PURPOSE AND SCOPE
These guidelines are to reinforce Ergon Energy’s standards of corporate integrity and ethical conduct. They deal with how a person can notify ‘reportable conduct’ and how it will be dealt with by Ergon Energy.

These guidelines apply to Ergon Energy, its wholly owned subsidiaries, officers and employees.

Ergon Energy commits to properly dealing with allegations of reportable conduct as outlined in these guidelines.

These guidelines do not change the legal rights and obligations of the parties involved or limit the ability of Ergon Energy to deal with reportable conduct.

RESPONSIBILITIES
General Counsel / Company Secretary is the Process Owner listed in the Business Process Framework and will maintain this reference document.

Group Manager Risk, Assurance & Investment is responsible for endorsing this Reference document for Process Owner approval.

Senior Internal Auditor is the Subject Matter Expert (SME) for the content of this reference document.

DEFINITIONS, ABBREVIATIONS AND ACRONYMS
Complainant: A person who has made a complaint of reportable conduct. A complainant may be anyone – including an Ergon Energy employee, contractor or member of the public.

Decision Maker: The Chief Executive (CE) of Ergon Energy or his or her nominated delegate or, if an issue relates to reportable conduct involving the CE, the Chair of the Board of Ergon Energy (generally in consultation with the Senior Internal Auditor).

Corrupt conduct
‘Corrupt conduct’ is a category of reportable conduct that requires notification to the Crime and Corruption Commission and includes obligations under the Public Interest Disclosure Act 2010. Corrupt conduct is specifically defined in section 15 of the Crime and Corruption Act 2001 as follows:

(1) Corrupt conduct means conduct of a person, regardless of whether the person holds or held an appointment, that—
(a) adversely affects, or could adversely affect, directly or indirectly, the performance of functions or the exercise of powers of—
   (i) a unit of public administration; or
   (ii) a person holding an appointment; and
(b) results, or could result, directly or indirectly, in the performance of functions or the exercise of powers mentioned in paragraph (a) in a way that—
   (i) is not honest or is not impartial; or
   (ii) involves a breach of the trust placed in a person holding an appointment, either knowingly or recklessly; or
   (iii) involves a misuse of information or material acquired in or in connection with the performance of functions or the exercise of powers of a person holding an appointment; and
(c) is engaged in for the purpose of providing a benefit to the person or another person or causing a detriment to another person; and
   (d) would, if proved, be—
      (i) a criminal offence; or
      (ii) a disciplinary breach providing reasonable grounds for terminating the person’s services, if the person is or were the holder of an appointment.
Reportable Conduct Guidelines

(2) Without limiting subsection (1), conduct that involves any of the following could be corrupt conduct under subsection (1)—

(a) abuse of public office;
(b) bribery, including bribery relating to an election;
(c) extortion;
(d) obtaining or offering a secret commission;
(e) fraud;
(f) stealing;
(g) forgery;
(h) perverting the course of justice;
(i) an offence relating to an electoral donation;
(j) loss of revenue of the State;
(k) sedition;
(l) homicide, serious assault or assault occasioning bodily harm or grievous bodily harm;
(m) obtaining a financial benefit from procuring prostitution or from unlawful prostitution engaged in by another person;
(n) illegal drug trafficking;
(o) illegal gambling.

Process Co-ordinator: Senior Internal Auditor will be the person to co-ordinate Ergon Energy’s actions under this guideline.

Reportable Conduct: Reportable conduct is any conduct which gives rise to a suspicion of corrupt conduct, fraud, corruption, breach of Ergon Energy policy (e.g. Code of Conduct) or breach of law.

Subject Person: The person that an allegation or investigation under this guideline relates to.

REFERENCES

EP07. Employees’ Code of Conduct (Policy)
EP36. Fraud and Corrupt Conduct (Policy) EP104 Dealing With Complaints about the Chief Executive (Policy)
GC000101R103. Employees’ Code of Conduct Standards (Reference)
HR000604R100. Discipline and Performance Counselling Guidelines (Reference)
Ergon Energy Union Collective Agreement
Corporations Act 2001 (Cth)
Crime and Corruption Act 2001 (Qld)
Crime and Corruption Regulation 2005 (Qld)
Government Owned Corporations Act 1993 (Qld)
Government Owned Corporations Regulation 2004 (Qld)
Public Interest Disclosure Act 2010 (Qld)
AS 8004 – 2003 Whistleblower Protection Programs for Entities
AS 8001 – 2008 Fraud and Corruption Control

GUIDELINES

Principles

Responses to any substantiated reportable conduct will be based on the following principles:
Where persons have conducted themselves unethically Ergon Energy will take appropriate management action against them;

Where a matter appears to fall within the jurisdiction of regulatory or enforcement bodies, Ergon Energy will refer it to those bodies. Ergon Energy may also take appropriate internal management action in this case. This guideline in no way limits the rights of persons to complain directly to regulatory or enforcement bodies; and

Ergon Energy will apply management action taking into account the culpability of conduct in issue. Where persons have acted reasonably and made all reasonable efforts to comply, the focus will be to remedy the cause of a breach rather than to take management action against individuals.

Rights and responsibilities

All persons are encouraged to and have a right to promptly and accurately report suspected cases of reportable conduct.

- **The complainant**
  - Ergon Energy is committed to protecting the complainant, and preserving their confidentiality as far as practicable.
  - Any reprisals (eg. discrimination, harassment, victimisation) against a complainant or their associates are prohibited. Should reprisals occur, this will lead to management action against the perpetrator.
  - Frivolous, trivial, vexatious, false or malicious allegations may not be investigated.

- **The subject person**
  - Subject persons will be treated with respect and given a fair hearing.
  - Subject persons may have a support person of their choice present with them during all discussions.
  - At Ergon Energy’s discretion applied in accordance with its policies the subject person may be offered legal support at Ergon Energy’s cost.
  - At Ergon Energy’s discretion applied in accordance with its policies the subject person may be granted or directed to take special paid leave if required during an investigation.
  - The mere fact that a matter has been referred to an external agency eg. Crime and Corruption Commission (CCC) will not be treated as prejudicial in any management decisions.

- **The decision maker**
  - The decision-maker will have responsibility for initiating an investigation, and will delegate accountability as appropriate.
  - The decision-maker will have responsibility for referring matters to regulatory bodies where appropriate.
  - Investigations will be conducted without undue delay and will be impartial and thorough.
  - Ergon Energy will handle any personal information collected in the course of a complaint, investigation and subsequent action in accordance with the Privacy Act 1988 (Cth).
  - The decision-maker will be responsible for keeping proper records of public interest disclosures.
Reporting conduct under these guidelines

Any person who is aware of or suspects reportable conduct is encouraged to report it in accordance with this guideline.

Information about reportable conduct should be given:

- to a direct supervisor, manager, **Level 1 Manager**, the **Chief Executive**, Human Resources, Internal Audit; or
- to the Senior Internal Auditor for corruption complaints about the Chief Executive; or
- via a dedicated phone number or email available via the Ergon Energy intranet or website (FairCall Service - telephone: 1800 500 965).

Complainants are required to provide as much detail or evidence as possible at the time of reporting conduct under these guidelines. It is preferred that complainants provide their name and contact details to enable follow-up and feedback. However, anonymous reports will be accepted. It is clearly more difficult for Ergon Energy to follow up on an allegation if it is not substantiated or clear or has insufficient detail or evidence.

Where notification of reportable conduct is given to a person/s other than the process co-ordinator, the person receiving the allegation must contact the process coordinator **Senior Internal Auditor** or **Chief Executive** as soon as is practical with full details.

Other initiation processes

Ergon Energy will also deal with reportable conduct under this guideline where an investigation is initiated otherwise than by complaint.

For example:

- reportable conduct may be identified in the course of other Ergon Energy processes, such as discipline and performance processes or internal audit processes; and
- reportable conduct may be referred to Ergon Energy for investigation or may have been investigated and be referred for action by external bodies (eg. (CCC)).

Notifications to managers and stakeholders

The table below provides guidance on Ergon Energy managers and stakeholders who must be notified of issues of reportable conduct within Ergon Energy. This does not cover external regulators (see heading ‘external regulators’ below).

<table>
<thead>
<tr>
<th>Type or category of reportable conduct</th>
<th>Persons to whom conduct should be notified</th>
<th>Time and method of notification</th>
</tr>
</thead>
<tbody>
<tr>
<td>Potential or actual breach of the Code of Conduct by Board members, chief and senior executives and where material by employees</td>
<td>Shareholding Minister(s)</td>
<td>Within 24 hours</td>
</tr>
<tr>
<td>Conduct involving suspected or actual fraud, corruption, theft or misuse of company property</td>
<td>Chairman of Board Audit Committee</td>
<td>Within 24 hours if fraud, corruption, theft or misuse exceeds $5,000 Otherwise, at next meeting of Audit Committee as part of routine reporting</td>
</tr>
<tr>
<td>Conduct involving suspected corrupt conduct by the Chief Executive</td>
<td>Senior Internal Auditor or Chief Executive (note: Chief Executive to notify the Shareholding Minister(s))</td>
<td>Within 24 hours</td>
</tr>
</tbody>
</table>
**Reportable Conduct Guidelines**

<table>
<thead>
<tr>
<th>Conduct</th>
<th>Responsible Parties</th>
<th>Action Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conduct causing or likely to cause major financial losses to any entity in the Ergon Energy group</td>
<td>Board, Insurers, Qld Treasury, Shareholding Ministers</td>
<td>Within 24 hours by letter from the Chairman</td>
</tr>
<tr>
<td>Conduct involving an alleged breach of Ergon Energy Trading in Securities Policy</td>
<td>CFO</td>
<td>Within 24 hours</td>
</tr>
<tr>
<td>Serious criminal conduct by a staff member or office holder</td>
<td>EGM P &amp; SS Board Insurers if an insured loss is likely, eg property loss by fire, public liability claim</td>
<td>Within 24 hours At next Board meeting as part of routine reporting; Within 7 days by email / letter</td>
</tr>
<tr>
<td>Conduct involving complaints of bullying, harassment, victimisation, discrimination, coercion or misleading conduct</td>
<td>Chairman of Board Establishment &amp; People Committee EGM P &amp; SS</td>
<td>At next Committee meeting as part of routine reporting; Within 24 hours</td>
</tr>
<tr>
<td>Conduct likely to cause major reputational damage to the Ergon Energy group</td>
<td>Board, Qld Treasury, Shareholding Minister(s) EGM Retail</td>
<td>Within 24 hours by letter from Chairman</td>
</tr>
<tr>
<td>Conduct affecting the integrity of financial statements / reports</td>
<td>Chairman, Audit Committee CFO</td>
<td>Within 7 days by email / letter Within 24 hours</td>
</tr>
<tr>
<td>Conduct likely to lead to summary dismissal or loss of professional / technical registration</td>
<td>EGM P &amp; SS</td>
<td>Within 24 hours</td>
</tr>
<tr>
<td>Other performance and discipline issues not in the categories above</td>
<td>EGM P &amp; SS</td>
<td>As practicable and within 7 days by email / letter</td>
</tr>
</tbody>
</table>

Any queries about notifications should be directed to the **Senior Internal Auditor** in the first instance.

**Dealing with reportable conduct**

The decision-maker will have responsibility for making an assessment of reportable conduct and determining how it should be dealt with.

Options are as follows depending on the issues and parties involved and are not mutually exclusive:

- not requiring any further action;
- requiring referral to an external regulator or enforcement body;
- requiring action under these guidelines; or
- requiring action under the Ergon Energy Discipline and Performance Counselling Guidelines.

The selected course of action will be at the discretion of the decision-maker taking into account the nature of the complaint and these guidelines.

The process co-ordinator will be involved to track the allegation from complaint through to finalisation.
Matter assessed as not requiring any action

A matter may be assessed as not requiring any action, for example, if there is no rational basis for the complaint or that the complaint is trivial.

The person who made the disclosure must be given reasonable information about the disclosure including where the decision maker has assessed that the matter does not require any action.

Matter assessed as requiring referral to an external regulator or enforcement body

A matter may be assessed as requiring referral to an external regulator or enforcement body. For example, if there is a suspected breach of the Criminal Code, the matter may be referred to the Queensland Police, or in some cases referral to the Australian Securities and Investment Commission may be required.

If Ergon Energy suspects that a complaint, information or matter involves or may involve ‘corrupt conduct, the Chief Executive has an obligation under the Government Owned Corporations Act 1993 (Qld) and the Crime and Corruption Act 2001 (Qld) to notify the CCC. The Senior Internal Auditor is the process owner for managing referrals and CCC liaison.

Once a matter has been referred to an external body, Ergon Energy will not usually take steps to further deal with the matter except in consultation with or as authorised by the external body.

However, this does not mean that immediate mandatory actions required by law or actions deemed necessary under company policy by a Level 1 Manager or above should not be taken. For example, action should be taken where necessary to prevent harm to health, safety or the environment. At the time of referring the matter to the external regulator or body they should be advised of any actions which have already been taken.

As a guideline, the Level 1 Manager will consider the following issues when considering any immediate actions to be taken:

- Health and Safety and Environmental issues

  If a matter involving health and safety or the environment is referred, mandatory obligations to prevent harm should be discharged without delay. Similarly, mandatory reporting to the state environmental and safety regulators should proceed.
Financial losses, trading or related policy issues

Where significant financial loss or breaches of Energy trading policies occur, in extreme cases it may be necessary to take action to prevent or minimise the risk of serious losses or other ongoing damage to Ergon Energy. The relevant external regulator should be contacted first wherever possible.

Corporate Reputation issues

Measures considered necessary to protect the company’s reputation may be appropriate however this should occur in consultation with the external regulator wherever possible.

Insurers

Where allegations of wrong doing against directors or officers of Ergon Energy are referred, these matters should be notified to Insurers in the normal manner if they may result in a claim under the Directors and Officers and associated policies.

At the time when a matter is referred to an external regulator or enforcement body it is generally not appropriate for the subject person/s to be informed of the referral. At that stage usually only the decision maker, Senior Internal Auditor and any relevant Level 1 Manager/s and any relevant HR Manager will be informed.

Ergon Energy will cooperate with external regulators or enforcement bodies in dealing with matters which have been referred. Ergon Energy will deal with the matter as authorised or directed.

For example, this may require Ergon Energy to cooperate in an external investigation or to conduct an internal investigation under these guidelines or the discipline and performance counselling guidelines.

Subject person/s and their line managers will be informed as appropriate, subject to any direction from the an external regulator or enforcement body or the decision maker regarding the handling of the matter.

Matter assessed as requiring action under these guidelines

Where the decision maker has assessed that a matter requires action under these guidelines, the decision maker will deal with the matter according to the investigation principles below, as relevant:

- An investigation team will be appointed by the decision-maker to secure the evidence and undertake the investigation. This may involve external investigators, depending on the type and complexity of the allegation, either alone or with Internal Audit. Appropriate authorisations will be provided.
- It is essential that all members of the team are confirmed as appropriate persons to conduct the investigation (i.e. impartial and there are no issues of actual or apparent bias). The investigation team will act independently and objectively.
- If appropriate, General Counsel will be consulted to ensure the company’s legal position is considered.
- If the investigation relates to the conduct of an employee, Human Resources will also be involved.
- The investigation team will determine and agree the terms of reference of the investigation. This includes the scope, purpose, timing, and the potential evidence and individuals likely to be involved in the investigation.
- Appropriate resources and time must be allocated to conduct the investigation in a thorough and methodical manner.
- Relevant evidence will be secured and preserved.
• So far as practicable and except where required or authorised by law or to enforce legal rights, the investigation will remain confidential. This includes:
  o the identify of relevant parties (including complainant, subject person/s);
  o the nature and detail of matters being investigated;
  o the sources of information and evidence (including witnesses); and
  o the content of documents and evidence collected.

• All persons involved in the investigation including investigation team members, subject person/s and witnesses will be asked to maintain confidentiality.

• A representative from the investigation team will contact the subject person/s and meet with them to inform them of the nature of the issue under investigation, the investigation process, and the support available to them to prepare a response.

• All discussions and meetings will occur in appropriate private locations.

• Subject person/s will be informed of the prohibition on victimisation of, or reprisals against, complainants or witnesses.

• A representative from the investigation team will contact witnesses and meet with them to collect evidence.

• First contact to any Ergon Energy employee will be made by an Ergon Energy manager rather than an external investigator.

• Ergon Energy may accept and take into account evidence or findings from investigations conducted by external regulatory bodies (eg. CCC).

• Subject person/s will be given an appropriate opportunity to respond to all issues. This includes being given sufficient detail and being allowed adequate time to prepare a response to all issues affecting them.

• Responses will be taken into account and further investigated as required before findings are made.

• The investigation team will consider all evidence and make findings of fact. Findings of the investigation will reference the initial terms of reference and be prepared in writing.

• Recommendations may be made regarding appropriate action to be taken.

• The subject person/s will be given an opportunity to respond to the findings and recommendations affecting them (eg. as to mitigating factors and proposed action to be taken).

• Where disciplinary action is contemplated as a recommendation, this process will occur in conjunction with the Discipline and Performance Counselling Guidelines.

• The decision maker may at their discretion discontinue any action commenced under this process at any stage during the process, for example if it is identified that a complaint is frivolous or vexatious, lacks in substance or credibility or dealing with the complaint would be an unjustifiable use of resources.

**Matter assessed as requiring investigation under Discipline and Performance Counselling Guidelines**

Where the decision maker has assessed a matter involving an employee as appropriate for referral under the Ergon Energy Discipline and Performance Counselling Guidelines, the initial complaint will be referred to the relevant Business Unit Manager and Regional Manager Human Resources for attention.
Response to substantiated reportable conduct

There may be a variety of appropriate corporate responses to substantiated reportable conduct. The responses will be assessed, and communicated as appropriate, with a view to advancing the objectives of these guidelines and improving Ergon Energy’s standards of integrity and ethical conduct.

Proven reportable conduct might result in a range of responses from Ergon Energy, depending on the circumstances. Those responses might, for example, include one or more of the following:

- Organisational review;
- Amendment of Corporate Policy;
- Staff training;
- Communication to staff generally;
- Highlighting the need for an internal audit;
- Financial compensation;
- An apology;
- Further investigation – which might be conducted with internal or external resources;
- In the case of an employee, disciplinary action under the Discipline and Performance Counselling Guidelines;
- In the case of a contractor, management action taken under the relevant contract; and
- Referral to an external regulator or enforcement body.

Notification to complainant and respondent

A notification will be provided to subject person/s when a complaint has been dealt with, unless the subject person/s has indicated they do not require a response. Subject person/s will be given information regarding the findings and recommendations but will not generally be provided with a copy of any written investigation report.

A notification will be provided to the complainant when a complaint has been dealt with, unless the complainant has indicated they do not require a response. The response will identify whether action was taken, the reason for doing so and any results of the action known at the time.

Despite the statements above, a response will not be provided to any persons where it would be a breach of privacy rights or contrary to the public interest to disclose such information.

Records

- The investigation team will maintain records of the investigation. Investigation records would be subject to any application received by Ergon Energy under the Right to Information Act 2009 (Qld) (RTI) or Information Privacy Act 2009 (Qld) (IPA). In assessing the application, the RTI and IPA delegated decision maker would consult where necessary with relevant individuals and take into account all exemptions and public interest factors for and against disclosure.
- A copy of correspondence with subject person/s who are employees will be copied to their personnel file to ensure a formal and accurate record. However, if the investigation shows the allegation lacked substance, the fact of the allegation and the investigation will not be recorded on the personnel file.
- Investigation records will be kept confidential and not disclosed except as required or authorised by law or to enforce legal rights and are to include:
The name or the person making the disclosure if known;

The information disclosed; and

Any action taken on the disclosure.

- When the investigations are complete, the Senior Internal Auditor will record in summary form, the disciplinary or other actions taken for future reference when considering uniformity of sanctions.

Special Considerations

Legal costs

There are legal issues under the Corporations Act 2001 (Cth) (s. 212) that restrict when and how Ergon Energy may fund legal costs and these must be taken into account when determining whether and what support will be offered. This does not prevent individuals obtaining legal advice at their own cost.

Corporations Act 2001 (Cth)

Where the complainant has reasonable grounds to suspect that the company, or an officer or employee of the company has, or may have, contravened a provision of the Corporations legislation, the disclosure of this information is protected under the provisions of the Corporations Act 2001 (Cth) (the Act) (Section 1317AA and 1317AB).

Victimisation of the complainant is prohibited (Section 1317AC) and the complainant has rights to compensation for damage caused by victimisation (Section 1317AD).

The company, company officers and employees and auditors are required to maintain the confidentiality of:

- The information disclosed by the complainant; and
- The identity of the complainant;

Information that is likely to lead to the identification of the complainant.

Disclosure of this information by the company, company officers and employees and auditors, other than for lawful purposes as defined in the Act, is an offence against the Act (Section 1317AE).

Crime and Corruption Act 2001 (Qld)

Following the Integrity Act 2009 (Qld), if Ergon Energy’s Chief Executive suspects that a complaint, or information, or matter relating to Ergon Energy involves, or may involve, something that would be corrupt conduct under the Crime and Corruption Act 2001 (Qld), the Chief Executive must notify the CCC (see Government Owned Corporations Act 1993 (Qld) Section 156).

There are also significant penalties for any person who obstructs the CCC or threatens, intimidates or harasses (or attempts to do so) any person who gives evidence to or helps the CCC in the performance of its functions (see Crime and Corruption Act 2001 (Qld) Ch. 5).

Further guidance can be obtained from Ergon Energy’s Policy on Dealing with Complaints about the Chief Executive EP104.

Criminal Code

In addition to general offences such as theft and assault, Ch 13 includes particular offences of corruption and abuse of public office. Section 92A provides for the offence of ‘misconduct in relation to public office’ which applies in situations including where a public officer, with intent to dishonestly gain a benefit for the officer or another person:

- Deals with information gained because of office;
- Performs or fails to perform a function of office; or
Makes an omission in abuse of the authority of office.

Public Interest Disclosure Act 2010
The Public Interest Disclosure Act 2010 (Qld) (the Act) focuses on promoting the public interest by protecting people who make public interest disclosures and applies to public sector entities including Government Owned Corporations. The main objects of the Act are to:

- Promote the public interest by facilitating public interest disclosures of wrongdoing in the public sector;
- Ensure public interest disclosures are properly assessed and, when appropriate, properly investigated and dealt with;
- Ensure appropriate consideration is given to the interests of persons who are the subject of a public interest disclosure; and
- Afford protection from reprisals to persons making public interest disclosures.