

Policies and Procedures

These Policies and Procedures were developed and approved by the FlexForum Steering Group under the FlexForum Constitution.

Version	Date approved	Change
1.0	7 September 2023	Initial Policies and Procedures <ul style="list-style-type: none"> • Annual subscription policy • Process for identifying and mitigating conflicts of interest of Steering Group members policy
DRAFT 2.0	13 June 2023	<ul style="list-style-type: none"> • Membership application process procedure inserted at 1 • renumbering of pre-existing policies following inclusion of Membership application process • document competition protocols • replace clause 2.7 'The Steering Group may set proportional subscription fees for Members joining after the specified payment date for the annual subscription.' with 'The year for each annual subscription starts on the date on the subscription invoice. For example, the membership year for a Member invoiced on 1 February 2024 ends 31 January 2025.'

1. Membership application process

1.1. Any person wanting to become a Member will apply in writing to info@flexforum.nz:

- a) request Membership to participate in activities to achieve the FlexForum objective and purpose
- b) agree to pay the annual subscription given their circumstances and the criteria in clause 1.2, or, request a specific reduction or waiver of the applicable annual subscription according to the process described in clause 1.5.

Requests to reduce or waive the applicable annual subscription will be decided by the Steering Group using the criteria set out in clauses 1.6 and 1.7.

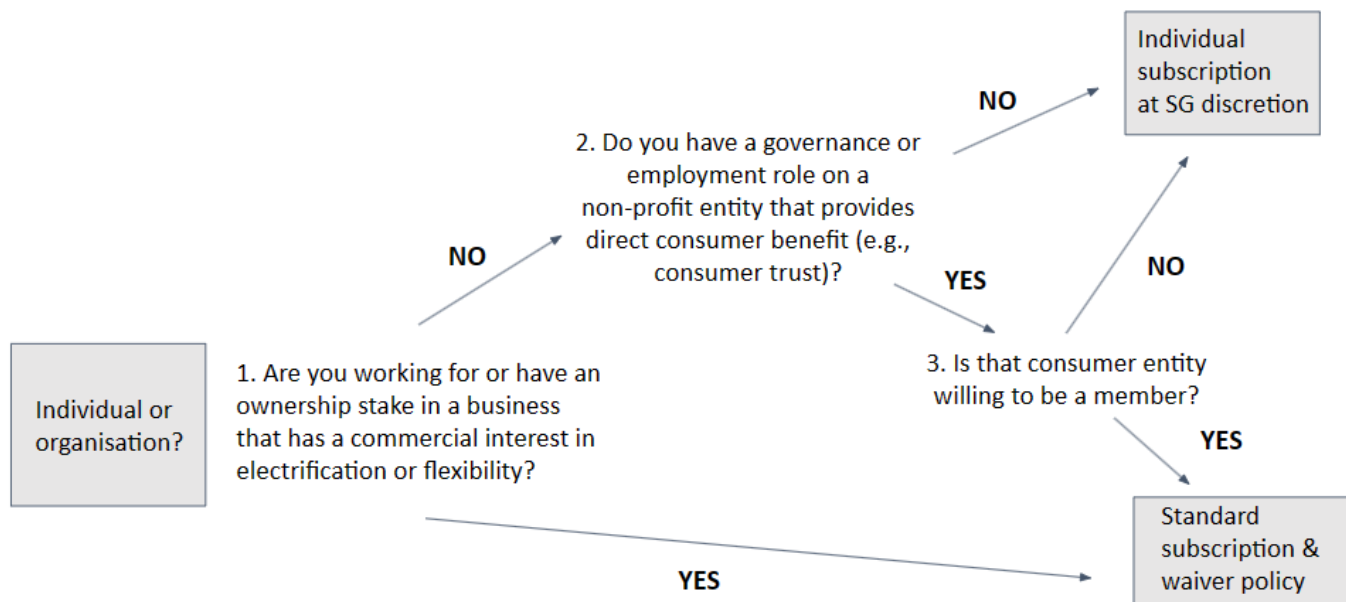
1.2. Membership requests will be considered and decided by the Steering Group as soon as practicable.

1.3. There are four Membership categories:

- a) individuals who are consumers
- b) organisations with an annual turnover of \$5 million or less

- c) organisations not in the other three categories and industry associations
- d) specified organisations:
 - i. large electricity suppliers (ie, gentailers), for example, Contact Energy, Genesis Energy, Manawa Energy, Mercury Energy, Meridian Energy and Nova Energy
 - ii. electricity distributors with 100,000 or more installation control points and Transpower
 - iii. large electricity users directly connected to the transmission grid.

1.4. The Steering Group will use the following process criteria to determine if a prospective Member is an individual who is a consumer or an organisation:



1.5 At the discretion of the FlexForum Chair, a prospective member may attend a FlexForum Member meeting prior to an application for membership under the categories in Section 2.

2. Annual subscription

- 2.1. There is no joining fee to participate in the FlexForum.
- 2.2. There is an annual subscription of:
 - a) \$0 for individuals who are consumers
 - b) \$1,500 for organisations with an annual turnover of \$5 million or less
 - c) \$10,000 for organisations not in the other three categories and industry associations
 - d) \$20,000 for the following:

- i. large electricity suppliers (ie, gentailers), for example, Contact Energy, Genesis Energy, Manawa Energy, Mercury Energy, Meridian Energy and Nova Energy
 - ii. electricity distributors with 100,000 or more installation control points and Transpower
 - iii. large electricity users direct connected to the transmission grid.
- 2.3. The annual subscription amounts in clause 1.2 exclude goods and services tax.
- 2.4. The Steering Group will annually review the amounts for each annual subscription category described in clause 1.2 to ensure the amounts are sufficient to fund the functions and activities described in the FlexForum Workplan and budget.
- 2.5. A Member or prospective Member may apply in writing to request a specific reduction or waiver of the applicable annual subscription. The request must include an explanation of why the reduction or waiver is necessary to enable their participation in the FlexForum and how their participation is beneficial to achieving the objectives and purpose of the FlexForum.
- 2.6. The Steering Group may, at its complete discretion, reduce or waive the annual subscription of a Member or a prospective Member which has made a request according to clause 1.5, taking into account the following:
 - a) whether the Member or prospective Member’s financial situation is sufficiently challenging that a reduction or waiver is necessary to enable that entity to participate in the FlexForum
 - b) whether their potential contribution to the FlexForum is sufficiently unique in respect of achieving the objectives and purpose of the FlexForum
 - c) whether the decision to reduce or waive the annual subscription would adversely affect the ability of the FlexForum to fund itself
 - d) whether the Member or prospective Member is committing to a material in-kind contribution to support delivering the objectives and purpose of the FlexForum.
 - i. An in-kind contribution will be considered material considering the opportunity cost to that Member or prospective Member
 - ii. The in-kind contribution must either reduce the FlexForum’s budgeted cash costs associated with achieving its objectives and purpose, or accelerate the achievement of FlexForum’s objectives
 - iii. Membership of the Steering Group does not qualify as an in-kind contribution.
- 2.7. The year for each annual subscription starts on the date on the subscription invoice. For example, the membership year for a Member invoiced on 1 February 2024 ends 31 January 2025.
- 2.8. The Steering Group will provide Members with information on the annual subscription amount for each current Member and the reasons for annual subscriptions that have been reduced or waived.

3. Process for identifying and mitigating conflicts of interest of Steering Group members

- 3.1. All Steering Group members must disclose details of their interests to the Steering Group Chair.
- 3.2. Interests must be disclosed as soon as practicable after the member becomes aware that he or she is interested, or the nature of the interest materially alters, or the extent of the interest materially increases.
- 3.3. The details that must be disclosed are:

- a) the nature of the interest and the monetary value of the interest (if the monetary value can be quantified)
 - b) the nature and extent of the interest (if the monetary value cannot be quantified).
- 3.4. A person is interested in a matter if he or she:
- a) may derive a financial benefit from the matter
 - b) is the spouse, civil union partner, de facto partner, child, or parent of a person who may derive a financial benefit from the matter
 - c) may have a financial interest in a person to whom the matter relates
 - d) is a partner, director, officer, board member, or trustee of a person who may have a financial interest in a person to whom the matter relates
 - e) is otherwise directly or indirectly interested in the matter.
- 3.5. A person is not interested in a matter:
- a) if his or her interest is so remote or insignificant that it cannot reasonably be regarded as likely to influence him or her in carrying out his or her responsibilities
 - b) only because he or she has past or current involvement in the relevant sector, industry, or practice.
- 3.6. A member who is interested in a matter must receive written permission from the Chair:
- a) to vote or take part in any discussion or decision of the Steering Group relating to the matter, or otherwise participate in any activity that relates to the matter; and
 - b) sign any document relating to the entry into a transaction or the initiation of the matter
 - c) to be regarded for the purpose of forming a quorum for that part of a meeting during which a discussion or decision relating to the matter occurs or is made.
- 3.7. The Chair must give prior written notice to the Steering Group that a member has been granted permission under clause 2.6.
- a) The Chair must be satisfied that it is in the interest of the FlexForum to grant permission under clause 2.6.
 - b) The permission may state conditions that the member must comply with.
 - c) The permission may be amended or revoked in the same way as it may be given.
- 3.8. The Steering Group will disclose an interest to which a permission relates in its annual report, together with a statement of who gave the permission and any conditions or amendments to, or revocation of, the permission.
- 3.9. If the Steering Group resolves by a two-thirds majority vote of its members that a member has failed to disclose an interest that is a conflict and this reflects badly on the FlexForum or is contrary to this Constitution, the Steering Group may admonish, suspend and/or expel that member.

4. Protocols for managing competition requirements of the Commerce Act 1986

- 4.1. FlexForum has a diverse membership spanning the electricity ecosystem with Members who are customers and competitors of other Members.

- 4.2. The Commerce Act 1986 prohibits anti-competitive conduct involving discussing commercially sensitive activity, including but not limited to agreements to fix, control or maintain prices, restrict output or capacity, or allocate markets or customers.
- 4.3. Given this, FlexForum will use the following protocols to manage competition requires of the Commerce Act 1986:
- a) **Independent chair.** The chair is required under the constitution to act independently of sectoral or organisational interests and must facilitate discussions and achieve consensus in a way that is objective and consistent with the objectives of the FlexForum and the interests of all Members. The chair will remind Members participating in FlexForum activities and events to avoid discussions and actions that are contrary to their obligations under the Commerce Act 1986.
 - b) **Independent secretariat.** The independent secretariat will support the chair and Steering Group to remind Members participating in FlexForum activities and events to avoid discussions and actions that are contrary to their obligations under the Commerce Act 1986.
 - c) **Steering Group independence.** Steering Group members will act in their personal capacity and not as representatives of their employer or organisation. Steering Group members will follow the process for identifying and managing conflicts of interest to avoid influencing deliberations or decisions where they have a conflict of interest.
 - d) **Meeting protocols.** Each formal FlexForum, Steering Group and Workstream meeting will have an agenda documenting the matters to be discussed and will begin by reminding attendees:

You should all be familiar with the requirements of the Commerce Act 1986, prohibiting anti-competitive conduct. You should not discuss commercially sensitive areas of competitive activity, including (but not limited to) relating to agreements to fix, control or maintain prices, restrict output or capacity, or allocate markets or customers.
 - e) **Transparency.** FlexForum events and activities will have a written agenda and a written record of decisions and actions. The constitution requires the Steering Group to operate transparently, including by promptly after each meeting publishing the agenda, relevant papers and notes outlining the discussions and decisions on the FlexForum website.