

EMPLOYEE ENTERTAINMENT, HOSPITALITY AND GIFTS POLICY



PURPOSE

The purpose of this policy is to ensure that in the provision and acceptance of entertainment, hospitality and Gifts by the Energy Queensland Group:

- the expenditure is an Acceptable Use of Corporation Funds;
- the level of expenditure is within reasonable limits;
- the expenditure is for an official purpose and will provide benefit to Energy Queensland Group and/or its related organisations and/or the State of Queensland;
- there is adequate disclosure of the nature, purpose and expected outcomes;
- documentation is available to support the decision to provide entertainment, hospitality or Gift;
- that Energy Queensland Group business is conducted with honesty, integrity and to the highest levels of corporate governance; and
- that Gifts offered are appropriately reported and that employees not accept those Gifts that might influence or be seen to influence an individual's ethical business judgement.

POLICY STATEMENT

Energy Queensland Group will fund reasonable expenditure associated with entertaining employees, corporate customers, key stakeholders, industry representatives and/or contacts and interest groups for business purposes. The standard of entertainment proposed or undertaken is to be appropriate to the circumstances, reasonable and able to withstand public scrutiny.

This policy applies to any corporate hospitality, entertainment or Gift provided by Energy Queensland Group to:

- senior executives and employees;
- key corporate customers and prospective corporate customers;
- industry representatives and/or contacts;
- key suppliers;
- key stakeholders;
- shareholders and their representatives (including departmental officials); and
- community groups.

This policy also applies to any corporate hospitality, entertainment, Benefit or Gift received by employees. This policy supports compliance with the Government Owned Corporation Corporate Entertainment and Hospitality Guidelines (Guidelines).

IMPLEMENTATION

Application/Scope

This policy applies to Energy Queensland Group employees and contractors (where applicable) and any other personnel notified that this policy applies to them. This policy is intended to apply to a secondee to Energy Queensland Group. However, if an equivalent policy of the seconded employee's employer creates an enforceable right, this policy will

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apply to that employee only to the extent that it can operate consistently with the equivalent policy.

There is a separate Entertainment, Hospitality and Gifts policy for Directors of Energy Queensland Limited.

The provision of entertainment, hospitality or Gift may take many forms depending upon the recipient and the nature of the entertainment, hospitality or Gift.

The provision of entertainment and hospitality

Reasonable limits are to be observed for aggregate event expenditure and expenditure per head taking into account the nature and circumstances of the event and expected community standards.

Detailed procedures for specific types of entertainment and hospitality may be the subject of other Controlled Documents developed in relation to the receiving of entertainment, hospitality or Gift by employees.

In general terms, expenditure for entertainment and hospitality should only be undertaken where it is for official purposes and likely to:

- Maximise commercial opportunities for the Energy Queensland Group by strengthening links with existing or potential key customers and stakeholders; or
- Support and increase its standing as a responsible corporate citizen in the wider general community; or
- Recognise employees' contributions to the achievement of corporate goals and improve employee relations.

All Energy Queensland Group functions are to be:

- Approved by an appropriate financial delegate prior to incurring the expense. Sufficient grounds should be provided to the approving officer to substantiate that the expense incurred is reasonable, necessary, relevant to the business of and beneficial to Energy Queensland Group and the State of Queensland;
- Within reasonable expenditure limits; and
- Perceived by members of the public as being reasonable.

Where an employee receives an invitation to attend an event (e.g. sporting event, dinner, hospitality, entertainment) the employee should check with their supervisor or manager as to whether it is appropriate to accept the invitation **prior to** attending the event.

Attendance at the event should not involve time away from official duties unless the employee's supervisor or manager has approved this, or the employee is on approved leave at the time the event is held.

If the invitation is accepted, the employee must report the entertainment or hospitality to the Company Secretary (or their authorised delegate) using the Reportable Gift Form set out at Annexure A **prior to** attending the event or within 14 days of acceptance of the invitation (whichever is the earlier).

For the purposes of this policy, an invitation to a relevant business forum (including when associated with a meal), seminar or workshop does not require formal reporting as a Gift. A 'relevant business forum' for these purposes is one in which multiple organisations are represented, the primary activity is a business forum and it has the benefit of information received, for example, a seminar hosted by a law firm to which in-house lawyers are invited for the purposes of gaining continuing professional development (CPD) points, or a budget

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breakfast hosted by a professional services firm; or an invitation to an industry forum hosted by a relevant industry body to discuss topics of relevance to that industry.

The Statement of Corporate Intent will include details of total expenditure and individual commitments over \$5000 for entertainment and hospitality. Details of entertainment and hospitality provided is also reported to the shareholding Ministers in the Quarterly Shareholder Reports and the Energy Queensland Annual Report as required under the Guidelines. Single events that cost over \$5000 must be reported individually

Gifts and Benefits

In the course of their duties employees SHALL NOT:

- accept any Gift or Benefit other than from Energy Queensland Group for any official function or duties performed or not performed which could create a conflict of interest or be seen to create such conflict; nor
- accept any Gift of money or Benefit by way of loans and the like for any functions or duties performed or not performed.

A Gift is generally acceptable if it is a Token Gift or if it:

- is offered on the understanding that it does not place or appear to place the recipient under any obligation; or
- is not offered as payment for anything the recipient would do as an Energy Queensland Group employee;
- is normal in the giver or receiver's culture to accept the Gift so as not to cause offence (in this case, any Substantial Gifts should be accepted by the employee on behalf of the company); and
- does not influence, or have the potential to influence an employee in such a way as to compromise or appear to compromise integrity and impartiality or to create an actual, potential or perceived conflict of interest.

All Gifts or Benefits are reportable where the market value (actual or estimated) exceeds \$100 (excluding GST).

If the employee, within one year before the date of the receipt of the Gift, has received another Gift from the giver, and the current market value of all Gifts received exceeds \$100, all Gifts received once the cumulative \$100 value is reached are Reportable Gifts. It is recommended that individual employees maintain their own record of Gifts received so that the \$100 threshold can be monitored over the course of a year.

Regardless of the value of the Gift received, the employee may choose to declare all Gifts when they are received, whether or not they exceed the \$100 threshold.

If the Reportable Gift is an item of property, the supervisor or manager will advise the employee whether the Gift can be retained by the employee, or if it is to be treated as an asset of the company, or be disposed with the proceeds from the sale being recorded as revenue in the books of Energy Queensland Group. To assist the supervisor or manager in this decision process, the Company Secretary will provide, if necessary, an independent opinion on the appropriate treatment for the item of property. The supervisor or manager will record the details of the advice to the employee in the Gifts Register.

Gifts Register

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All employees must report any Benefit or Gift over the market value of \$100 excluding GST (in any 12-month period) to the Company Secretary (or their authorised delegate) within 14 days of receipt of the Gift. A Gift must be reported (using the standard Reportable Gift Form set out at Annexure A) by the employee, and this form must be endorsed by a supervisor or manager and forwarded to the Company Secretary (or their authorised delegate) within 14 days of receiving a Gift.

Making a declaration of a Gift below the \$100 threshold does not require management endorsement or submission to the Company Secretary. A Reportable Gift Form completed by the CEO or Executive Leadership Team member does not require endorsement of the Gift acceptance.

Where extraordinary circumstances exist for retention of a Substantial Gift by the employee or by Energy Queensland Group (where appropriate), Executive Leadership Team or CEO approval is required on the Reportable Gift Form.

In the case of Gifts received by the CEO or Executive Leadership Team member the Reportable Gift Form is to be completed and submitted to the Company Secretary, but does not require further endorsement or approval.

All Reportable Gifts will be recorded in a Gift Register to be maintained by the Company Secretary (or their authorised delegate). The following particulars will be recorded in the Gift Register maintained by the Company Secretary (or their authorised delegate):

- date the Reportable Gift was received;
- the person or entity providing the Reportable Gift;
- the person receiving the Reportable Gift;
- description of the Reportable Gift;
- for tangible Gifts received (i.e. non-hospitality/entertainment), whether the employee intends to keep the Gift or give it to Energy Queensland Group;
- if the employee keeps a tangible Gift, the estimated current market value of the Gift (note that the estimated value is not required for invitations to events).

The Company Secretary will collate and review the returns received from the business unit managers with regard to Reportable Gifts. The Company Secretary will use the report to monitor the frequency and value of Reportable Gifts received.

REFERENCES

P004. Employee Code of Conduct Policy

P005. Employee Conflict of Interest Policy

P013. Governance and Delegations Policy

GOC Corporate Entertainment and Hospitality Guidelines, Version 1, Queensland Government, September 2008

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DEFINITIONS

Acceptable Use of Corporation Funds	<p>Is a use which, in terms of expenditure for entertainment, hospitality and Gift:</p> <ul style="list-style-type: none">• Maximise commercial opportunities for the Energy Queensland Group by strengthening links with existing or potential key customers and stakeholders; or• Support and increase its standing as a responsible corporate citizen in the wider general community; or• Recognise employees' contributions to the achievement of corporate goals and improve employee relations.
Benefit	<p>Similar to a Gift in that it is of value to the recipient, but less tangible – for example, a new job or promotion, preferential treatment, or access to confidential information.</p>
Controlled Document	<ul style="list-style-type: none">• Means all policies, procedures, standards, references, work instructions, training materials, forms, templates, strategy and quick reference guide.• Controlled documents are under formal control and made available via the business entities' approved repositories of Energy Queensland Controlled Docs, Energex RED and Process2Go, the Ergon Energy Process Zone, and SPARQnet Processes.• Includes Joint Controlled Documents.• Controlled documents are used to manage processes, and thus work, i.e. they define how we operate. They contain standard, re-useable information.
Energy Queensland Group	<p>Energy Queensland Limited, its subsidiaries and related bodies corporate.</p>
Gift	<p>An item of value – money, voucher, entertainment, hospitality (e.g. at sporting and cultural events), travel, commodity, property, prize competition – that one person presents to another. Gifts may be either offered as an expression of gratitude with no obligation to repay; or given to create a feeling of obligation; or given as part of a competition.</p>
Gift Register	<p>Energy Queensland Limited register of details of all Reportable Gifts.</p>
Reportable Gift	<p>A Benefit or Gift (or a series of Benefits or Gifts) with a (cumulative value over 12 months) of \$100 or more) that has been accepted by a member of Energy Queensland Group personnel in accordance with this policy.</p>
Reportable Gift Form	<p>The form set out at Annexure A to this policy.</p>
Reportable Gift Register	<p>The register of Reportable Gifts maintained by the Company Secretary.</p>

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Substantial Gift	A Gift that is extravagant and/or of excessive value, exceeding industry norms, which should be refused under this policy - unless extraordinary circumstances exist.
This policy	This policy and any related documents.
Token Gift	A Gift of low with no significant or lasting value nature, and one that conforms to industry/country norms – for example, an inexpensive modest pen, tie, scarf, plaque.

ENFORCEMENT

A breach of this policy may breach GOC Corporate Entertainment and Hospitality Guidelines, Version 1, Queensland Government, September 2008 and in any case, should be reported to your line manager.

VARIATION

This policy is not intended to detract from, or add to, any rights held by a person covered by this policy under a contract of employment or enterprise agreement. Subject to any consultation obligations, Energy Queensland Limited may vary, add to, withdraw, or replace this policy, at its discretion, at any time.

CATEGORY

Governance.

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ANNEXURE A – REPORTABLE GIFT FORM

Employee Details	
Name:	
Payroll Number:	

Reportable Gift Details	
Date Received:	
Received from:	
Description (describe the full attributes and composition):	
Purpose:	
Estimated Current Market Value:	
Present Location (if item of property):	

Signatures	
Employee:	
Supervisor	
Name:	
Position Title:	

Entry to Register	
Entered By:	
Date:	