

THE GEOTHERMAL REPORTING CODE Second Edition (2010)

ANNEX 1

COMPETENT PERSON ACCOUNTABILITY

Complaints & Disciplinary Procedures

PREAMBLE

A Public Report concerning a company's Exploration Results, Geothermal Resources and/or Geothermal Reserves is the responsibility of the company acting through its Board of Directors. Any such report must be based on, and fairly reflect the information and supporting documentation prepared by, or under the direction of, a Competent Person or Persons. A company issuing a Public Report shall disclose the name(s) of the Competent Person or Persons, state whether the Competent Person is a full-time employee of the company, and, if not, name the Competent Person's employer. The report shall be issued with the written consent of the Competent Person or Persons as to the form and context in which it appears.

A 'Competent Person' must have a minimum of five years experience relevant to the type of Geothermal Play under consideration and to the activity that person is undertaking and must appear on the Register of Practising Geothermal Professionals maintained by the Australian Geothermal Energy Group Incorporated (AGEG) at the date of publication of the Public Report in question.

Persons acting as Competent Persons are accountable for their work, and in being enrolled on the Register of Practising Geothermal Professionals of AGEG (Register), they agree to be bound by the accountability procedures for Competent Persons described below and contained in the AGEG Code of Ethics for Persons on the Register of Practising Geothermal Professionals, as may be amended and notified from time to time (Code of Ethics).

The complaints procedure set out below has been designed to:

- establish whether a prima facie valid complaint that a Competent Person has breached the Code of Ethics exists;
- if so, give the Competent Person the subject of the complaint the opportunity to respond; and
- either dismiss the complaint or find the complaint to be upheld and impose an appropriate remedy or sanction.

1. SCOPE AND APPLICATION OF ANNEX 1

1.1 Annex 1 is intended to govern and apply to complaints received by the AGEG in respect of an alleged breach or breaches of the Code of Ethics by a Competent Person, as defined in the Geothermal Reporting Code Second Edition (2010) or later versions or editions (GRC), as follows:

- 1.1.1 if a complaint relates to the conduct of a Competent Person, where that conduct relates to, or substantially relates to, the Competent Person's professional activities (as a Competent Person or otherwise) in the geothermal sector;
- 1.1.2 if a complaint concerns a report covered by the GRC, where the report has been consented to in writing by the Competent Person under the GRC (as to its form and context).

2. MAKING A COMPLAINT REGARDING A COMPETENT PERSON

- 2.1 Any person wishing to make a complaint against a Competent Person should direct the complaint, in writing, by registered post, to:

The Secretariat
The Australian Geothermal Energy Group Incorporated
GPO Box 1671
Adelaide SA 5001

- 2.2 The complaint must specify:
- 2.2.1 the name and contact details of the person and/or entity making the complaint (the complainant);
 - 2.2.2 the name of the Competent Person the subject of the complaint, including, where available, his or her contact details and details of any relevant affiliation(s);
 - 2.2.3 details of the nature of the complaint and alleged breach(es) of the Code of Ethics in as much detail as is reasonably required to allow the AGEG to deal with the complaint in accordance with Annex 1, including but not limited to full details of any report concerned (noting that information supplied in relation to complaints made under Annex 1 is not covered by legal privilege);
 - 2.2.4 any other information within the complainant's knowledge that may be relevant to consideration of the complaint, including (but not limited to) knowledge of any personal or business relationship of the complainant or Competent Person with any member of the AGEG Executive Committee, Ethics and Standards Committee (ESC) and/or the Secretariat;
 - 2.2.5 what, if any, redress is being sought.

3. ACKNOWLEDGEMENT OF COMPLAINTS, CONSIDERATION OF CONFLICTS AND REFERRAL TO THE ESC

- 3.1 Within 14 days of receiving a complaint, the Secretariat must:
- 3.1.1 write to the complainant acknowledging receipt of the complaint, confirming that the complaint will be considered by the AGEG and estimating the time within which this will occur;
 - 3.1.2 consider whether the complaint gives rise to any conflict on the basis of the complainant or Competent Person having any relevant relationship to a member of the Executive Committee, ESC and/or the Secretariat or is a member of any of these or otherwise and, if so, adopt the procedures outlined below. (Note: such consideration will not be limited to any disclosure by the complainant.);
 - 3.1.3 refer the complaint, together with any evidence or additional information supplied by the complainant, by post to the Chairperson of the ESC, or if any conflict is deemed to exist, a deputy or other delegate authorised to receive and action the complaint.

4. CONSIDERATION OF COMPLAINTS

- 4.1 Within 7 days of receiving a complaint referral from the Secretariat, the Chairperson of the ESC shall call a meeting in person or via teleconference of the ESC and direct the Secretariat to send a copy of the complaint by post to each member of the ESC entitled to receive it.
- 4.2 A meeting of the ESC shall be convened within 14 days of referral of a complaint or as soon as practicable thereafter to discuss and consider whether a prima facie complaint under Annex 1 and the Code of Ethics exists, based on the evidence and information supplied by the complainant. A member of the Secretariat shall be in attendance at the meeting to take minutes. The meeting minutes shall be kept strictly confidential to the members of the ESC until such time as the matter is referred to the Executive Committee and then only disclosed to members of the Executive Committee entitled to such disclosure.
- 4.3 If, at this stage, the ESC decides that more information is required or desirable, the meeting will be adjourned and the Chairperson shall instruct the Secretariat to write to the complainant seeking such further information. In doing so, the Secretariat shall clearly state that failure to supply requested

information expressed as 'essential' or failure to reply at all within 21 days will result in automatic dismissal of the complaint.

- 4.4 The ESC meeting shall re-convene as soon as practicable after the receipt of any additional information requested to again consider whether a prima facie valid complaint under Annex 1 and the Code of Ethics exists.
- 4.5 All decisions of the ESC shall be made by a majority vote of those members present at the meeting in question, with the Chairperson having a casting vote if required. The quorum for a valid meeting of the ESC shall be 50% (rounded up to the nearest one if not a whole number) of the members of the ESC plus one.
- 4.6 If the ESC finds that no prima facie valid complaint exists, or if no response is received from the complainant within 21 days of a request for further information as set out above, the complaint will be dismissed by the ESC. The Secretariat will inform the complainant of this decision in writing.
- 4.7 If at any stage a complaint is found by the ESC to be prima facie valid, the Chairperson of the ESC shall instruct the Secretariat to write to the Competent Person the subject of the complaint, within 7 days, acknowledging receipt of a complaint, outlining the nature and specifics of the complaint and the grounds upon which it proceeds (in sufficient detail to allow a substantive response) and requesting that the Competent Person respond to the complaint in writing, within 21 days, including stating any reasons as to why the Competent Person maintains that the complaint should be dismissed. Upon receipt of a response from the Competent Person, a further meeting of the ESC shall, as soon as practicable, be convened, with a member of the Secretariat present to take minutes. The ESC will give further consideration to the complaint and the response from the Competent Person. Further information may again be required and requested by the ESC from the parties to the complaint as deemed necessary.
- 4.8 The ESC may meet on a number of further occasions to fully consider the complaint.
- 4.9 If no response is received from the Competent Person within 21 days, the Secretariat will make reasonable efforts for at least 14 days to contact that person and inform them of the existence of a complaint and provide them with a reasonable opportunity to respond.
- 4.10 If the Competent Person is not contactable within this period, the matter will be referred back to the ESC.
- 4.11 If the Competent Person is contacted but declines to provide a response within 21 days of contact, the ESC will be entitled to continue to consider the complaint in the absence of any response, provided that the Competent Person the subject of the complaint, is provided with at least one further opportunity, within a 21 day time period, to respond to the complaint before the ESC makes any finding.
- 4.13 If the complaint is upheld by the ESC, as soon as practicable thereafter, a special meeting of the Executive Committee shall be convened and informed of the decision of the ESC, with a recommendation that the Executive Committee endorse the decision. The Executive Committee shall have the right to seek third party advice before reaching its decision.
- 4.14 All decisions of the Executive Committee shall be made by a majority vote of those members present at the meeting in question, with the Chairperson having a casting vote if required. The quorum for a valid meeting of the Executive Committee shall be 5 members. A member of the Secretariat shall be in attendance at the meeting to take minutes.

5. APPEALS

- 5.1 The parties shall be informed by the Secretariat in writing of the decision of the Executive Committee and shall be further informed that they have the right to appeal the decision to the Executive Committee within 14 days.
- 5.2 Any such appeal shall be heard by the Executive Committee as soon as practicable after its receipt.

6. SANCTIONS

- 6.1 If the Executive Committee upholds the complaint, it will consider what, if any, sanction(s) should be imposed on the Competent Person.

- 6.2 The sanctions that the Executive Committee may impose include but are not limited to the issue of a warning or reprimand, publication of a notice of breach, an apology (written or verbal), fines, suspension or removal from the Register, the refund of any professional fees charged relating to the breach and recovery of the costs of any proceedings.
- 6.3 If the Executive Committee imposes a sanction, the Competent Person and the complainant shall be advised of any such sanction within 7 days.
- 6.4 In that event, the Competent Person and the complainant shall also be advised that they have the right to appeal the sanction to the Executive Committee within 14 days.
- 6.5 Any such appeal should be heard by the Executive Committee as soon as practicable after its receipt.

7. IMPLEMENTATION OF SANCTIONS

- 7.1 If a sanction is ordered by the Executive Committee and no appeal against that sanction is received within 14 days, then the sanction shall forthwith be implemented (for example by removing a Competent a Competent Person from the Register).
- 7.2 If an appeal is received within 14 days from either the complainant or the Competent Person, the sanction shall not be implemented until after the appeal has been finally resolved.

8. CONFLICT OF INTEREST PROCEDURES

- 8.1 If any conflict is found to exist under 3.1.2 above, any conflicted person shall be immediately notified of a conflict and excused from all functions and meetings of the Executive Committee, ESC and/or Secretariat for the duration of consideration and processing of the complaint. Any conflicted person shall not be permitted to take part in or receive minutes of any meetings addressing or referring to the complaint.

9. CORRESPONDENCE AND NOTICES UNDER ANNEX 1

- 9.1 Communications under Annex 1 should, where possible, be via letter, sent by registered post.
- 9.2 All communications directed to the AGEG should be addressed to the AGEG Secretariat and marked 'Private and Confidential'.
- 9.3 Where communications emanate from the AGEG, if feasible, the AGEG Secretariat should first send an e-mail to the intended recipient informing him or her that a registered letter will be posted after 24 hours, confirming the address and, where relevant, noting that a response is required within a certain time period.
- 9.4 No material concerning details of a complaint, or the identities of a person or persons making or the subject of a complaint should be sent via e-mail or fax, except where these necessarily appear in minutes of the Executive Committee and ESC meetings and in that case, only to the persons directly concerned with those meetings.
- 9.5 Postage to the Competent Person's address as this appears on the Register and as notified from time to time shall be sufficient notice by the AGEG for all purposes.

10. PROCEDURE

- 10.1 The AGEG ESC and Executive Committee shall be entitled to promulgate their own procedure for the handling of complaints (including as to matters such as reception of evidence, and whether to have oral hearings or legal representation).