



Commercial Services

Aurora Energy Compliance Policy

Version History

REV NO.	DATE	REVISION DESCRIPTION	APPROVAL
1.0	April 1998	Original Issue	General Counsel
1.1	January 2005	Transferred to new format Business framework added	
2.0	March 2010	Update to the group Aurora Energy Compliance Governance Framework	Board

Authorisations

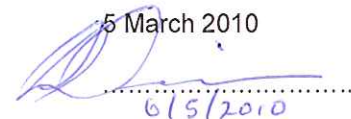
Prepared by Regulatory Compliance Manager

5 March 2010

Reviewed by Company Secretary/General Counsel

5 March 2010

Authorised by CEO, following Board Approval

A handwritten signature in blue ink, appearing to be "D. Jones", written over a dotted line.

Review Cycle Annual

6/5/2010
February 2011

Contact for enquiries (Policy Owner)

Christine Jones

Regulatory Compliance Manager

Telephone: 03. 6208 7874

Email: Christine.Jones@auroraenergy.com.au

1. Introduction

The purpose of this policy is to outline the principles to be applied to ensure compliance and fulfilment by Aurora Energy with its compliance obligations in all activities undertaken.

2. Purpose

Aurora Energy as a whole is committed to meeting high compliance and ethical standards in the way it conducts its business and ensuring that compliance is a component of Aurora Energy's overall corporate strategy.

The purpose of this policy is to;

- Articulate Aurora Energy's approach to compliance;
- Ensure our control systems are widely understood; and
- Set the expected behavior so that compliance obligations are met.

Effective compliance is a key part of enabling Aurora Energy to deliver against its purpose to see the Tasmania community prosper from our efforts.

3. Scope

This policy applies to all legal entities, contractors and employees of the Aurora Energy Group ('Aurora Energy'). This policy is not a stand-alone document but is supported by operational policies, procedures and processes. This policy will remain in force until notification is issued of the policy being superseded by an appropriately approved new version.

The scope of the Policy extends to obligations imposed by:

- Statutory and regulatory requirements;
- Aurora Energy Corporate policies, standards, procedures and compliance plans;
- Relevant industry codes of conduct and practice notes;
- Reasonable community expectations and accepted community ethical standards, captured under the Aurora Energy Personal Code of Conduct; and
- Australian Standard Compliance Program AS 3806-2006.

This Policy and the compliance framework have been developed with the aim of substantially meeting the standards outlined by AS 3806-2006.

4. Policy Revision (Review cycle)

This Policy is to be reviewed and endorsed at least on an annual basis or when there is a significant change to the business, which may impact the policy.

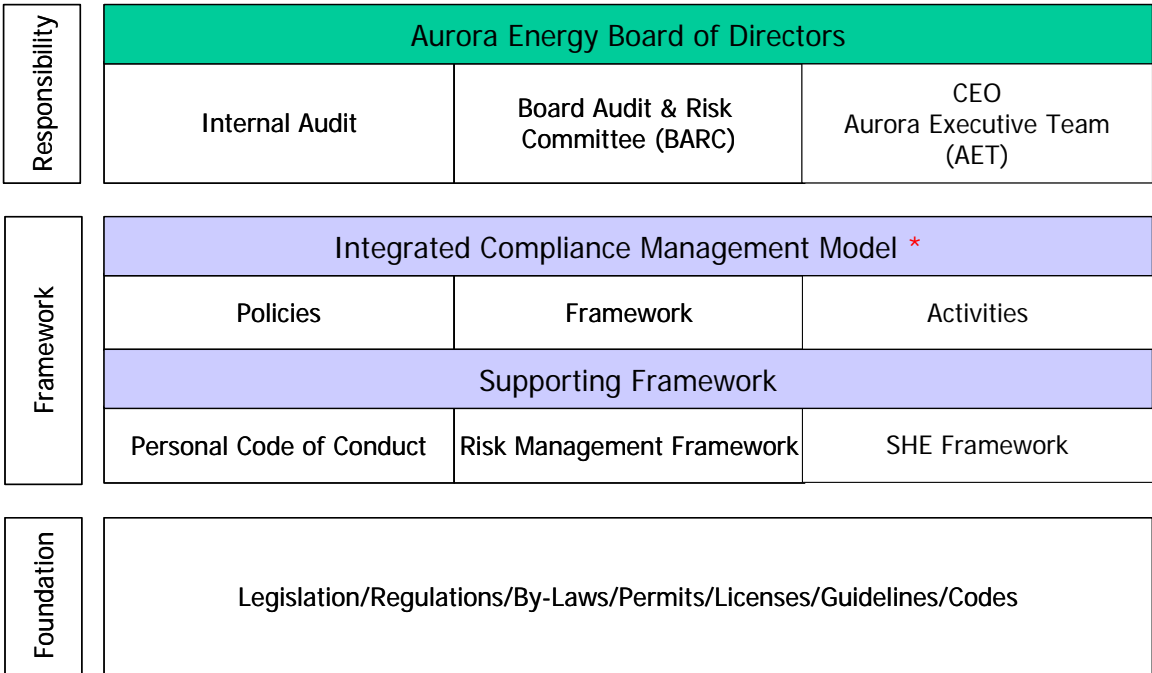
5. Definitions

AET	Aurora Energy Executive Team
Aurora Energy Group (Aurora Energy)	Includes all legal entities, employees and contractors associated with Aurora Energy.
BARC	Board Audit and Risk Committee
Divisional Compliance Resources	Employees tasked with compliance roles across Aurora Energy
Integrated Compliance Management Model	A collection of policies, procedures and activities that are undertaken by Aurora Energy to manage compliance obligations. Other functional frameworks compliment the Model.
Legal & Regulatory Compliance Environment	The responsibilities, frameworks and foundation blocks which impact the legal and compliance obligations and activities.
Regulating Entities	Any regulator, ombudsman or entity with the ability to issue a binding instruction on Aurora Energy.

6. Aurora Energy’s Compliance environment

The Aurora Energy’s compliance environment comprises three components;

- Responsibility – the areas responsible for driving the compliance culture.
- Frameworks – approved frameworks which assist Aurora Energy in managing the compliance environment
- Foundation - being the instruments that drive our compliance obligations.



* Refer Appendix A

7. Policy Statement

Consistent with the Code of Personal Conduct, Aurora Energy is committed to the highest standards of integrity, fairness and ethical conduct, including full compliance with all relevant legal requirements.

The Aurora Energy Group Compliance Policy statement is:

- In the conduct of its business Aurora will comply fully with all legal obligations both under statute and common law. A system of advice of changes to those legal obligations will exist to ensure continued compliance.
- In both its commercial and non-commercial activities Aurora shall endeavour to act as a model corporate citizen by acting in an ethical manner and in accordance with the spirit, as well as the letter of the law.
- Management's accountability for compliance is reinforced through formal assurances to the Board.
- Aurora shall strive to continually enhance the Integrated Compliance Management model (refer Appendix A) by ensuring;
 - ongoing awareness of the Company's legal obligations throughout the organisations
 - all contact with regulating entities is managed in a timely and professional manner as outlined in the Compliance Operational Policy
 - all non-compliances will be reported, investigated and resolved as outlined in the Non-Compliance Management Policy
 - an efficient system is established for ongoing monitoring of compliance with legal and policy obligations.

8. Compliance Governance Responsibilities

The Aurora Energy group compliance framework relies on the role and responsibilities of the Board as supported by the Aurora Energy Executive Team (AET), Group Risk and Internal Audit, the Divisional Compliance Resources and Regulatory Compliance Manager who all have direct responsibility and accountability for compliance activities within their areas of business.

There are four key categories of responsibility associated with compliance within Aurora Energy. All other responsibilities are outlined in the Compliance Operational Policy.

8.1 Aurora Energy Board

The Aurora Energy Board and Directors bear the ultimate responsibility for Aurora Energy's corporate governance and compliance standards. The respective Boards of Directors of subsidiary companies are responsible for corporate governance and compliance standards of those entities, which are to meet the standards of this Policy.

The Board delegates accountabilities through the Board Audit and Risk Committee (BARC) to management to ensure that the implementation and monitoring of compliance is adequate to identify and report breaches of compliance obligations.

8.2 Internal Audit Functions

The Internal Audit team are required to perform targeted reviews on behalf of the Aurora Energy Board, from time to time this scope of work includes adherence to group policy including compliance with

associated procedures. The scope of work performed by this team is determined and approved by the Board Audit and Risk Committee.

8.3 Policy Owner

The nominated policy owner is required to ensure that Integrated Compliance Management Model and associated Policies are reviewed and tabled to the appropriate audience for approval and adoption.

Framework and Policy	Approval Responsibility
High Level Non-Operational Policy Framework and Associated Policies	Aurora Energy Board
Operational Policies	Aurora Executive Team (AET) members
Operational Procedures	Group Managers

Through its delegation of accountabilities to management, the Board reserves the right to formally approve all high level non-operational policy framework and associated policies as outlined in the Aurora Energy Delegations Manual.

8.4 Management

Management must ensure that there are adequate resources to develop, implement, maintain and improve compliance programs. These resources have responsibilities under divisional, functional and subsidiary frameworks, with a subset of the personnel collectively forming the Aurora Energy Management Compliance Committee ('MCC').

Management are responsible for actively promoting compliance and for establishing and maintaining a culture within their respective areas of responsibilities which ensure that breaches of Regulation, the Law and Company Policy do not occur.

9. Non-compliance with this Policy

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

10. Point of Contact

The key point of contact for this Policy is the Regulatory Compliance Manager.

Appendix A – Integrated Compliance Management Model

Outlined within the **Compliance Operational Policy**, the following management model exists to assist in driving accountability compliance culture across Aurora Energy.

The three components of the model are;

Policy for managing compliance – the Board and CEO approved group policies in place.

Framework for managing compliance – compliance is managed by complimentary components, the CEO and the Aurora executive team, including the delegation of responsibility to the Management Compliance Committee, the group compliance program, various compliance plans and complaint management.

Activities for managing compliance – due to the diversity of the business, activities for managing compliance occurs at both the divisional/functional/subsidiary (Group Compliance Plans) and group levels (Group Compliance Program).

Integrated Compliance Management Model for Aurora Energy

Policy for Managing Compliance	Framework for Managing Compliance	Activities for Managing Compliance
Aurora Energy Board	Aurora Executive Team	Group Compliance Program
Group Compliance Policy	Management Compliance Committee	Accountable Person Certificates Compliance Reviews Compliance Calendar Competency Training Non-Compliance Register
Aurora Executive Team	Group Compliance Program	Group Compliance Plans
Compliance Operational Policy	Group Compliance Plans	Divisional/Functional/Subsidiary Accountable Persons identified Control Self Assessments
Non-Compliance Management Policy	Complaint Management	Complaint Management
		Divisional processes Systemic identification points