1.0 Policy Statement

Stanwell is committed to and conducts its business activities lawfully and in a manner that is consistent with its compliance obligations.

The Legal and Regulatory Compliance Policy (Compliance Policy) establishes the overarching principles and commitment to action for Stanwell with respect to achieving compliance by:

- identifying a clear compliance framework within which Stanwell operates;
- promoting a consistent, rigorous and comprehensive approach to compliance throughout Stanwell;
- developing and maintaining practices that facilitate and monitor compliance within Stanwell;
- seeking to ensure standards of good corporate governance, ethics and community expectations; and
- engendering a culture of compliance where every person within Stanwell accepts personal responsibility for compliance and acts ethically and with integrity.

2.0 Scope

This policy applies to Stanwell’s directors and employees, and to all contractors working for or at Stanwell (our people).

Stanwell’s legal and regulatory compliance obligations include:

- Legal obligations, including:
  - legislative;
  - contractual;
  - permits, licences and other forms of authorisation;
  - common law;
  - equitable obligations; and
  - relevant industry codes and compulsory standards;

- External obligations, including:
  - regulatory policies and codes; and
  - shareholding Minister and other Queensland or Commonwealth government requirements; and

- Stanwell policies, procedures and guidelines.
Detailed operational procedures support Stanwell’s legal and regulatory compliance obligations.

3.0 Policy Overview

This Compliance Policy is aligned with Stanwell’s strategic objectives as articulated within Stanwell’s Strategic Plan, Statement of Corporate Intent and Corporate Plan and Code of Conduct.

Stanwell’s Compliance Policy is based on the best practice standards and principles outlined within Australian Standard 3806-2006: Compliance programs.

Stanwell recognises that there are four elements for an effective compliance program:

• Commitment – Stanwell’s commitment to, and the establishment of, a compliance program;
• Implementation – Stanwell’s implementation of a compliance program, including ongoing education and maintenance;
• Monitoring and Measuring – reporting and supervision of the compliance program; and
• Continual Improvement – regular review and continual improvement of the compliance program.

These elements are supported by twelve compliance principles. To comply with these principles, Stanwell:

• encourages and supports an effective Board and Senior Management organisational structure which endorses an ethical and positive compliance culture within Stanwell;
• maintains an appropriate compliance program which identifies, manages, reports, reviews, monitors and measures compliance obligations and compliance performance;
• ensures clear accountability for and ownership of the compliance program, obligations and any compliance issues within Stanwell;
• regularly reports to the CEO, Board and the Audit and Risk Management Committee (ARMC) (as required);
• reviews its procedures to ensure compliance obligations are integrated in day-to-day operations of Stanwell;
• provides necessary resources to enable our people to understand their own personal accountability in respect of compliance and to be able to effectively carry out their responsibilities;
• conducts appropriate pre-employment screening of potential employees and contractors;
• takes very seriously any failure by an individual to comply with Stanwell’s compliance obligations. A number of consequences may flow from an individuals actions, including, in serious matters, termination of employment or contract;
• incorporates compliance management into business plans and risk management processes;
• provides education and training as part of the implementation of the compliance program, detailing individual responsibilities, reporting and communication methods; and
• regularly reviews and implements improvements to the compliance program.

4.0 Compliance Program

The Stanwell compliance program includes:
• a consistent and effective process for identification, assessment, management, reporting, review and monitoring of compliance obligations and issues;
• a centralised register of compliance obligations actively managed by the Executive General Managers;
• a calendar of Stanwell’s external corporate lodgements;
• periodic compliance certifications;
• a mechanism to aid with identification, documentation, investigation, actioning and reporting on compliance issues;
• where appropriate, integration with the Corporate Risk Evaluation matrix;
• a Corporate wide training program, including induction training; and
• cyclical reviews of content and the program to continuously identify improvement opportunities.

Compliance Reporting

The compliance program enables regular efficient and effective reporting to Executive Management, the ARMC and the Board regarding Stanwell’s compliance obligations.

The reporting includes information on compliance with Stanwell’s obligations, compliance issues, compliance breaches and near-misses. Reports on compliance breaches outline the breach and the corrective actions planned or undertaken to ensure that the possibility of re-occurring or systemic breaches are reduced.

Full details of all Stanwell compliance issues (including breaches) are retained in a central register managed by Corporate Compliance.

Where reasonable and appropriate, this reporting may be electronically enabled to promote efficiency.

Compliance Education and Training

The compliance program promotes awareness of compliance through facilitation of training and education of our people regarding Stanwell’s compliance program and compliance obligations. Where appropriate, training may be tailored by or for individual business units and individuals.

Where reasonable and appropriate, this training may be electronically enabled to promote efficiency.

Continuous Improvement
Stanwell’s compliance program and compliance performance is regularly monitored, measured and reported.

Stanwell’s compliance program is periodically reviewed by the General Manager - Corporate Services, in consultation with the members of the Executive Leadership Team (ELT) to ensure that the program remains efficient and effective and is appropriate to Stanwell’s need. Managers may make recommendations for improvement. The results of these reviews will be reported to the ARMC (if appropriate). This will provide the Board with a level of comfort that the Legal Compliance Framework is effective and will highlight areas within the process that can be improved.

These reviews shall be carried out in addition to internal audits.

As part of continuous improvement, this policy may be amended by Management for approval by the Board.

5.0 Responsibilities and Authorities

In accordance with Stanwell’s Code of Conduct, it is the responsibility of all Stanwell Directors and employees and all contractors working for or at Stanwell sites to comply with the law, Stanwell’s contractual commitments and Stanwell’s policies and procedures.

The Board

The Stanwell Board retains the ultimate responsibility for legal and regulatory compliance and is charged with overseeing, reviewing and ensuring the effectiveness of Stanwell’s compliance systems.

The Board is responsible for determining the appropriate level of compliance that the Board is willing to accept in the conduct of Stanwell’s business activities.

The Board is accountable to its shareholding Ministers for Stanwell’s compliance with its obligations. The Board is advised regularly on compliance related issues including any compliance breaches.

The Audit and Risk Management Committee

The Board has established the ARMC to, amongst other things:

- Review and oversee systems of risk management, internal control and legal compliance;

- Review the effectiveness of Stanwell’s Legal Compliance System for identifying, monitoring and managing compliance with relevant laws, regulations and associated government policies;

- Review and if necessary make recommendations to the Board on breaches of key compliance requirements; and

- Review and if necessary make recommendations to the Board on the outcomes of investigations into ‘Reportable Conduct’ and Stanwell’s compliance with its regulatory obligations in respect of these.
The ARMC operates and reports within the terms of the ARMC Charter endorsed by the Board.

The Chief Executive Officer

The Chief Executive Officer (CEO) is accountable to the Board for ensuring implementation and management of Stanwell’s compliance program. Specifically, this includes ensuring a compliance culture is promoted within Stanwell and our people adhere to this Compliance Policy.

Chief Financial Officer

The Chief Financial Officer (CFO) is responsible for the oversight of Stanwell’s compliance system implementation and operation.

The CFO is accountable to the CEO for overseeing the compliance program to ensure:

- the ongoing effectiveness, integrity and relevance of the compliance program to Stanwell’s operations;
- the compliance program accords with the requirements of Stanwell’s Board; and
- to the extent relevant, the compliance program complies with principles of good corporate governance and achieves applicable standards.

It is the responsibility of the CFO (with the support of Legal, Internal Audit and Corporate Compliance) to ensure that non-compliance issues are adequately investigated and all issues are reported to appropriate parties in a timely manner.

General Manager - Corporate Services

The General Manager - Corporate Services is accountable to the CFO for the implementation, review and management of Stanwell’s compliance program, including associated reporting to the Executive Leadership Team and the Board.

The General Manager - Corporate Services is also accountable for:

- ensuring that awareness of compliance is promoted within Stanwell;
- ensuring that Stanwell has appropriate systems to identify, record and communicate its compliance obligations;
- ensuring that compliance obligations contained within the Stanwell Compliance Obligations Register are accurate and current;
- the active management of those compliance obligations agreed by the Board, including ensuring that appropriate controls are implemented;
- delivering (with the assistance of the Compliance and Regulatory Specialist) training and presentations to our people in relation to compliance issues; and
- providing effective advice to our people on compliance matters, including how to best comply with Stanwell’s compliance systems.

For the avoidance of doubt, it is not the responsibility of the General Manager - Corporate Services to ensure compliance by Directors, employees, individual business units or contractors.
Executive General Managers

Each Executive General Manager (or other person(s) as identified by the CEO from time to time) is accountable to the CEO for compliance obligations (both within their business units and across the Corporation) for which they are responsible. This includes:

- active management of those compliance obligations for which they are responsible;
- on-going identification, assessment, management, reporting, review and monitoring of compliance issues;
- ensuring adherence to this Compliance Policy; and
- periodic certification to the ARMC regarding compliance.

Managers and Supervisors

Managers and Supervisors are responsible for ensuring effective implementation and maintenance of this Compliance Policy and that all our people adhere to the associated systems and guidelines.

Managers are responsible for the regular reporting of the status of controls, compliance breaches and their improvement to Executive Management.

Group Manager Internal Audit

The role of the Group Manager Internal Audit is to review the adopted compliance programs against set criteria to confirm the effectiveness of the compliance controls and systems and to identify any need for improvement or change in the controls or systems.

Our people

Our people have a responsibility to ensure that their activities on behalf of Stanwell comply with all applicable legal and external obligations and Stanwell procedures.

Our people are required to:

- familiarise themselves with Stanwell’s Compliance Policy and other policies concerning compliance with specific areas of legislation that affect their workplace activities;
- ensure that they adhere to relevant legislation and their compliance obligations;
- incorporate compliance management practices into their business units;
- perform their duties in an ethical, lawful and safe manner;
- report and escalate all compliance concerns, issues and breaches as required by the compliance program; and
- undertake training in accordance with the compliance program; and
- implement the practices learned in training provided by Stanwell.

6.0 Review and Consultation (Prior to Approval)
7.0 Communication Plan (After Approval)

This Compliance Policy will be communicated to key stakeholders using education and training as detailed above and via GenNet.

8.0 Definitions

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>ARMC</td>
<td>Audit and Risk Management Committee</td>
</tr>
<tr>
<td>CEO</td>
<td>Chief Executive Officer</td>
</tr>
<tr>
<td>CFO</td>
<td>Chief Financial Officer</td>
</tr>
<tr>
<td>Code</td>
<td>Mandatory industry codes and voluntary industry codes with which Stanwell has chosen to comply.</td>
</tr>
<tr>
<td>Code of Conduct</td>
<td>Stanwell’s Board-approved Code of Conduct</td>
</tr>
<tr>
<td>Corporation and/or Stanwell</td>
<td>Stanwell Corporation Limited and its subsidiaries.</td>
</tr>
<tr>
<td>Compliance</td>
<td>Ensuring that the requirements of laws, regulations, bylaws, Codes and organisational standards are met.</td>
</tr>
<tr>
<td>Compliance issues</td>
<td>Acts, omissions or events relating to Stanwell’s compliance obligations that, upon further investigation, may or may not be identified as a compliance breach.</td>
</tr>
<tr>
<td>Compliance breaches</td>
<td>Acts or omissions by Stanwell resulting in the breach by Stanwell to meet its compliance obligations.</td>
</tr>
<tr>
<td>Compliance obligations</td>
<td>The compliance obligations contained in the Stanwell Compliance Obligations Register.</td>
</tr>
<tr>
<td>Compliance Framework</td>
<td>Compliance framework includes this compliance policy, compliance procedures and the compliance obligations register.</td>
</tr>
<tr>
<td>Executive Leadership Team</td>
<td>Chief Executive Officer and the Executive General Managers</td>
</tr>
<tr>
<td>Legal Compliance</td>
<td>Effective control of legal risks in order to ensure that the law is complied with.</td>
</tr>
<tr>
<td>Our People</td>
<td>Refers to Stanwell directors, employees and all contractors working for or at Stanwell, in your capacity as a director, employee or contractor of Stanwell.</td>
</tr>
<tr>
<td>Organisational Standards</td>
<td>Any code of ethics, codes of conduct, good practices and charters that Stanwell may deem appropriate standards for day to day operations.</td>
</tr>
</tbody>
</table>

9.0 References (Including Information Services)

- Australian Standard 2806-2006: Compliance Programs
- GOV-POL-30 Code of Conduct – The Way We Work at Stanwell
- GOV-STD-11 Risk Evaluation Matrix
- RMP 10005 – Legal and Regulatory Compliance Risk Management Plan
- GOV-POL-29 Whistleblower Protection Policy
- GOV-PROC-36 Protected Disclosure Procedure
# 10.0 Revision History

<table>
<thead>
<tr>
<th>Rev. No.</th>
<th>Rev. Date</th>
<th>Revision Description</th>
<th>Author</th>
<th>Approved By</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>17.10.07</td>
<td>New compliance policy. Previously Risk and Compliance Management Policy GOV-POL-04 was in place.</td>
<td>D Farrelly</td>
<td>Board</td>
</tr>
<tr>
<td>1</td>
<td>24.03.2010</td>
<td>Review on completion of Compliance System Upgrade Project</td>
<td>A Osborne</td>
<td>Board</td>
</tr>
<tr>
<td>2</td>
<td>12.04.2012</td>
<td>Policy rewritten to address the requirements of the integrated Stanwell Corporation</td>
<td>M Maraj</td>
<td>Board</td>
</tr>
<tr>
<td>3</td>
<td>27.11.2012</td>
<td>Position titles updated following Organisational Review. Change not required to go to the Board</td>
<td>M Maraj</td>
<td>General Manager – Corporate Services</td>
</tr>
</tbody>
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