

Sponsorships, Memberships, Advertising, Donations, Corporate Entertainment and Hospitality

Policy Statement

CS Energy is committed to ensuring expenditure on sponsorships, memberships, advertising, donations, corporate entertainment and hospitality is prudent, efficient, transparent, properly approved, and aligned with its business and community objectives. As a publicly owned corporation, CS Energy will ensure this expenditure provides value for money and maintains public trust.

All expenditure covered by this policy must have a clear business purpose and deliver a benefit to CS Energy, the State and/or the communities in which CS Energy operates. The purpose expected outcomes and anticipated benefit must be clearly disclosed before approval. It must be appropriate, justifiable, consistent with community expectations, and able to withstand public scrutiny.

Objectives

CS Energy will:

- Ensure expenditure is incurred only for legitimate business purposes
- Demonstrate responsible stewardship of public resources
- Apply appropriate approval, delegation and reporting requirements
- Ensure expenditure is reasonable, justified and proportionate
- Identify, manage and disclose conflicts of interest
- Maintain transparency, accountability and public confidence in expenditure decisions.

Scope

This policy applies to all CS Energy directors, employees, contractors and consultants involved in proposing, approving, administering or incurring expenditure on sponsorships, memberships, advertising, donations, corporate entertainment and hospitality.

Such expenditure may involve or be directed towards:

- Customers and prospective customers
- Suppliers and business partners
- Community organisations and local communities
- Government representatives and regulatory bodies
- Shareholding Ministers and their representatives, including departmental officials
- Industry associations
- Other stakeholders with whom CS Energy has a legitimate business, strategic, operational or community relationship.

This policy does not apply to:

- Business-related travel expenditure
- Gifts and benefits received by CS Energy personnel
- Procurement and contract management activities
- Employee expenses or activities governed by other approved corporate policies and procedures.

Responsibilities

The Board will:

- Approve this policy and review it at least every two years to ensure it aligns with CS Energy's operating environment and Government and community expectation
- Set expectations regarding acceptable expenditure, delegations, conflicts of interest and documentation requirements
- Oversee reporting on expenditure and compliance, including reporting to shareholding Ministers and reporting obligations arising from the Statement of Corporate Intent, quarterly reporting and annual reporting requirements
- Oversee material risks associated with expenditure covered by this policy.

The Chief Executive and Executive Leadership will:

- Implement governance arrangements to support compliance with this policy
- Monitor expenditure through reporting, assurance and review processes
- Regularly review expenditure to ensure it remains justified and delivers value for money
- Ensure shareholding Ministers are informed of significant proposed expenditure before binding commitments are entered into, where required
- Ensure appropriate systems and controls are in place to support compliance and accountability.

Heads of Department and Managers will:

- Apply and promote compliance with this policy
- Ensure expenditure is justified, proportionate, appropriately approved and adequately documented
- Ensure expenditure decisions are supported by documented business rationale, expected outcomes and evidence of value to CS Energy
- Monitor compliance and escalate material issues, risks or exceptions.

All Staff (including contractors) will:

- Comply with this policy and associated procedures
- Obtain approval before committing expenditure
- Maintain accurate records
- Promptly disclose actual, perceived or potential conflicts of interest.

Governance requirements

CS Energy will maintain governance arrangements that support effective oversight, accountability and transparency, including:

- Clearly defined approval authorities and delegations

- Monitoring and reporting of expenditure
- Management of actual, perceived and potential conflicts of interest
- Maintenance of documentation and records
- Periodic review of expenditure categories, trends and effectiveness
- Assessment of material activities against CS Energy's strategic objectives and commitments outlined in the Statement of Corporate Intent and other approved strategic plans
- Expenditure and associated activities must not create, or reasonably be perceived to create, inappropriate influence over decision-making, procurement activities, regulatory interactions, approval processes or commercial relationships.

Governance arrangements must ensure expenditure across all categories covered by this policy is reasonable, appropriate, consistent with community expectations and capable of withstanding public scrutiny, having regard to CS Energy's status as a publicly owned corporation.

Approval of expenditure

All expenditure must be approved by an appropriate financial delegate in accordance with CS Energy's Delegations of Authority Policy and applicable financial delegations before the expense is incurred or any binding commitment is entered into. Approvers must have sufficient grounds to be satisfied that the proposed expenditure:

- Has a clearly identifiable business purpose
- Delivers demonstrable benefits
- Represents value for money
- Is reasonable and proportionate having regard to community expectations.
- Is necessary, relevant and beneficial to CS Energy, the State and/or the communities in which CS Energy operates.

Documentation and recordkeeping

Documentation supporting expenditure under this policy must, where applicable, include:

- A description of the activity
- The business purpose and expected benefits

- The strategic, commercial, operational or community outcomes sought
- Approvals obtained
- Names, organisations and relationship to CS Energy of participants or attendees
- Expenditure incurred
- Conflicts of interest declared and management actions taken
- Invoices and supporting financial records
- Any reporting obligations arising from the activity.

Documentation must be maintained in accordance with applicable recordkeeping requirements and be sufficient to support audit, financial reporting and taxation obligations.

Monitoring and Reporting

Expenditure under this policy will be monitored and reported through established governance processes, including:

- Board reporting
- Executive reporting
- Statement of Corporate Intent reporting
- Quarterly reporting to shareholding Ministers
- Annual reporting obligations
- Any other applicable shareholder reporting requirements.

Significant proposed expenditure must be communicated to shareholding Ministers before binding commitments are entered into, where required by shareholder expectations or reporting obligations. This will occur primarily through each entity's Statement of Corporate Intent and Quarterly Report. Where timing does not allow prior inclusion in those processes, notification will occur through an appropriate alternative channel before commitment, having regard to the nature, value and sensitivity of the expenditure. Routine, low-risk or previously approved expenditure does not require separate prior notification.

For sponsorships, memberships, advertising, donations, corporate entertainment and hospitality, individual activities or commitments over \$5,000 must be reported separately where required. Total expenditure across all applicable categories must also be reported through the Statement of Corporate

Intent, quarterly reporting and annual reporting processes.

Specific Categories of Expenditure

Sponsorships, Grants and Direct Financial Support

Sponsorships, grants and other direct funding activities must:

- Align with CS Energy's strategic, commercial, operational or community objectives
- Provide a demonstrable benefit to CS Energy, the State and/or the communities in which CS Energy operates
- Deliver value for money
- Be provided transparently and in accordance with approved governance processes
- Primarily support local and regional communities in which CS Energy operates
- Contribute to strengthening relationships and outcomes within those communities.

Donations

Donations must:

- Deliver a genuine community benefit
- Align with CS Energy's values and objectives
- Be consistent with community expectations
- Be provided transparently and appropriately authorised.

Memberships

Memberships must:

- Support business needs, strategic objectives, regulatory obligations, industry participation requirements or professional development outcomes
- Deliver value to CS Energy
- Be cost-effective
- Utilise the lowest-cost membership option that meets business requirements where multiple tiers are available
- Be periodically reviewed to ensure continued relevance and benefit.

Advertising

Advertising expenditure must:

- Support business objectives or regulatory obligations
- Be appropriate to the intended audience

- Deliver value for money
- Be targeted, justified and proportionate to the intended outcomes.

Corporate Entertainment and Hospitality

Corporate entertainment and hospitality means the provision of meals, refreshments, entertainment, hospitality, hosted events or functions for employees, directors and/or external stakeholders undertaken for a legitimate business purpose. Such activities must support CS Energy's strategic, commercial, operational or community objectives and provide a demonstrable benefit to CS Energy. Activities may be held on CS Energy premises or at external venues.

Corporate entertainment and hospitality reporting must include employee-related events such as recognition events, award ceremonies and similar activities where reportable under applicable shareholder reporting requirements.

Corporate entertainment and hospitality must:

- Have a clear and legitimate business purpose
- Demonstrate a clearly identifiable business, stakeholder, strategic or community benefit
- Not be used as a substitute for routine business meetings
- Be reasonable, proportionate and appropriate, having regard to community expectations
- Be reasonable on a per-person basis
- Be appropriately approved and documented
- Be managed to avoid or appropriately address actual, perceived and potential conflicts of interest
- Be capable of withstanding public scrutiny.

Participation in corporate entertainment and hospitality activities must be limited to individuals whose attendance supports the purpose and intended outcomes of the activity.

The mix of CS Energy representatives and external attendees should be appropriate to the purpose of the activity. Attendance by CS Energy representatives should generally be limited to individuals with a direct role

or interest in the business purpose being advanced.

External guests should ordinarily comprise a majority of attendees.

Attendance by partners, family members or personal guests should occur only where there is a clear business, ceremonial, community or protocol purpose.

Such attendance must be specifically approved in accordance with applicable delegations.

This policy should be read in conjunction with the Delegations of Authority Policy and relevant procedures.