

Policy (Board Approved)



Compliance and Regulatory Management

Document Number – GOV-POL-20

1.0 Policy Statement

Ensuring compliance with relevant obligations is fundamental to the achievement of Stanwell's business objectives. Stanwell therefore takes a committed and proactive approach to 'get it right'.

Stanwell strives to meet all of its compliance obligations and appropriately respond to any compliance and/or regulatory issues and is committed to having in place appropriate and effective systems and tools to enable it to do so. Stanwell is also committed to having an organisation-wide culture of integrity and compliance and conducting its business activities lawfully in a manner that is consistent with its compliance obligations.

2.0 Policy Statement

Stanwell operates within a complex, dynamic and highly regulated environment. Stanwell is subject to a multitude of legal, regulatory and governance requirements (compliance obligations) as well as standards of good corporate governance, ethical and community standards.

To ensure that all compliance obligations can be met, and to provide the appropriate assurance to key stakeholders¹, compliance and regulatory management must be integrated across all business functions and in Stanwell's day-to-day operations. Actively fostering a culture of compliance and continuous improvement and ensuring that all compliance and/or regulatory issues or breaches are identified and appropriately addressed help Stanwell to achieve compliance.

Stanwell will not tolerate any instances of material compliance breaches, repeat compliance breaches or intentional compliance breaches.²

Stanwell recognises that an effective, responsive, fit-for-purpose organisation-wide compliance and regulatory management system is fundamental to the achievement of Stanwell's compliance objectives. This policy is a key element of Stanwell's compliance and regulatory management system. Stanwell's Compliance and Regulatory Management System also includes the Compliance and Regulatory Management Procedure (GOV-PROC-28)³, obligation-specific compliance procedures, detailed operational procedures, training and education to support Stanwell's compliance obligations, an integrated Events, Risk, Audit and Compliance Management electronic tool and a dedicated, autonomous and skilled Compliance and Regulatory function.

¹ Key stakeholders include shareholding Ministers, the Board, senior management and regulators.

² Refer to the Risk Appetite Statement Policy (GOV-POL-38). Stanwell has **no appetite** for its internal control framework design to be ineffective (or for Stanwell to operate in a manner materially inconsistent with these frameworks) and no **appetite** for fraud or corruption perpetrated by its employees.

³ The Compliance and Regulatory Management Procedure (GOV-PROC-28) provides further details about Stanwell's Compliance and Regulatory Management System.

WRITTEN BY:	ENDORSED/CHECKED BY:	APPROVED BY:	DATE:
NAME: Maria Maraj	NAME: ARMC	NAME: Board	09.06.2022

Endorsed via Committee Meeting Minutes : ARMC-22-05-4.4

Approved via Board Meeting Minutes : BD-22-06-6.1

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Stanwell's Compliance and Regulatory Management System is aligned with Stanwell's values, corporate strategy and objectives as articulated within Stanwell's Statement of Corporate Intent and Corporate Plan. It is also aligned with the best practice standards and principles outlined within the International Standard *ISO 19600:2014 Compliance Management Systems – Guidelines*.

Stanwell is committed to regularly monitoring, measuring and assessing the effectiveness of its Compliance and Regulatory Management System and compliance performance and to fostering a positive compliance culture and encouraging proactive, transparent and accountable management of compliance.

This policy is a Code of Conduct framework policy and is to be read in conjunction with Stanwell's Compliance and Regulatory Management Procedure (GOV-PROC-28).

3.0 Purpose

The purpose of this policy is to establish the overarching principles and commitment to compliance so that Stanwell can meet its compliance obligations, respond appropriately to any compliance and/or regulatory issues and 'get it right' by:

- requiring that every person within Stanwell take personal responsibility and accountability for satisfying compliance obligations in their day-to-day activities;
- further embedding Stanwell's values – **We care, We adapt** and **We deliver** – and engendering good governance, ethics, integrity and compliance across Stanwell;
- identifying a clear compliance and regulatory framework within which Stanwell operates;
- promoting a consistent, rigorous and comprehensive approach to compliance and regulatory management; and
- developing and maintaining practices that facilitate and monitor compliance.

This policy also establishes the process for reporting to senior management, the Audit and Risk Management Committee and the Board on compliance issues, compliance breaches, systematic compliance issues and regulatory risks. This is depicted diagrammatically in the Board-approved Compliance Breach Reporting Mechanism (Appendix 1).

The Compliance Breach Reporting Mechanism is aligned with Stanwell's Risk Evaluation Matrix (GOV-STD-11) whereby the risk level of the compliance issue, breach or risk determines to whom it is escalated.

4.0 Scope

This policy applies to Stanwell's directors and employees, and to all contractors working for or at Stanwell (at its operational or non-operational sites) in their capacity as a director, employee or contractor of Stanwell (our people).

This policy covers *all* of Stanwell's compliance obligations. These compliance obligations include:

- legislative obligations, including State and Commonwealth Acts, Regulations, local laws, by-laws, planning schemes and rules;
- permits, licences and other forms of authorisations;
- contractual obligations;
- regulatory policies and codes;
- industry codes and standards;
- shareholding Minister and other State or Commonwealth government requirements; and
- Stanwell's policies, procedures, Code of Conduct, Safeguards, operational strategies, plans and delegations.

To ensure compliance (including no material compliance breaches, repeat compliance breaches or intentional or material compliance breaches), all policies, processes, procedures and operational requirements must align to this policy and the Compliance and Regulatory Management System.⁴

5.0 Responsibilities and Authorities

Everyone is responsible for compliance at Stanwell. Specific responsibilities and authorities are detailed below.

Division/ Position	Responsibility
Board	<p>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, including the Compliance and Regulatory Management System.</p> <p>The Board is advised regularly on compliance related issues, including any compliance breaches, and is responsible for:</p> <ul style="list-style-type: none"> • encouraging proactive, transparent and accountable management of compliance and promoting a positive culture within Stanwell; • the appropriate reporting of unlawful and unethical behaviour and ensuring that, where violations are reported in good faith, the protections set out in the relevant policies are followed; • ensuring that Stanwell has appropriate frameworks and controls in place and that they operate effectively to ensure compliance; and • determining the appropriate level of compliance that the Board is willing to accept in the conduct of Stanwell's business activities.
Audit and Risk Management Committee (ARMC)	<p>The Audit and Risk Management Committee (ARMC) assists the Board to review and oversee systems of risk management, internal control and legal compliance. Their responsibilities for compliance are outlined in the Audit and Risk Management Committee Charter (GOV-STD-03).</p>
Chief Executive Officer	<p>The Chief Executive Officer (CEO) is accountable to the Board for ensuring implementation and management of Stanwell's Compliance and Regulatory Management System. This includes:</p> <ul style="list-style-type: none"> • encouraging proactive, transparent and accountable management of compliance and promoting a positive compliance culture within Stanwell (including that non-compliances and non-compliant behaviour are dealt with appropriately); and • appointing and retaining an adequately resourced and skilled Compliance and Regulatory function that has the authority and capacity to act independently and is not compromised by conflicting priorities, particularly where compliance is embedded in the business.
Executive General	<p>The Executive General Manager – Business Services (EGM Business Services) is responsible for overseeing the implementation and operation of Stanwell's</p>

⁴ For the avoidance of doubt, this includes health and safety compliance, environmental compliance, spot trading compliance, retail operations and processes, financial risk and settlements processes, procurement processes, information technology processes and industrial relations and employee relations processes.

Division/ Position	Responsibility
Manager – Business Services (EGM Business Services)	<p>Compliance and Regulatory Management System.</p> <p>It is the responsibility of the EGM Business Services (with the support of Legal, Internal Audit and the Compliance and Regulatory functions) to ensure that compliance issues and compliance breaches are adequately investigated and all issues are reported to appropriate parties in a timely manner.</p>
General Counsel	<p>The General Counsel is accountable to the EGM Business Services for the implementation, review and management of Stanwell's Compliance and Regulatory Management System. This also includes reporting on compliance issues and compliance breaches directly to the Executive Leadership Team, the ARMC and the Board as required.</p> <p>The General Counsel also has the support of the CEO to:</p> <ul style="list-style-type: none"> • access all levels of the organisation, including direct access to the Chairman of the Board, Board, ARMC, CEO and/or senior management, and the opportunity to contribute early in decision-making processes; • access all documented information and data needed to perform compliance tasks and fulfil compliance responsibilities (including reporting); and • access expert advice on relevant laws, regulations, codes and organisational standards (as required). <p>For the avoidance of doubt, it is not the responsibility of the General Counsel through the design and implementation of the Compliance and Regulatory Management system to ensure compliance by Directors, employees, individual business units or contractors.</p>
Executive General Managers ⁵	<p>Each Executive General Manager is accountable to the CEO for compliance obligations (both within their business units and across the organisation) for which they are responsible.</p> <p>Executive General Managers are responsible for overseeing the active management of those compliance obligations for which they are responsible, the on-going identification, assessment, management, reporting, review and monitoring of compliance issues, ensuring adherence to this policy and periodic compliance certification to the Audit and Risk Management Committee.</p>
Group Manager Internal Audit	<p>The Group Manager Internal Audit may be requested by the CEO, CFO and/or ARMC to review the Compliance and Regulatory Management System, associated compliance tools and processes against set criteria to:</p> <ul style="list-style-type: none"> • provide a level of assurance on the effectiveness of the Compliance and Regulatory Management System, compliance controls and/or processes; • provide a level of assurance on Stanwell's compliance with its obligations; • identify any suggestions for improvement in the Compliance and Regulatory Management system, compliance controls and/or processes; and • investigate compliance issues or breaches.

⁵ Executive General Managers (EGMs) include other persons identified by the CEO from time to time to act in an EGM role. For the avoidance of doubt, the EGM Business Services also has the responsibilities of Executive General Managers in addition to the EGM Business Services-specific responsibilities.

Division/ Position	Responsibility
Managers and Supervisors	<p>Managers and Supervisors are responsible for ensuring effective implementation and maintenance of the Compliance and Regulatory Management Policy and that our people adhere to the associated procedures, systems and guidelines. This includes:</p> <ul style="list-style-type: none"> • complying with Stanwell's compliance obligations; • mentoring and coaching to foster a positive compliance culture including by promoting compliant behaviour and encouraging employees to raise compliance concerns; • attending and supporting compliance and regulatory training activities and ensuring that their employees meet their training and competence requirements and develop an awareness of compliance obligations (particularly those relevant to their roles); • integrating compliance obligations into existing business practices and procedures in their areas of responsibility; • actively participating in the management and resolution of compliance-related incidents, issues and breaches in accordance with the Compliance and Regulatory Management Procedure; • reporting and escalating all compliance concerns, issues and breaches in accordance with the Board-approved Compliance Breach Reporting Mechanism (as included in Attachment 1 and further outlined within the Compliance and Regulatory Management Procedure). <p>Managers and Supervisors are also encouraged to identify and raise with the Principal Advisor – Compliance, Regulatory and Event Management, General Counsel or senior management any areas of concern and opportunities for improvement of Stanwell's Compliance and Regulatory Management System.</p>
Our people	<p><i>Everyone</i> at Stanwell is responsible for compliance. Our people have a responsibility to ensure that their activities on behalf of Stanwell comply with all applicable obligations. Our people are required to:</p> <ul style="list-style-type: none"> • be aware of and adhere to this policy, other policies and procedures relating to their workplace activities and Stanwell's compliance obligations; • in accordance with the Code of Conduct, perform their duties in an ethical, lawful and safe manner; • satisfy all compliance obligations in their day-to-day activities; • incorporate compliance management practices into their day-to-day activities; • use available compliance and regulatory resources as part of the Compliance and Regulatory Management System, including to manage compliance obligations, associated compliance tasks and report compliance issues and breaches; • undertake training in accordance with the compliance program and implement the practices learned in training; and • report and escalate all compliance concerns, issues and breaches in accordance with the Board-approved Compliance Breach Reporting Mechanism (refer to Appendix 1 and the Compliance and Regulatory Management Procedure (GOV-PROC-28)).

Action may be taken where an individual fails to comply with Stanwell's compliance obligations. This may include discipline action in accordance with Stanwell's Managing Performance and Conduct Procedure (GOV-PROC-39) in the event of an individual's wilful or negligent breach of their stated compliance obligations.

6.0 Review and Consultation (Prior to Approval)

This document is required to be reviewed, as a minimum, every year or in response to any material changes.

The Board is responsible for approving this policy. Minor administrative changes to this policy may be approved by the General Counsel and/or the EGM Business Services.

7.0 Communication Plan (After Approval)

This Compliance and Regulatory Management Policy will be communicated to key stakeholders using education and training as detailed above and via GenNet. General awareness training in relation to the application of this policy is provided to new starters during induction and via an online tool.

This policy is made publicly available on Stanwell's internet site www.stanwell.com in accordance with the Corporate Governance Guidelines for Government Owned Corporations and will be published on the intranet and available in TRIM.

8.0 Definitions

Compliance	An outcome of Stanwell meeting all its compliance obligations
Compliance issue	One or more acts, omissions or events relating to Stanwell's compliance obligations that, after further investigation, may or may not be identified as a compliance breach.
Compliance breach	One or more acts or omissions by Stanwell or Our People which results in the failure by Stanwell to meet its compliance obligation(s).
Compliance and Regulatory Management System	The policies, procedures, processes, tools and activities Stanwell has implemented to ensure it is able to meet all of its compliance obligations and appropriately respond to any compliance and/or regulatory issues
Compliance commitments	Requirements that Stanwell chooses to comply with
Compliance obligations	Stanwell's compliance requirements and compliance commitments.
Compliance requirements	Requirements that Stanwell must comply with
Our people	Stanwell directors, employees and all contractors working for or at Stanwell (at its operational or non-operational sites) in their capacity as a director, employee or contractor of Stanwell.
Stanwell	Stanwell Corporation Limited and its subsidiaries.

9.0 References (Including Information Services)

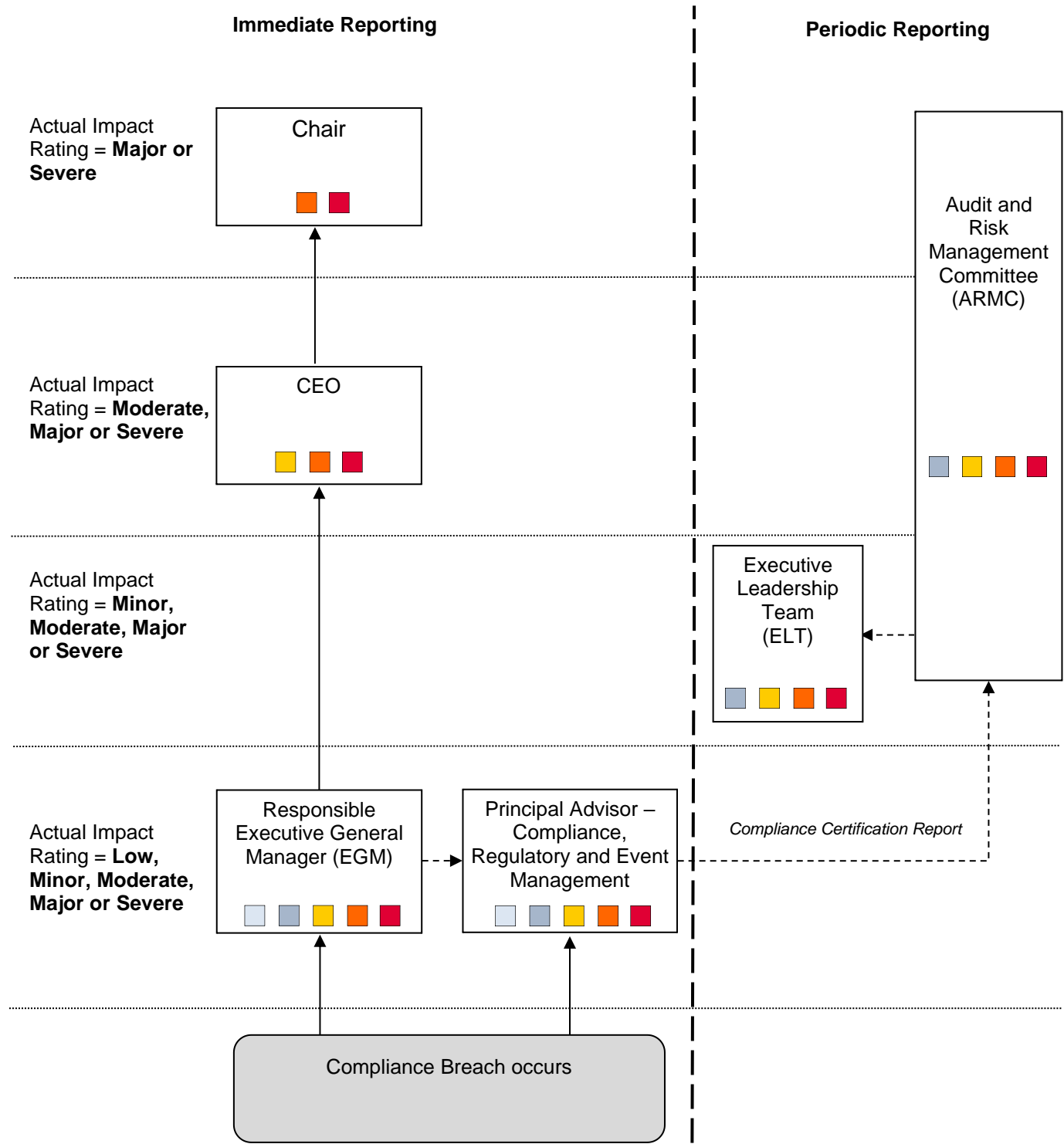
ISO 19600:2014	Compliance management systems – Guidelines
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GOV-POL-30	Code of Conduct – The Way We Work at Stanwell
GOV-POL-37	Business Resilience and Risk Management
GOV-PROC-28	Compliance and Regulatory Management Procedure
GOV-PROC-39	Managing Performance and Conduct
GOV-STD-03	Audit and Risk Management Committee Charter
GOV-STD-11	Risk Evaluation Matrix
OHS-PROC-22	Stanwell Safeguards

10.0 Revision History

Rev. No.	Rev. Date	Revision Description	Author	Endorse/ Check	Approved By
0	17.10.07	New compliance policy. Previously Risk and Compliance Management Policy GOV-POL-04 was in place.	D Farrelly		Board
1	24.03.2010	Review on completion of Compliance System Upgrade Project	A Osborne		Board
2	12.04.2012	Policy rewritten to address the requirements of the integrated Stanwell Corporation	M. Maraj	K. Biggs	Board
3	27.11.2012	Position titles updated following Organisational Review. Change not required to go to the Board	M. Maraj	K. Biggs	K. Biggs
4	26.02.2014	Scheduled 3-year review. Policy updated to ensure alignment with the International Standard for Compliance (ISO 19600:2014 Compliance management systems – Guidelines) (released in December 2014).	M. Maraj	K. Biggs	Board
5	23.02.2017	Scheduled 2-year review. Policy simplified and streamlined and updated to reflect that Stanwell has no tolerance for material compliance breaches, repeat compliance breaches or intentional or material compliance breaches.	M. Maraj	K. Biggs	Board
6	13.05.2019	Scheduled 2-year review. Updated to reflect organisational changes and to reflect Stanwell's current risk appetite.	M. Maraj	P. Ware	Board
7	20.05.2021	Scheduled 2-year review. Updated to reflect the change to organisational values and to reflect Stanwell's risk appetite as articulated within the Risk Appetite Statement Policy (GOV-POL-38).	M. Maraj	M. O'Rourke	Board
8	09.06.2022	Scheduled annual review in line with Controlled Document Management Procedure (GOV-PROC-01). Updates made to reflect changes in responsibilities due to organisational changes	M. Maraj	ARMC	Board

Appendix 1 – Compliance Breach Reporting Mechanism (minimum standards)



- Severe impact (Level 5)
- Major impact (Level 4)
- Moderate impact (Level 3)
- Minor impact (Level 2)
- Low impact (Level 1)