

COMPLIANCE POLICY

AEMO will adhere, and demonstrate adherence, to all relevant laws, rules and regulations.

AEMO is the operator and planner of energy markets across five states and one territory in Australia. To maintain integrity in the markets as operator it is important that AEMO is, and is seen as being, diligent in fulfilling its obligations

AEMO fosters a culture that encourages all employees and contractors to identify and report actual and potential compliance breaches so that systems and processes can be improved. It does this through an approach which encourages regular review of compliance controls and transparent breach reporting that focuses on identifying and correcting systemic potential for breaches.

There is no circumstance under which it is acceptable for any AEMO employee or contractor to knowingly not comply with AEMO's obligations.

While we recognise that compliance is undertaken by every employee and contractor, there are specific responsibilities for assuring compliance within AEMO:

- The Board is the owner of the Compliance Policy. It reviews and monitors all elements of AEMO's compliance framework and receives reports on significant or systemic breaches. These responsibilities are carried out with the assistance of the Risk and Audit Committee.
- The Managing Director is responsible for the implementation of this policy and is accountable to the Board for fostering a positive, transparent compliance culture and for monitoring and reporting on adherence with AEMO's obligations.
- The management of AEMO is charged with understanding the obligations that they are responsible for, implementing systems and processes to support compliance, regularly reviewing the effectiveness of controls and adapting processes and controls where breaches occur.
- It is the responsibility of all employees and contractors to undertake their obligations diligently and to report any actual or potential breaches as soon as practicable.

Compliance is supported throughout the organisation by a dedicated Compliance function and appropriate tools, training and support is provided to all employees and contractors.

Achieving AEMO's objective of being a valued organisation that delivers on its obligations will be supported by:

- Maintaining a high level of awareness of obligations throughout the corporation through the provision of education programmes, legal advice and regular updates.

- Developing and deploying appropriate practices and processes to support employees and contractors in complying with their obligations.
- Monitoring and testing compliance with obligations through a combination of targeted inquiry, exception reporting and internal audit.
- Taking appropriate corrective action to prevent recurrence of compliance failures.

The Compliance Policy will be reviewed every second year by the Risk and Audit Committee, or in response to an event or change in circumstance requiring a review of the policy.

M. Zema

.....
Matt Zema
Managing Director and Chief Executive Officer

Approved by: The Board

Date Approved: 1 March 2012