



Application for Retail Authorisation – Electricity

Prepared for

Australian Energy Regulator

Level 35, The Tower

360 Elizabeth Street

Melbourne Central

Melbourne VIC 3000

Contents

Application for Retail Authorisation – Electricity	1
PART 1 - General Particulars	4
1.1 Legal Name & ABN	4
1.2 Registered Business Address	4
1.3 Nominated Contact.....	4
1.4 Intended Retail Commencement Date	4
1.5 Application Background.....	4
1.6 Nature and Scope of Operations	5
1.6.1 Ultium Energy Context.....	5
1.6.2 Ultium Energy Direction.....	5
1.6.3 Ultium Energy Short Term Goal	5
1.6.4 Ultium Energy Long Term Goal	6
1.6.5 Ultium Energy Market Opportunity Analysis	6
1.7 Jurisdiction	7
1.8 Type of Customers	8
1.8.1 Residential Strata Titled Communities	8
1.8.2 Commercial Strata Titled Communities	8
PART 2 – Entry Criteria	9
2.1 Organisational and Technical Capacity	9
2.1.1 Details of any previous experience as an energy retailer, or other energy market experience	9
2.1.2 Details of other retail experience	10
2.1.3 Details of retail and or energy experience of a person holding shares	10
2.2 Organisational Chart.....	11
2.2.1 Employees broken down to future business units(s)	11
2.2.2 Summary of qualifications, technical skill and experiences of company officers	11
2.3 Human Resources Policy regarding Employee qualifications	12
2.3.1 Training programs and training policies.....	12
2.4 Business Plan.....	12
2.5 Quality Assurance Accreditations	13
2.6 Compliance Strategy	13
2.6.1 Director Declaration regarding Risk Management and Compliance Management frameworks	13
2.7 Risk Management and Operational Strategy.....	14
2.7.1 Additional information which demonstrates Ultium Energy ability to manage risk	14
2.7.2 Details of insurance arrangements.....	15
2.7.3 Third party arrangements and/or contracts	15

2.7.4	Evidence of any membership of a recognised energy ombudsman scheme.....	15
2.7.5	Evidence of any arrangements with relevant market participants	16
2.7.6	Details of previously triggered RoLR provisions	16
2.7.7	Additional Information.....	16
PART 3 – Financial Resources		16
3.1	Independent Auditor appointed	16
3.2	Copies of information required by ASIC	16
3.3	Evidence of credit ratings	16
3.4	Group Structure.....	17
3.5	Forecast and Expenditure	17
3.6	Written declaration from Director	17
3.7	Retained Accounting Firm Statement.....	17
3.8	Retained Legal Firm Statement.....	17
3.9	Details of any bank guarantees	18
PART 4 – Appendices.....		18
4.1	Attachment A – Organisational Chart.....	18
4.2	Attachment B – Human Resource Recruitment Policy	18
4.3	Attachment C – Business Plan final	18
4.4	Attachment D – Director Declaration for Risk Management and Compliance	18
4.5	Attachment E1 – Compliance Management Strategy.....	18
4.6	Attachment E2 – Risk Management Strategy.....	18
4.7	Attachment F – Company Insurance Arrangements.....	18
4.8	Attachment G – Ultium Energy’s Group Structure	18
4.9	Attachment H – Forecast and Expenditure.....	18
4.10	Attachment I – Written Declaration from Independent Auditor	18
4.11	Attachment J – Declaration from Managing Director	18
4.12	Attachment K - Retained Accounting Firm Statement	18
4.13	Attachment L- Retained Legal Firm Statement	18
4.14	Attachment M- Dispute Resolution Policy	18
4.15	Attachment N- Ultium Energy Specialist Partners	18
4.16	Attachment O- Hardship Support Policy and Program	18
4.17	Attachment P- Employee Code of Conduct.....	18

PART 1 - General Particulars

1.1 Legal Name & ABN

Ultium Energy Pty Ltd (Referred to as Ultium Energy in this Document) ACN 611 028 230

Ultium Energy Pty Ltd will trade as Ultium Energy to its customers and clients

1.2 Registered Business Address

Physical

Level 5
45 Brisbane Road
Mooloolaba QLD 4557

Postal

PO Box 481
Moffat Beach QLD 4551

1.3 Nominated Contact

Primary Contact
Mr Scott Juniper
Managing Director
P. (07) 54777373

Secondary Contact
Mr Jason Hague
Stakeholder Engagement
P. (07) 54777373
E. jhague@localityplanning.com.au

1.4 Intended Retail Commencement Date

Ultium Energy will trade in electricity. Ultium Energy intends to start offering retail services in electricity from 1st January 2017. Ultium Energy has customers and clients ready to sign up with the company when appropriate licence is approved.

1.5 Application Background

Ultium Energy intends to sell energy under the National Energy Retail Law (Retail Law) and requires a retailer authorisation. Ultium Energy will as its core business the sale of energy to many customers. This application for a retailer's authorisation demonstrates Ultium Energy's capacity and resources to meet the obligations of an energy retailer under the Retail Law and the Retail Rules. Ultium Energy has the capacity and resources to meet reporting obligations under the AER (Retail Law) Performance Reporting Procedures and Guidelines. The application demonstrates that Ultium Energy:

- has the necessary organisational and technical capacity to operate as a retailer;
- has the financial resources to operate as a retailer; and
- has the suitable person(s) to hold a retailer licence.

1.6 Nature and Scope of Operations

1.6.1 Ultium Energy Context

Our Cities of the Future are to be higher in density with people being attracted to high rise developments for location and pricing of low density housing products rising. Policies that manage this growth and the issues they face are critical as they enable opportunity to reduce the impacts of rising energy prices that influence our built environment and economy. Ultium Energy intends to sell energy under the National Energy Retail Law (Retail Law) and, as a business help to contribute to minimising the rising impact on our urban regions.

Ultium Energy through its Directors and employees has had a focus on the changing nature of our built environment. As a result, Ultium Energy intends to sell energy under the National Energy Retail Law (Retail Law) and, as a business help to contribute to minimising the rising impact on our urban regions. As a retailer Ultium Energy will comply with the Retail Law and Retail Rules, as well as any relevant provisions of the National Electricity Law and Rules, National Gas Law and Rules, and jurisdictional energy legislation, before Ultium Energy starts selling energy to customers.

Ultium Energy is currently under agreement with several body corporates and strata management companies to consult regarding implementation of renewable assets and energy management systems.

Our current consulting practice is to advise what options are available to customers which include market negotiation on energy, billing services for electricity and renewable opportunities.

1.6.2 Ultium Energy Direction

It is the intention of Ultium Energy to take our embedded network solutions, which consist of bulk supply services (on-selling), to a higher level of compliance and regulation to the market.

Ultium Energy wishes to hold the parent retail account in place of the on-site body corporates, the Ultium Energy offering will be an all-inclusive product, physical equipment, site energy management, billing service and financial mechanism including debt responsibility, and this excludes Strata Management from conducting business in the usual on-selling exemption space. To facilitate this function Ultium Energy needs to require a Retail Authority Licence.

Ultium Energy does not propose to supply any customers outside of an embedded network and will only be supplying individual customers as a function within the embedded network of the parent complex, the Body Corporate (common area) is generally a small customer 50-100MWh/year, and will be supplied under the same mechanism as a residential or commercial customer of the complex.

1.6.3 Ultium Energy Short Term Goal

Ultium Energy is to provide cost savings to strata titled buildings through bulk energy purchasing. This is made possible by purchasing power from the National Electricity Market (NEM) at wholesale prices through a single parent meter and then on selling power through child meters to the individual

occupancies being either residential or commercial. This arrangement provides significant savings opportunities to strata titled buildings. The concept is not new and has been in play for some time, however the current service providers lack transparency and the ability to eliminate the capital cost for small customers and body corporates alike.

Ultium Energy will deliver a transparent energy solution to the consumer so they have a clear understanding of the costs and the savings to be made through delivering a bulk energy supply arrangement. In obtaining a Retail Energy Authorisation we intend to offer a level of regulatory standards never before seen in the bulk energy supply market, this will offer the consumer (small customer) protections and security that we would not otherwise be available to offer in the current 'exemption' space.

1.6.4 Ultium Energy Long Term Goal

Ultium Energy is to enter into long term Energy Supply Agreements (ESA) allowing Ultium Energy to aggregate quantities of energy allowing Ultium Energy to negotiate better pricing and pass that saving onto the customer.

1.6.5 Ultium Energy Market Opportunity Analysis

Ultium Energy has as its target market indicates, Strata Titles Residential Communities. Strata living is upwards of 36% in suburban city or greater city areas. Ultium Energy will focus it was found in large regional areas, (20-100,000 Residents) had a lower uptake of strata titled living (12%), whereas the spread across the communities in suburban city or greater city areas were consistent at 36%. The areas considered inner city or city central are almost exclusively strata title living (98%). Overall 42% of the population in NSW, 22% in QLD, and 29% in VIC live in a strata managed property.*(ABS)

Between the 2006 and 2011 census the uptake of strata titled/high density housing has grown by an average of 13.45% across the country.*(ABS)

Having a local uptake of strata titled living, aligning with the national average at 41%, the sunshine coast in Queensland held the perfect market test case scenario. Within the Ultium Energy professional network there were in three main sources where Ultium Energy found the opportunities to apply the general concept, these where;

- Strata Management Companies;
- Commercial Real Estate Agencies; and
- Residential Strata Developers.

Strata Management Companies, are a master key to entering the target market, they hold access to potential sites, key stake holders and are fundamental in law and function of a strata site. Ultium Energy fielded the peak strata community lobby group 'Strata Community Australia'(SCA) who have over 300 management companies as full members and a further 200+ associated services as members. In general they have close to 45,000 sites within their membership portfolio, of which only around 3,500 are known

to be utilising bulk electricity supply. Locally a SCA, have 21 Member companies, in which Ultium Energy approached 2, chosen due to a spread across the size spectrum;

- SSKB - a large interstate company with office all over the Eastern seaboard. SSKB are very open to facilitating the savings available to their client sites, indicating lack of transparency and perceived risk to the consumer as a reason for not pursuing the service.
- Archers Body Corporate Management – a state wide company with 150 sites locally, and 400 across the state with 5 offices up the Queensland coast. Having 27 sites with Bulk Electricity Supply (BES), and what is thought around 170 that are eligible, the balance of either unknown capacity or ineligible. The main reason for lack of uptake is a difficult integration process, with current providers unable to offer a full service to converting a site, making the committee responsible for the process and consumer issues. The administration that the BCM must conduct due to the exemption process creates an apathetic outlook towards implementing the service on managed sites.

Commercial Real Estate Agencies, are the entrance to the market on small commercial sites, and in most cases maintaining property manager and leasing agent roles. They maintain a close relationship with the landlords and the tenants. Through the MOA process Ultium Energy has made many inroads with several sites, and have found the BES opportunity very well received.

Residential Strata Developers, the BES concept is not new to any developer that Ultium Energy have made contact with, it is seen as a great 'up-sell' in assisting the off plans or showroom sales. The introduction of Bulk Energy at the concept/design stage of a project, allows the Community Title Scheme and the physical equipment to be established at inception. The services Ultium Energy intend to offer are much sought after in this sector, as disclosure and service arrangements need to be established in all sales documents. Ultium Energy have had ongoing product development meetings with 2 major developers in building the pipeline;

If the number of Strata Title sites continues growth on trend there will be a continual market for BES arrangements.

36% of the Australian Community living in strata schemes, being close to 150,000 sites with less than 2% taking advantage of BES. Being that Ultium Energy have aspirations to secure 12 service contracts in the first 12 months, and a local market availability of over 120 sites, and 6 conditional agreements pending to retail authority, there is little doubt that there is a market for a Nationally Compliant on-seller.

*Australian Bureau of Statistic (Population and Household Characteristics, Community Profiles 2011, cat no. 2069.0.30.001) and Strata Communities Australia

1.7 Jurisdiction

Ultium Energy intends to operate Nationwide along the Eastern seaboard in the larger cities, primarily in suburban residential areas – Queensland, New South Wales and Victoria.

1.8 Type of Customers

Ultium Energy intends to supply small customers <100MWh, who are only accessing electricity through an embedded network within a finite complex, these complexes sometimes contain small commercial businesses currently we do not expect any individual customer to consume more than 100MWh/year. Our Target market is strata titled communities and commercial strata titled buildings along the eastern sea board of Australia.

1.8.1 Residential Strata Titled Communities

Strata titled communities will comprise of two (2) types of customer base;

- 1) Buildings / Complexes that do not currently have bulk metering in place; and
- 2) Buildings / Complexes that do have bulk metering in place.

For strata titled buildings that do not currently have bulk metering, Ultium Energy will provide a complete turnkey solution. This incorporates all community consultation to ensure that the residents have a clear and full understanding of the benefits and costs associated with such an opportunity, this also includes completing on their behalf, the sometimes complicated process of dealing with network providers, negotiating best price outcome for energy supply arrangements and providing the complete physical change to the site and metering system. Once a strata titled community or buildings become part of the bulk energy supply Ultium Energy will then provide a complete billing systems on a user pays basis meaning that the customer will only pay for their proportionate share of energy and the costs associated with their direct consumption. The energy bill provided on a monthly basis will provide complete transparency to the customer detailing exactly how any costs were derived and making sure at all times that they understand their bill and are comfortable with standard of service provided. Within the AER framework as a licensed participant customers of Ultium Energy will be assured of a high level of regulation to support them if they feel they are not receiving the best outcome.

For a bulk energy supply opportunity to be viable and save the strata title community on energy costs there would need to be a minimum of thirty (30) occupancies, plus a common area demand creating an annual demand of approximately >200MW. Any strata titled community under this volume would not see significant savings through bulk supply, although they would see some minor energy cost reduction.

For strata titled buildings that are already taking advantage of bulk metering, Ultium Energy will offer a more transparent service providing complete transparency on customers bill where charges are derived giving them the confidence that the best bulk buying outcome is being delivered to them.

1.8.2 Commercial Strata Titled Communities

Commercial bulk energy supply provides a unique opportunity for commercial strata buildings and or landlords to support their commercial tenants by lowering energy costs, which in most cases can be significant portion of their monthly cost to business and goes a long way to assisting the financial viability of their tenants. Financially viable tenants equals long term commercial leases.

Ultium Energy can provide a complete turnkey solution for the landlord of commercial strata buildings adding value to their tenants for no cost to the landlord. This incorporates all commercial tenant consultation to ensure that the tenant has a clear and full understanding of the benefits and costs associated with the switch to bulk metering. This will also include the implementation of the sometimes complicated process of dealing with network providers, negotiating best price outcome for energy supply arrangements and providing the complete physical change to the site and metering system. It is possible that some commercial tenants may already be receiving a contestable energy rate because they may be a high energy user. We will work with high energy customers to ensure they are not disadvantaged from the move across to bulk metering.

For commercial opportunities a commercial strata community needs a minimum of around ten (10) tenancies and a demand profile of 500MW annually.

PART 2 – Entry Criteria

2.1 Organisational and Technical Capacity

2.1.1 Details of any previous experience as an energy retailer, or other energy market experience

Ultium Energy does not have experience as an energy retailer in the AER sense. Ultium Energy intends to utilise our extensive knowledge in the built environment, embedded network and specialist markets to support our retail activities. Ultium Energy currently has strategic relations with body corporate management companies which span the Eastern seaboard of Australia. These relations and future marketing operations will enable Ultium Energy to fulfil its desire to supply retail energy services. Ultium Energy has started to lock in commercial arrangements with 6 sites in South East Queensland through a in the consultative process that require retail authorisation to implement. These arrangements have extended to community consultation and legal processes, which align with the Ultium Energy 's request to obtain a retail authorisation.

Ultium Energy intends to sell energy under the National Energy Retail Law (Retail Law) and requires a retailer authorisation. Ultium Energy will as its core business the sale of energy to many customers. This application for a retailer's authorisation demonstrates Ultium Energy's capacity and resources to meet the obligations of an energy retailer under the Retail Law and the Retail Rules. Ultium Energy intends to offer touch point administration, customer enquiry services and dispute resolution. Ultium Energy has the capacity and resources to meet reporting obligations under the AER (Retail Law) Performance Reporting Procedures and Guidelines. The application demonstrates that Ultium Energy:

- has the necessary organisational and technical capacity to operate as a retailer;
- has the financial resources to operate as a retailer; and
- has the suitable person(s) to hold a retailer licence.

Ultium Energy is currently under agreement with several body corporates and strata management companies to consult regarding implementation of renewable assets and energy management systems.

Our current consulting practice is to advise what options are available to customers which include market negotiation on energy, billing services for electricity and renewable opportunities.

2.1.2 Details of other retail experience

Jason Hague was instrumental developed the complex retail mechanism for the Sunshine Coast Council solar farm that made the project commercially viable, able to integrate into the NEM and the distribution network. Jason Hague has supplied services across several body Corporate entities on the Sunshine Coast and is currently a chairman of a Body Corporate entity and understands all the issues relating to the integration of service provision in these network sites and facilities.

In addition Ultium Energy will facilitate recruitment of specialists for operations

2.1.3 Details of retail and or energy experience of a person holding shares

Jason Hague was responsible for delivering the business case for the Sunshine Coast Council demonstrating the financial viability and the principal architect in the unique energy retailing model using renewable energy as the generation source. He is a registered town planner with many years of experience working in both the public and private sector within the Sunshine Coast Region.

Table 1 Key Stakeholder Technical Skills and Related Experience

<i>Title</i>	<i>Name</i>	<i>Experience</i>
<i>Director</i>	Scott Juniper	<ul style="list-style-type: none"> Primary business interests are in property development. Scotts family business has been responsible for delivering over 1 billion dollars worth of developments in Queensland over the last 25 years
<i>CEO</i>	Jason Hague	<ul style="list-style-type: none"> 15 years of experience in the town planning field Experience in the management and co-ordination of other consultants and advisors in related technical and legal fields
<i>Business Development Officer</i>	Name - TBA	<ul style="list-style-type: none"> Experience
<i>Compliance Officer</i>	Name - TBA	<ul style="list-style-type: none"> Experience
<i>Customer Service/Crisis</i>	Name - TBA	<ul style="list-style-type: none"> Experience

<i>Contact</i>		
<i>Operations Manager</i>	Name - TBA	<ul style="list-style-type: none"> • Experience
<i>CFO</i>	Name - TBA	<ul style="list-style-type: none"> • Experience

2.2 Organisational Chart

See Ultium Energy Attachment A - Organisational Chart

2.2.1 Employees broken down to future business units(s)

Ultium Energy will have immediately post retail licence approval 6 direct employees

Position	Staff
Managing Director / CEO	1
Business Development Officer	1
Compliance Officer	1
Customer Service/Crisis Contact	1
Operations Manager	1
CFO	1

2.2.2 Summary of qualifications, technical skill and experiences of company officers

Jason Hague

Jason is a co-founder of Ultium Energy with Scott Juniper. Jason is a registered town planner with direct experience in community consultation and the development approval process for various energy projects throughout Southeast Queensland. Jason has fifteen years' experience town planning, working on projects spanning a range in scale for the residential and commercial industry.

Jason has developed an invaluable network of valued and skilled individuals within the industry. He has demonstrated experience in management and co-ordination of other consultants and advisors in related technical and legal fields including; solicitors, barristers, surveyors, architects, designers, ecologists, public notification consultants, environmental, acoustic, hydraulic and civil engineers. As such, Jason has developed comprehensive knowledge and experience across a variety of disciplines and projects - all of which are known for their capacity for presenting a range of challenges, solutions and opportunities.

Jason will contribute to Business Development within Ultium Energy.

2.3 Human Resources Policy regarding Employee qualifications

Ultium Energy has recruitment and selection process for new employees, requiring a predetermined set of qualifications set jointly by the Manager directly recruiting and the HR Manager. It is the responsibility of the manager recruiting with support from the HR Manager to ensure that the chosen candidate has the required experience and education to discharge the required duties of the specific role.

The Ultium Energy recruitment preference is to employ highly qualified and duly experienced personnel from within the energy sector as well as persons from associated business sectors. Our policy and process of recruitment include the following practices;

- Work force planning, role and budget rationale;
- Internal Professional and positional development;
- Public and targeted advertising;
- Established HR interview and offer process
- Legally vetted employment contracts

See Ultium Energy Attachment B - Human Resource Recruitment Policy

2.3.1 Training programs and training policies

Professional Development and industry involvement widely varies depending on the role. Ultium Energy endeavour to maintain an active industry presence and provide and encourage all employees the opportunity to participate in training seminars, and workshops.

Initial role specific internal induction training is performed and then whole company process induction is conducted, noting any cross over deficiencies to best schedule development training. An in-house mentor is assigned to each new employee to progress competency along with addressing any further capabilities through management.

Ultium Energy are working with Target Training a local training service provider, to identify and facilitate training both through internal and external training courses, and develop training policies as Ultium Energy becomes more operational.

See Ultium Energy Attachment B - Human Resource Recruitment Policy.

2.4 Business Plan

Ultium Energy's business plan is wholly focused on the provision of retail electricity supply to small customers within hardwired embedded networks. Ultium Energy sees the opportunity to bring a more compliant and regulated retail product to residential (small consumers) within the existing strata embedded networks. Currently residential consumers within an embedded network do not have access to the same consumer protections and rights that are afforded to standard market customers.

Ultium Energy does not wish to interact with AEMO in direct market interaction, but purchase the energy through a negotiated market contract with an existing authorised retailer. Distributing the network costs across the multiple embedded customers and passing on the volume energy rate.

The overall business plan was conceived during the integration of and provision of services to the strata-community sector. It was recognised that bulk purchasing and on-selling was a viable way to reduce electricity costs for residents of body corporates, within the exemption framework. What was also noticed was the lack of real advocacy in making cheaper electricity available for residents, with genuine high levels of service, and access to end user consumer protections. The primary focus of Ultium Energy has been redirected to provide this level of service and customer protection in addition to providing the most people with the most savings that in a manner where they are delivered through transparency and innovative solutions.

See Ultium Energy Attachment C – Business Plan.

2.5 Quality Assurance Accreditations

Ultium Energy has fully adopted a quality assurance framework based on Australian Quality Standards, in both the consistency of our provided services and our internal processes.

Ultium Energy intends to develop internal systems worthy of certified system recognition, currently working through SAI Global (Brisbane) for identification of procedures to develop.

2.6 Compliance Strategy

Ultium Energy is well aware of its obligations as an electricity retailer within the NEM, although not traditionally acting within it. Ultium Energy already carries out and maintains policies and processes to abide by these obligations in relation to its Retailer Authorisation and will utilise these same policies and procedures to provide effective management of its obligations as part of the NEM.

2.6.1 Director Declaration regarding Risk Management and Compliance Management frameworks

See Ultium Energy Attachment D – Director Declaration for Risk Management and Compliance

Ultium Energy compliance system includes a register detailing the regulatory obligations associated with retailing electricity. This currently focuses on Ultium Energy's existing activities in QLD building processes to meet National Retailer Authorisation (Electricity) Guidelines. The register is currently being updated to include Queensland-specific obligations, along with relevant acts, regulations and codes are key inputs to this register. Ultium Energy will not commence retailing activities Ultium Energy's compliance system is expanded in this way.

Ultium Energy's Strategic Compliance Plan supports the continual improvement, implementation and measurement of a compliance management framework aligned to the Australian Standard AS 3806–2006: Compliance Programs. The plan's primary aim is to focus on people, processes and systems to support compliance.

Due to the nature of bulk energy supply within an embedded network, the physical infrastructure of the Gate Meter, supplying Child or Orphaned meters the site practicality of a breakout individual meter is

difficult. The general arrangement is made within the Community Title Scheme (CTS), which is governed under the Body Corporate Act within each state, these have a fundamental clause in regards to the supply of utilities. Ultium Energy will have a contract to Supply the complex as a CTS, individual small customers may request a 'breakout' to a fully contestable retail arrangement, the process would require an application first through the Body Corporate, for amendment to the complex, if approved an individual NMI meter may be installed. This would be a direct cost burden on the individual title owner, it is estimated that this cost would be between \$4,000 & \$20,000 depending on site requirements. Ultium Energy will have notice of this process in any commercial contract agreed on by the Body Corporate.

See Ultium Energy Attachment M – Dispute Resolution Policy.

2.7 Risk Management and Operational Strategy

The major risks faced by Ultium Energy are market, operational, compliance, legal, reputation and capital adequacy. Ultium Energy has established a risk management framework which entails Risk Management Strategy and Risk Mitigation Support.

See Ultium Energy Attachment E – Risk Management Strategy and Risk Mitigation Policy

As indicated in the framework each area giving rise to such risk is to manage them, as Ultium Energy is a small company with Directors and shareholders acting in operational roles, it is difficult to maintain an independent, risk management group that can oversee all business areas. The structure does have a major advantage being that any ensuring risks are appropriately assessed and managed, quickly and directly. The root risk factors, which in turn will directly affect the whole are;

- Capital & Credit;
- Operational Risk; and
- Compliance.

Ultium Energy intends to have zero exposure to the wholesale electricity market as any supplied energy will be through a Bid/tender contract for forward purchased market rate energy. Ultium Energy intends to focus primarily on providing an energy pass through product and it is not expected that this exposure will be material. All risk surrounding 'wholesale' energy is associated only with the ability to service accounts (capital and credit) to suppliers, provide effective services (Operational) and billing (compliance) of 'on-sold' energy to small customers.

See Ultium Energy Attachment E – Risk Management Strategy and Risk Mitigation Policy.

2.7.1 Additional information which demonstrates Ultium Energy ability to manage risk

The objective of the National Energy Retail Law "is to promote efficient investment in and efficient operation and use of energy services for the long term interests of energy consumers with respect to price, quality, safety, reliability and security of supply of energy".

Ultium Energy has the ability to operate on embedded networks without a Retail Authorisation. But believes the applying for a Retail Authorisation is fundamental to the NERL objective. Ultium Energy intends to provide small consumers with an alternative approach accessing electricity without exposing them to undue hardship and reduced consumer protections. Ultium Energy believes that this approach will enable small consumers to realise lower energy prices, while maintaining protections.

See Ultium Energy Attachment O – Hardship Support Policy and Program

Ultium Energy is committed to offering innovative and reasonable payment solutions for customers facing difficulties. The Customer Hardship Support Program is designed to provide assistance to customers experiencing financial hardship and unable to make payments as required under Ultium Energy's Electricity Supply Agreement.

In general the Ultium Energy Electricity Supply Agreement Payment Terms are sufficiently flexible to meet the majority of our customers'. However, Ultium Energy acknowledges that at times customers may not be able to meet these guidelines. Therefore, residential customers who display a willingness to pay, but are prevented from doing so due to either ongoing hardship or temporary difficulties maybe eligible for Ultium Energy's Customer Hardship Support Program.

The Customer Hardship Support Program aims to provide support to customers in hardship with an opportunity to manage, stabilise and assist them out of the cycle of debt. This is achieved by offering a range of alternatives to best meet the customers' individual needs and situations.

2.7.2 Details of insurance arrangements

See Ultium Energy Attachment F – Company Insurance Arrangements.

2.7.3 Third party arrangements and/or contracts

Ultium Energy have intentions to in-source all staffing operational staff, and out-source certain compliancy and risk requirements, understanding that currently deficiencies in capacity are present, the compliancy and risk process will allow Ultium Energy to identify and consolidate these roles as required.

2.7.4 Evidence of any membership of a recognised energy ombudsman scheme

Dialog with Energy and Water Ombudsman Queensland has been opened. The Energy and Water Ombudsman Queensland (EWOQ) is a free, fair and independent dispute resolution service for unresolved complaints with your electricity, gas or water supplier. Pending Retail Authorisation and signing of a 'retail supply agreement', Ultium Energy will submit a scheme participation notification to EWOQ as per verbal instruction on the process. Ultium Energy have opened dialog with the EWOQ NSW, it was discussed that once a retail authorisation is obtained, participation in the scheme would be required to interact with small customers, application would be through the normal processes.

2.7.5 Evidence of any arrangements with relevant market participants

At present, Ultium Energy will purchase energy from existing authorised retailers, not directly from AMEO. Holding the retail contract on behalf of the strata site, will not change this function. Ultium Energy will hold a negotiated market retail contract with an existing authorised electricity retailer, this contract will be held on a 'gate/parent' NMI. Currently no such arrangements are in place and will be instated once retail activities commence.

2.7.6 Details of previously triggered RoLR provisions

Not Applicable – Ultium Energy has never triggered a RoLR provision.

2.7.7 Additional Information

See Ultium Energy Attachment N – Ultium Energy Specialist Partners

These Specialist Partners will provide third party services that Ultium Energy have engaged and intend to engage with to support the organisational and technical capacity of maintaining a retail authorisation.

PART 3 – Financial Resources

3.1 Independent Auditor appointed

Focus PG Chartered Accountants:

Allen Hertel has acquired over 25 years of experience in audit, taxation and business services which includes business restructuring, financial analysis, fraud investigations, expert witness testimony and tax planning. He is a forensic accountant, audit specialist and fraud investigator who has appeared in court as an expert witness.

See Ultium Energy Attachment I – Independent Auditor

3.2 Copies of information required by ASIC

No reporting to ASIC has been made at this stage - similar reporting can be made if requested.

3.3 Evidence of credit ratings

Ultium Energy is a private company, and has not been rated.

3.4 Group Structure

See Ultium Energy Attachment G – Group Structure.

3.5 Forecast and Expenditure

See Ultium Energy Attachment H – Forecast and Expenditure.

3.6 Written declaration from Director

See Ultium Energy Attachment J – Declaration from Director.

3.7 Retained Accounting Firm Statement

Core Business & Management Advice Pty Ltd:

Core Business & Management Advice Pty Ltd is well credentialed in accounting and commerce and is based in Birtinya, Sunshine Coast. They deliver multi-dimensional strategies to deliver broader, positive and more profitable impacts. Core Business & Management Advice Pty Ltd is well experienced in business coaching clientele and well equipping them with advice concerning business valuations, sales and acquisition, due diligence, asset protection. Business Analysis, Taxation Consultants and Superannuation Strategists are just a few of the many roles they perform to achieve the best financial outcomes for their clientele. Core Business & Management Advice Pty Ltd will provide consultancy services for corporate and compliancy on financial components of the Ultium Energy business. Ashley McQuirk will act as an independent financial auditor.

See Ultium Energy Attachment K – Retained Accounting Firm Statement.

3.8 Retained Legal Firm Statement

Miller Sockhill Lawyers:

Anthony Miller Anthony has gained over 15 years' experience in the legal industry having worked for firms in London, Brisbane and the Sunshine Coast and is admitted to both the Supreme Court of Queensland and High Court of Australia. Anthony sits on the tribunal for AFL Queensland, was a founding committee member and treasurer of the 4556 Chamber of Commerce. Anthony is also a registered migration agent.

See Ultium Energy Attachment L – Retained Legal Firm Statement.

3.9 Details of any bank guarantees

Ultium Energy has credit facilities organised for cash flow and has the financial resources to operate as a retailer and to hold a retailer licence.

PART 4 – Appendices

4.1 Attachment A – Organisational Chart

4.2 Attachment B – Human Resource Recruitment Policy

4.3 Attachment C – Business Plan final

4.4 Attachment D – Director Declaration for Risk Management and Compliance

4.5 Attachment E1 – Compliance Management Strategy

4.6 Attachment E2 – Risk Management Strategy

4.7 Attachment F – Company Insurance Arrangements

4.8 Attachment G – Ultium Energy’s Group Structure

4.9 Attachment H – Forecast and Expenditure

4.10 Attachment I – Written Declaration from Independent Auditor

4.11 Attachment J – Declaration from Managing Director

4.12 Attachment K - Retained Accounting Firm Statement

4.13 Attachment L- Retained Legal Firm Statement

4.14 Attachment M- Dispute Resolution Policy

4.15 Attachment N- Ultium Energy Specialist Partners

4.16 Attachment O- Hardship Support Policy and Program

4.17 Attachment P- Employee Code of Conduct

