

1. Financial management policy

1. Brief description

1. *Effective financial management, incorporating accurate, transparent, compliant and timely information is critical in supporting Western Power's strategic objectives as well ensuring stakeholder and regulatory confidence in Western Power.*

a. Purpose

To:

- (i) outline the principles governing Western Power's financial management activities
- (ii) set a framework for Western Power's financial management activities that accords with corporate objectives and legal responsibilities and provides a control environment for the appropriate use of corporate resources.

b. Scope

This Policy applies to all Western Power Personnel.

In this Policy, Personnel means:

- (i) every employee, officer and director of Western Power, and
- (ii) every contractor of Western Power when performing activities on behalf of Western Power.

c. Principles

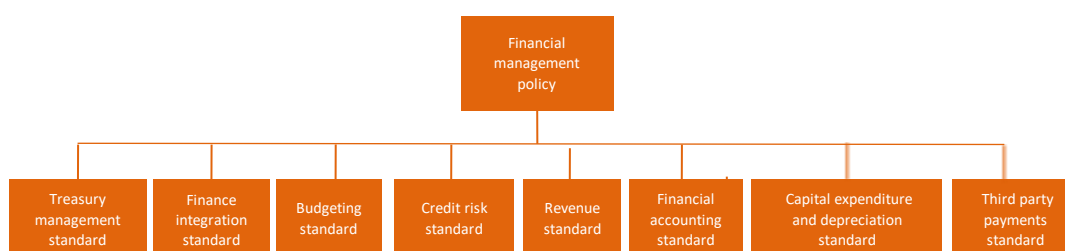
Western Power will:

- (i) comply with all legislative and regulatory requirements and adhere to all appropriate industry standards relating to financial management
- (ii) conduct financial management activities in a transparent, responsible, efficient, and accountable manner with due care and integrity
- (iii) manage its expenditure through an appropriate budgeting process
- (iv) mitigate risks associated with financial mismanagement
- (v) accurately record financial information that enables Western Power to make informed business decisions
- (vi) record assets in a manner that allows Western Power to transparently and accurately reflect the value of those assets
- (vii) ensure that assets are insured to mitigate risk and exposure to Western Power
- (viii) implement processes that identify, evaluate and manage financial risk exposures

- (ix) provide adequate and timely information of Western Power’s financial position to Western Power’s Executive and Board
- (x) ensure all Personnel responsible for the management of financial risks understand Western Power’s objectives and are accountable for managing financial risks within the limits of their authority
- (xi) ensure the roles and responsibilities of all Personnel involved in financial management are clearly defined and understood
- (xii) promote awareness of financial management to Personnel to guide day to day decision making.

d. Supporting frameworks

This Policy is supported by the following framework:



The Treasury management standard is approved by the Board, all other Standards listed are approved by the Chief Financial Officer.

2. Accountabilities

Policy content owner:

Accountable for:

- (i) implementing this Policy
- (ii) preparing, issuing and maintaining any required Standards
- (iii) ensuring that people affected by this Policy and its related Standards are aware of their responsibilities
- (iv) ongoing education (as necessary)
- (v) monitoring compliance with the requirements of the Policy and its related Standards
- (vi) ensuring that appropriate remedial actions are taken if there are compliance breaches
- (vii) monitoring the continuing relevance of the Policy and the currency of its contents.

General Counsel:

Accountable for publishing the approved version of this Policy, and any Standards issued under it, in Western Power’s corporate policies register.

3. Review

This Policy will be reviewed and evaluated by the Board at least once in every three-year period taking into account the purpose of the Policy, or earlier if circumstances require.

4. Dictionary

Words in the first column of the following table are defined terms and have the corresponding meaning shown in the second column of the table. Defined terms appear in this document as capitalised.

Defined term	Meaning
Personnel	Has the meaning in section 1.2 of this document
Policy	this Financial management policy
Standard	Refined statements of principle within a specific area covered by a Policy that assist with the achievement and implementation of the stated outcomes of that Policy.
Western Power	Electricity Networks Corporation

5. Further information

If you have any questions in relation to this Policy, please contact either the Head of Finance & Metering or the General Counsel.

6. Content owner

Chief Financial Officer

7. Related documents

Title	Reference
Budgeting standard	EDM 27397126
Capital expenditure and depreciation standard	EDM 34111482
Corporate document framework	EDM 23219616
Credit risk standard	EDM 25915013
Finance integration standard	EDM 43924724
Financial accounting standard	EDM 33753480
Revenue standard	EDM 34063522
Third party payments standard	EDM 34065872
Treasury management standard	EDM 34065853

Title	Reference
Other reference documents	Reference
Authority to execute documents under sub-section 135(4)	EDM 34010490
Delegation of financial authority policy	EDM 42624629
Enterprise risk management standard (sits under Risk \$ Assurance Policy)	EDM 41495635

8. Approval history

Version	Approved by	Date of approval	Resolution no.	Notes
2.	Board	05/08/2014	015/2015/BD	
3.	General Counsel	05/08/2014	004/2015/BD	Approval of minor changes under delegated authority.
4.	General Counsel	09/06/2016	004/2015BD	Approval of minor changes under delegated authority.
5.	General Counsel	23/01/2017	004/2015BD	Approval of minor changes under delegated authority
6.	Board	04/06/2019	087/2019BD	Approval of the content of the policy.

Sam Barbaro
Company Secretary