



# Legal and Compliance Policy

## Policy Statement

Telecom will carry out its business activities in a way that: maximises business opportunities; has due regard to all applicable legal and regulatory requirements; and minimises Telecom's exposure to unacceptable legal and regulatory risk.

Telecom is committed to ensuring compliance with all applicable laws and regulations.

## Background

Our ability to comply with applicable legal and regulatory obligations, as well as our own core policies, impact the successful achievement of our business objectives. To enable compliance, Telecom people must be confident that they are working within appropriate legal boundaries, through knowledge of Telecom's obligations, and the provision of compliance tools and specialist support.

Failure to understand and act within appropriate legal boundaries can result in a number of negative consequences, including customer dissatisfaction, ineffective allocation of resources, missed business opportunities, failed business ventures, negative publicity,

penalties and damages, litigation, and the potential loss of customers.

Telecom must also be prepared to take appropriate steps, to restrain other companies from failing to comply with the law.

## Guidance

To support compliance with this Policy, Telecom has a group-wide compliance framework that includes:

- an obligations register that is risk-assessed;
- summaries of core legislation and regulation affecting the company's activities;
- definitions of legal and compliance roles and responsibilities;
- descriptions of key compliance programmes;
- tools including guidelines and checklists;
- links to relevant compliance competencies and curriculum;
- information on key specialists within Telecom;
- information on the key mechanisms for the early reporting and escalation of alleged breaches of core policies or obligations; and
- systems for regular reporting on compliance issues.



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In addition to this group-wide framework, each business unit has relevant information available to Telecom people in the form of business unit specific operational policies, guidelines and procedures.

Managers are responsible for ensuring that Telecom people are given appropriate information and training to assist them in complying with legal, regulatory and policy compliance obligations.

All Telecom employees are accountable for ensuring they understand and use relevant processes and tools to ensure compliance.

In addition to the group-wide compliance framework on the Intranet site, Telecom's Group Compliance team works with our legal and business teams to facilitate ongoing education and training to ensure that our managers and their teams are aware of their specific compliance responsibilities. Similarly, managers are responsible for developing and enhancing procedures and processes within the framework provided, to ensure all business activities take account of any relevant legal obligations.

Where an employee has any concerns about legal or regulatory risk, they should seek specialist assistance to resolve these concerns and to ensure the most appropriate response.

Assistance can be sought by Telecom people through Telecom's Breach of Policy mechanism to address incidents or concerns. Guidance on the mechanisms are available from their manager, the Intranet Site, Group Compliance and other business unit knowledge bases. If in doubt, employees should speak to their regular legal adviser.

Failure to comply with our Code of Ethics, our Breach of Policy mechanism or to utilise Telecom's frameworks to address relevant concerns may result in disciplinary consequences.

### Roles and Responsibilities

The responsibilities of specific groups are:

#### **Board**

Responsible for approving this policy and through the Audit and Risk Management Committee providing oversight of compliance with applicable laws, regulations and standards.



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### CEO / Executive

Approval of Telecom's compliance framework and legal and regulatory risk profile. Collective monitoring of the effectiveness of Telecom's high and medium compliance risks. Monitoring of the outcomes of Telecom's Breach of Policy mechanisms. Ensuring Telecom's mandatory training and awareness requirements are fulfilled in each of their business or group units.

### Managers

Familiarity with compliance responsibilities, implementation of procedures and processes to ensure compliance. Raising issues in the Telecom Breach of Policy mechanism.

### Business Unit Compliance

Responsible for adopting the compliance framework locally, managing local incidents and reporting to BU Leadership.

### Group Compliance

Compliance framework development and implementation, including providing guidelines and tools to Managers to encourage compliant practices. Ensuring appropriate training and awareness is offered to Managers and their teams.

### Legal Teams

Specialist legal advice, assistance to managers on the design of procedures and

processes to manage legal risk.

### All

Awareness of Telecom's compliance framework, processes and tools.

Adherence to this Policy.

### Ownership

This is a Board Policy that is owned by the Group General Counsel. It will be updated twice yearly or as otherwise required or necessary.

### Publishing Date

December 2009