

# Compliance Policy (v6.0)

## VERSION HISTORY

REV NO.	DATE	REVISION DESCRIPTION	APPROVAL
1.0	February 2010	Original Issue	General Counsel
2.0	August 2011	Update to reflect organisational change	GM Governance
3.0	October 2012	Update to reflect amalgamation of Group Compliance Policy and Operational Compliance Policy into a single Compliance Policy	GM Governance
4.0	June 2014	Update to reflect pending commencement of Aurora as a standalone competitive retailer	Group Manager Business Services
5.0	June 2017	Three yearly review and update, including alignment with AS ISO 19600:2015 and confirmation of alignment with the Risk Appetite Statements.	Board, 29 June 2017
6.0	June 2020	Three yearly review and update including organisational changes	Board, 2 July 2020

## AUTHORISATIONS

<b>Prepared by:</b>	Lead Compliance Advisor	13 May 2020
	Legal, Risk & Compliance Manager	27 May 2020
<b>Reviewed by:</b>	Company Secretary/General Counsel	May 2020
<b>Authorised by:</b>	Board	2 July 2020
<b>Next Review:</b>		June 2023

## CONTACT FOR ENQUIRIES (POLICY OWNER)

Oliver Cousland – Company Secretary/General Counsel

**Telephone:** 0419 301 280

**Email:** [oliver.cousland@auroraenergy.com.au](mailto:oliver.cousland@auroraenergy.com.au)

## 1. Introduction

The Compliance Policy (Policy) is Aurora Energy Pty Ltd's (Aurora Energy) governing document for specifying how Aurora Energy ensures compliance with all laws (State and Federal), regulatory frameworks and organisational requirements applicable to its operation as an energy retailer, including obligations with respect to employment, finance, privacy, right to information and competition.

## 2. Purpose

The purpose of this Policy is to enable Aurora Energy to achieve its compliance objectives in its operations and activities by promoting positive compliance culture principles and implementing a uniform and responsive risk-based compliance management system. Specifically, this Policy outlines:

- The scope of this Policy;
- Aurora Energy's Compliance Policy Statement;
- The key roles and responsibilities of the Board, Board Committees, management and staff in order that compliance obligations are met;
- How Policy non-compliances will be managed; and
- Policy precedence.

## 3. Scope

This Policy applies to the legal entity, contractors and employees of Aurora Energy. This Policy is supported by relevant plans, procedures and processes. This Policy remains valid and in effect until notification is issued that the Policy has been superseded.

The scope of the Policy extends to obligations imposed by:

- Statutory, regulatory and licence requirements; and
- Relevant mandatory industry codes of conduct, practice notes and guidelines.

A list of key Acts and laws that Aurora Energy is required to comply with is provided in Appendix 1.

This Policy and the supporting Compliance Framework aligns, to the extent appropriate for the business, with the standards outlined by 'AS ISO 19600:2015'.

All Aurora Energy policies, procedures and processes will have compliance obligations embedded to ensure Aurora Energy meets its compliance objectives.

## 4. Policy

Aurora Energy is committed to complying with the law as it applies to its operations, to demonstrating ethical behaviour, and being a model corporate citizen. Consistent with the Code of Conduct, Aurora Energy is committed to the highest standards of integrity, fairness and ethical conduct, including compliance with relevant legislative and regulatory requirements.

The Aurora Energy Compliance Policy Statement is:

- In the conduct of its business Aurora Energy will implement systems and processes to ensure that we deliver to the customer experience and meet our legislative and regulatory obligations in a cost effective and appropriate manner;
- In both its commercial and non-commercial activities, Aurora Energy will be a model corporate citizen by acting in an ethical manner and in accordance with the law; and,
- In the conduct of its business Aurora Energy shall strive to continually enhance its Compliance Framework by ensuring:
  - Ongoing awareness of Aurora Energy's regulatory obligations throughout the organisation;
  - All contact with regulating entities is managed in a timely and professional manner;
  - All non-compliances are reported, investigated and managed to resolution;
  - An efficient system is established for ongoing monitoring of compliance with regulatory and policy obligations;
  - Continuous improvement of compliance management systems; and
  - In addition to the compliance function, compliance is complemented by other business functions of risk, internal and external audit, and internal and external legal services.

The Legal, Risk & Compliance Team will review annually the Compliance Plans for its key compliance obligations. These will prescribe the activities to be undertaken across the three areas of management, promotion and improvement of compliance. Each Compliance Plan will be approved by the Company Secretary/General Counsel.

## **5. Key Roles and Responsibilities**

The Aurora Energy Board (Board), as supported by the Aurora Leadership Team (ALT) and the Legal, Risk & Compliance Manager, is ultimately responsible and accountable for compliance activities across the business. These responsibilities and accountabilities are discharged as follows:-

### **5.1 Board**

The Board has ultimate accountability and responsibility for Aurora Energy's governance and compliance standards. The Board is responsible for approving this Policy, and ensuring robust compliance and control systems are in place and operating effectively and for monitoring the performance of the system.

### **5.2 Board Audit, Risk and Compliance Committee**

The Board delegates a key oversight mechanism for compliance to its Board Audit, Risk and Compliance Committee (BARCC). Under the BARCC Charter, specific responsibilities have been delegated by the Board in relation to Aurora Energy's Compliance. BARCC will be provided with regular updates from the ALT and the Company Secretary/General Counsel about legislative and/or licence breaches and/or non-compliance matters.

### **5.3 Chief Executive Officer**

The CEO is responsible for:

- The operational and legal compliance of Aurora Energy;
- Ensuring adequate and robust policies, procedures and processes are in place to ensure this Policy is effectively implemented; and
- Appointing a compliance function.

### **5.4 Aurora Leadership Team**

The Aurora Leadership Team (ALT) is responsible for:

- The implementation of Policy obligations throughout the business and for the allocation of adequate and appropriate resources to establish, develop, implement, evaluate, maintain and improve the compliance management system and performance outcomes;
- Ensuring that responsibilities and authorities for relevant roles are assigned and communicated within the organisation;
- Ensuring effective and timely systems of reporting are in place;
- Active identification and notification of potential non-compliances, promoting compliance and establishing and maintaining a culture and system within their respective areas of responsibility that ensures breaches of Regulation, Law and/or Aurora Energy Policy(ies) do not occur; and
- Signing off the Annual Compliance Certification and overarching Compliance Framework submitted by the Legal, Risk & Compliance Manager.

The People Experience Manager is responsible for ensuring relevant compliance responsibilities are included in the position descriptions of all staff to the extent appropriate.

### **5.5 Company Secretary/General Counsel**

The Company Secretary/General Counsel provides strategic oversight of the Compliance management system, including the Compliance Framework and the Compliance Function. The Company Secretary/General Counsel will also approve the Business Unit Plan to be undertaken by the Legal, Risk & Compliance Team.

### **5.6 Compliance Function**

#### **5.6.1 Legal, Risk & Compliance Manager**

The Legal, Risk & Compliance Manager is responsible for:

- The design, consistency and integrity of the compliance management system;
- The Compliance Framework and relevant Compliance Plans and ensuring these are maintained in accordance with their approved review cycles;
- Ensuring the Aurora Energy compliance management system is, to the extent appropriate for the business, aligned with AS ISO 19600:2015;
- Generating statements of compliance (via the Compliance Certification Program) and for regular reporting to BARCC covering strategic compliance awareness and high level non-compliance reviews;

- The review and final rating of non-compliances and their inclusion in the non-compliance register;
- Performing targeted reviews on behalf of the Board, to ensure compliance with Aurora Energy policies, plans, procedures and processes;
- The functions of the Legal, Risk & Compliance Team; and
- Recommending sanctions and referrals to People and Performance as appropriate.

### **5.6.2 Legal, Risk & Compliance Team**

The Legal, Risk & Compliance Team's role is to ensure:

- Compliance obligations applicable to Aurora Energy's functional areas are communicated to all relevant staff;
- Adequate controls to enable continuous compliance with identified obligations are integrated into Aurora Energy day-to-day operating processes and procedures;
- Non-compliance and where possible, potential compliance failures, are identified, openly and transparently reported, classified and investigated to determine their cause and enable their rectification and future prevention under the Investigate and Resolve Incident, Non-Compliance or Breach Process;
- There are adequate internal reporting arrangements to enable reporting of compliance failures to the Legal, Risk & Compliance Team, Company Secretary, ALT, BARCC and regulatory authority(ies), as required, in a timely and uncompromised manner;
- There is an effective coordinated compliance training and awareness program to enable management and staff to understand their compliance obligations;
- The Compliance Certification program is completed comprehensively and effectively;
- A forum is provided for employees to share compliance experiences and advice;
- Current or upcoming regulatory policy decisions are discussed with relevant staff; and
- Outcomes of meetings and other significant communications with regulatory bodies (including peak body forums) are disseminated to relevant staff.

### **5.7 Senior Leadership Team**

The Senior Leadership Team (SLT) is responsible for compliance within their area of responsibility.

This includes:

- Co-operating with and supporting the compliance function and encouraging employees to do the same;
- Personally complying and being seen to comply with policies, procedures and processes and attending and supporting compliance training activities;
- Identifying and communicating compliance risks in their operations;
- Actively undertaking and encouraging mentoring, and coaching and supervising direct reports to promote compliant behavior;
- In conjunction with the compliance function integrating compliance obligations into existing business practices and procedures in their areas of responsibility;
- In conjunction with the compliance function, ensuring that once the need for corrective action is identified, it is implemented; and

- Overseeing any outsourcing arrangement from their area to ensure it takes account of compliance obligations.

The Legal, Risk & Compliance Manager is responsible for ensuring relevant compliance responsibilities are included in all counter-party contracts to the extent appropriate.

## **5.8 All Aurora Energy Staff**

All employees and contractors (**staff**) are responsible for complying with this Policy, and the compliance obligations of the organisation as relevant to their position and duties, and in particular, identifying and then reporting non-compliances to their immediate manager and/or the Legal, Risk & Compliance Manager in accordance with the Policy.

All staff are required to participate in training in accordance with the compliance management system, use available compliance resources as a part of the compliance management system, work towards ways to improve Aurora Energy's compliance performance, report compliance concerns, issues and failures and observe at all times, the Aurora Energy Code of Conduct.

## **6. Non-compliance with this Policy**

All non-compliances with this Policy will be recorded.

Any non-compliances that are risk-rated as Severe or Major will be escalated to the Board or a relevant Board Committee through Aurora Energy's non-compliance reporting processes.

Non-compliances that are risk-rated as Moderate or Minor will be reported to the Chief Executive Officer.

Incidents of wilful non-compliance with this Policy are considered to be serious and will be dealt with in accordance with Aurora Energy's normal performance management process, which may include dismissal.

## **7. Related Policies**

- Aurora Energy Compliance Framework
- Delegation Policy

## **8. Precedence**

In the event of a conflict between policies, the following precedence will apply in this order to the extent of any inconsistency:

- Board approved Policy
- CEO approved Policy
- Business approved Procedure
- Business approved Work Practice

## **9. Policy Approval & Review**

The Board is responsible for approving this Policy at least every three years or earlier if a significant change occurs that may impact the Policy.

## **10. Whistleblowing Statement**

In extreme circumstances an individual may be concerned that a serious breach of this policy has occurred but considers that it would be personally damaging to pursue it through normal channels. In such circumstances the individual should refer to Aurora Energy's Public Interest Disclosure Policy for information about how to report such a concern and to whom.

Aurora Energy's Public Interest Disclosure Policy ('whistleblower' policy) is based on the Public Interest Disclosures Act 2002. This Policy is available on both Aurora Energy's external website and its internal intranet.

Delegated Officers under the Public Interest Disclosure Policy will do all that is possible and practicable to ensure the identity of the individual and the identity of the person who is the subject of the disclosure are kept confidential.

## **11. Publication**

This Policy will be published on the Aurora Energy website and intranet in accordance with the Policy Framework approved by the Board.

**Approved by the Board at its meeting on 2 July 2020.**

A handwritten signature in black ink, consisting of a stylized 'M' followed by a long, sweeping horizontal line that curves upwards at the end.

**Chair**

**Key National and Tasmanian Acts/Laws**

**National:**

- Competition and Consumer Act 2010 (including Australian Consumer Law)
- Corporations Act 2001
- Privacy Act 1988
- National Energy Retail Law (South Australia) Act 2011
- National Energy Retail Law (Tasmania) Act 2012

**Tasmania:**

- Electricity Companies Act 1997
- Electricity Supply Industry Act 1995
- Gas Act 2000
- Government Business Enterprise Act 1995
- Personal Information Protection Act 2004
- Right to Information Act 2009