DIRECTORS OF SOUTH POLE CARBON ASSET MANAGEMENT LTD	3
Subject of the engagement.....	3
Auditor's independence and quality control.....	3
Management's responsibility	3
Auditor's responsibility	3
Summary of main procedures performed	3
Inherent limitations.....	4
Restriction on use	4
Conclusion	4
GLOBAL NETWORK BAKER TILLY INTERNATIONAL.....	5
APPENDIX 1 – 2017 GOLDPower PRODUCT STANDARD	6
SPECIFICATIONS FOR TRACKING MWH FOR GOLDPower	8

Independent Assurance Report to the Directors of South Pole Carbon Asset Management Ltd

THE SUBJECT OF THE ENGAGEMENT

South Pole Carbon Asset Management Ltd ("SP") engaged TPA Sp. z o.o. Sp. k., an independent member of Baker Tilly International, to perform an assurance engagement on the preparation of the GoldPower Assertion in accordance with the GoldPower Policy for the period from 1 January 2018 to 31 December 2018.

The subject matter of our assurance engagement comprised the GoldPower Assertion **appended to this report**. The Reporting Criteria against which we assessed the subject matter comprise Part D and E of the GoldPower Product Standard appended to the report (**Appendix 1**), applicable from October 1, 2017.

AUDITOR'S INDEPENDENCE AND QUALITY CONTROL

We have complied with the relevant ethical requirements for assurance engagements, which include independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence, due care, confidentiality, and professional behaviour.

Following International Standard ISQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements and Other Assurance and Related Services Engagements, TPA Sp. z o.o. Sp. k. maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal, and regulatory requirements.

MANAGEMENT'S RESPONSIBILITY

SP's Management is responsible for the preparation and presentation of the GoldPower Assertion in accordance with the Reporting Criteria.

This responsibility includes the design, implementation, and maintenance of internal controls relevant to the preparation and presentation of the subject matter that is free from material misstatements, whether due to fraud or error, under the Reporting Criteria, in all material respects.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express a reasonable conclusion that the GoldPower Assertion is prepared, in all material respect, following the relevant criteria. We conducted our reasonable assurance engagement in accordance with Auditing Standard ISAE 3000 Assurance Engagements other than Audits or Reviews of Historical Financial Information. The above Standard requires that we comply with independence and ethical requirements, and plan the engagement in order to perform effectively.

SUMMARY OF MAIN PROCEDURES PERFORMED

The main procedures performed in conducting the engagement included:

- Obtaining an understanding of the systems, processes, and controls SP has in place in relation to its GoldPower accounting, including addressing:
 - Projects used for GoldPower are from GS projects (criteria D I, III),
 - GoldPower sales were made using GS VERs/CERs or MWh (criteria D II),
 - Projects used for GoldPower are from Eligible Technologies (criteria D IV),
 - The correct number of equivalent CERs/VERs or MWh has been retired (criteria D IX),
 - Credit sold quantify the vintage criteria (criteria D X),
- Project qualifies the facility age criteria (criteria D XI).
- Agreed details for a sample of the GoldPower sales and recorded in the GoldPower Register to customer invoices and web sales documentation,

- Reviewed banking records and compared cash inflows to sales recorded,
- Tested a sample of GoldPower sales recorded in the GoldPower Register to ensure all credit sold are GoldPower – eligible Gold Standard carbon credits,
- Agreed GoldPower sales to documentation supporting the retirement of those credits on the designated public registries, and
- Reviewed the calculation of GoldPower certificates and agreed on GoldPower certificate sales to an appropriate reduction of Gold Standard credits in the GoldPower Register.

INHERENT LIMITATIONS

Due to the inherent limitations of any internal control structure, it is possible that fraud, error or non-compliance with laws and regulations may occur and not be detected. Further, the internal control structure within which the control procedure that we have got acquainted with, has not been reviewed, hence no view is expressed as to its effectiveness.

An audit is not designed to detect all weaknesses in the control procedure as it is not performed continuously throughout the period and the tests performed are on a sample basis. Any projection of the evaluation of control procedures to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

RESTRICTION ON USE

This report has been prepared to determine the accuracy of the GoldPower Assertion and may not be suitable for any other purposes.

Our report is intended solely for the Directors of SP for the purpose described above. We permit SP to share this report with its stakeholders to enable those stakeholders to confirm that an independent assurance engagement has been commissioned by the Directors of SP. However, we accept no responsibility or liability to such stakeholders for any loss occasioned as a result of access to reliance upon this report.

CONCLUSION

In our opinion, the GoldPower Assertion has been prepared, in all material respects, in accordance with the 2017 GoldPower Product Standard for the 1 January 2018 to 31 December 2018 period.

on behalf of

TPA Spółka z ograniczoną odpowiedzialnością Sp.k.

ul. Młyńska 12, 61-730 Poznań, Poland

audit company entered into the national list

of audit companies under number 3082



Krzysztof Dziekoński

Partner, Certified Auditor reg. no. 10089

Proxy

The Proxy you will find at <https://www.tpa-group.pl/en/proxy>

Poznań, 29 August 2019

Global network

BAKER TILLY INTERNATIONAL

Through our independent membership of Baker Tilly International, we are able to provide premier accountancy, assurance, tax and specialist business advice, drawing on internationally recognised industry and service line experts in 145 countries.

Each of the network's 126 member firms is independent and autonomous; however, we have chosen to work together, resulting in strong professional relationships and efficient collaboration.

Baker Tilly International member firms demonstrate a high professional standard, as well as a strong commitment to the network's core values of integrity, leadership, transparency, and ethics. Each member firm offers outstanding personal service combined with the expertise, strength, and resources of a truly global network to support you as you grow regionally and globally.

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- Deliver quality service with an emphasis on integrity
- Are open and honest in all communications
- Act ethically
- Foster teamwork and collaboration with other member firms
- Maintain a supportive environment in which their individuals can flourish.

Great Firms, Outstanding Network

www.bakertillyinternational.com

Combined revenues	US\$3.6bn
Member firms	126
Countries	145
People	34,700
Partners	2,900
Offices	746

TPA

TPA is the leading international consultancy group rendering comprehensive business advisory services. We employ over 1,500 experts operating in professional partnership companies in Poland and 11 countries of Central and South-Eastern Europe: Albania, Austria, Bulgaria, Croatia, the Czech Republic, Montenegro, Serbia, Slovakia, Slovenia, Romania, and Hungary.

In Poland, TPA is one of the largest consulting companies. We provide international corporations and large domestic companies with effective business solutions in terms of tax advisory, transaction advisory, financial audit, corporate finance, accounting outsourcing as well as payroll administration services and HR consulting.

Legal services, offered since 2018 under the Baker Tilly Woroszyńska Legal brand, have been a natural addition to our interdisciplinary services. The law firm team consists of lawyers with many years of international experience in the field of transactions, litigation and advisory.

TPA Poland and Baker Tilly Woroszyńska Legal are the exclusive representatives of Baker Tilly International in Poland - one of the largest global networks of independent consulting companies. As a member of Baker Tilly International, we combine the advantages of integrated, interdisciplinary 'one-stop-shop' services with local expertise and global reach of the advisory group.

We also have the knowledge and special competencies that allow us to offer sector-specific advisory services particularly for the real estate and construction industry, as well as the energy sector. Our experts have extensive knowledge and analytical skills, unique project experience and the ability to find creative solutions to unusual problems. All that differentiates TPA advisors.

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Appendix I

2017 GoldPower Product Standard

D. GOLDPOWER™ CRITERIA

- I. **Project Certification:** All GoldPower is generated from production facilities that have been Validated and Registered with The Gold Standard (www.goldstandard.org).
- II. **MWh Tracking and Verification:** In order to be eligible for GoldPower, electricity production needs to be:
 - Metered and fed into a local power grid,
 - Independently verified by a 3rd party,
 - Recorded in a tracking system, which provides transparent means of verifying the generation of renewable energy as well as issuing and redeeming unique ownership claims to this energy. A list of systems suitable to track the underlying electricity for GoldPower, including system-specific requirements, is available in **Appendix 1 - Specifications**.
- III. **Gold Standard Renewable Energy Label:** GoldPower can carry the Gold Standard Renewable Energy Label if available for / applicable to the underlying tracking system.
- IV. **Eligible Technologies:** Eligible fuel sources are:
 - a) Wind; Small Hydro; Solar; Geothermal.
 - b) Solid, gas and liquid bioenergy, provided that:
 - co-firing of biomass with fossil fuels for the purposes of electricity generation is not accepted,
 - the solid, liquid or gaseous bioenergy feedstock is a waste product of the food, forestry, agricultural or municipal solid waste industries, and does not compete directly with food production.
- V. **Material contribution:** GoldPower aims to contribute materially to the expansion of renewable energy infrastructure.
- VI. **Regulatory Surplus:** The renewable energy must not be counted towards any legally binding national or regional energy target, or any utility's compliance requirements (Renewable Purchase Obligation; Renewable Portfolio Standard, etc.).
- VII. **Social and Environmental Safeguards:** Another important feature of GoldPower is that renewable energy production facilities contribute to sustainable development. At the very least, there is a clear demonstration that the project has not created any negative social or environmental impacts.
- VIII. **Attribute Aggregation and Exclusivity:** In order to demonstrate clear rights to all environmental attributes associated with GoldPower sale, the following requirements must be met.
- IX. **Redemption:** All sales of GoldPower are underpinned by the redemption of MWh equivalents on their appropriate registry (**Appendix 1 - Specifications**). Redemption of all units must have been completed at the latest by the time of GoldPower Audit.
- X. **Vintage:** The year of electricity production for GoldPower shall match the energy consumption of the reporting calendar year. Specifications for each tracking system are detailed in **Appendix 1 - Specifications**.
- XI. **Facility Age:** GoldPower is sourced from renewable electricity production facilities that became operational no more than 15 years prior to the year in which GoldPower is consumed (i.e. 2002 or later for purchases in 2016), with a strong preference for more recently constructed facilities.

E. THE GOLDPower™ REGISTRY

- The GoldPower Registry (<http://goldpower.net/goldpowerregister/>) provides transparency for GoldPower, demonstrating reliable end-to-end tracking of renewable electricity generation. The GoldPower Registry is publicly visible and includes the following details for all GoldPower transactions:
- The buyer name (unless the buyer decides to remain undisclosed), purchase date and MWh of GoldPower purchased.
- The buyer location and consumption period.
- The electricity production facility name, technology, location, and production vintage.
- The emission factor and certified greenhouse gas emissions reductions (where applicable) resulting from the clean MWh produced.
- The MWh verification standard or tracking system.
- The registry name and serial numbers of the underlying units.
- The retirement date and retirement URL (where applicable).

Specifications for tracking MWh for GoldPower (Specifications)

1. GOLDFPOWER BASED ON I-RECS FROM GOLD STANDARD PROJECTS

I. Project registration

The I-REC Code requires prior demonstration and approval by the I-REC board that electricity from registered production facilities meets strict criteria for exclusive claims to the renewable electricity attribute, however, it does not preclude the issuance of parallel units for emission reductions (denominated in tCO₂e) for the same MWh. GoldPower therefore requires:

EITHER:

- Official I-REC documentation that for the generation period in question the facility owner has NOT reserved the right to issue carbon offsets or any other certificate of avoided grid emissions.

OR:

- An attestation from the Facility Owner that it has not issued, and will not issue, any certificates or other units for the emission reductions associated with the renewable electricity generation, AND
- A cross-check against all major carbon registries by the Authorised Provider that the project has not issued VERs, CERs, ERUs or any other carbon units from the same units of electricity.
- If VERs, CERs or ERUs or any other carbon units from the same units of electricity have been issued these must be proved to have been redeemed on behalf of GoldPower.

II. Retirement/proof

A redemption statement needs to be provided for the number of I-RECs equal to the GoldPower amount sold which specifies the production facility, production range, and date of redemption on the I-REC Registry.

2. GOLDFPOWER BASED ON GOLD STANDARD VERS, GOLD STANDARD CERS.

GoldPower was introduced in 2009 when REC tracking systems were inexistent in most countries where GoldPower was generated. For monitoring, issuing, tracking and retiring, GoldPower utilised GS-VERs and GS-CERs, as these instruments served these exact functions for the carbon market. Now that REC tracking systems have emerged that provide these functions on purpose-built infrastructure, the utilisation of VERs or CERs for GoldPower will be phased out over the coming months. Deals that have been concluded based on previous GoldPower versions will be executed, i.e. delivered in accordance with previous GoldPower versions.

3. GOLDFPOWER BASED ON NATIONAL TRACKING SYSTEMS AND GOLD STANDARD PROJECTS.

I. Tracking system requirements

In order for a national tracking system to be eligible for GoldPower, there must be rules set in place by the national authorities that safeguard the allocation of renewable energy to grid customers. Such an allocation requires contractual instruments to convey attribute information from generation to end-use. Energy attribute certificates issued by the national tracking system embody the generation attributes of one megawatt-hour (MWh) of renewable energy.

II. Credible claims

While tracking systems have developed independently of each other in different jurisdictions around the globe, there are a few elements that all credible tracking systems have in common. Tracking systems issue certificates in MWh, and include the same basic information on each certificate. These include:

1. Resource/fuel Type (e.g. wind, solar, etc.)
2. Generator name / ID

3. Generator Location
4. Vintage (date of generation)
5. Issuance Date

III. Retirement/proof

A redemption statement needs to be provided for the number of renewable energy certificates equal to the GoldPower amount sold which specifies the production facility, production range, and date of redemption on the national tracking system's registry.

4. GOLDPower BASED ON TIGRS AND GOLD STANDARD PROJECTS.

I. Definition of TIGRs

TIGRs, or Tradable Instruments for Global Renewables, are a type of energy attribute certificate intended for regions without an existing or reliable energy attribute tracking, currently limited to locations outside the US, EU/EEA, or Australia. The TIGR Registry collects and tracks information regarding renewable energy generation originating within supported countries. The TIGRs Registry tracks and displays the attributes, certifications and program eligibilities associated with each TIGR, as established by documentation and/or third-party verification during the asset registration process.

II. Retirement/proof

A redemption statement needs to be provided for the number of TIGRs equal to the GoldPower amount sold which specifies the production facility, production range and, date of redemption on the TIGR registry.



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