



ABN 50 078 652 632

ANTI BRIBERY AND CORRUPTION POLICY

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INTRODUCTION

“As a result of corruption, private mansions are being built instead of bridges; swimming pools are dug instead of irrigation systems; funds destined to run hospitals and buy medicines find their way into the pockets of corrupt officials; economic growth is held back; and public trust in government is undermined.”

OECD ‘Curbing Corruption in Public Procurement’

This Policy sets out the ethical and legal standards of conduct which are required to be adhered to by all employees of OILEX Ltd (“OILEX”) and its subsidiaries, (together referred to in this Policy as “**the Group**”). This Policy also extends to our dealings with contractors and consultants and to their dealings with third parties when they are acting on our behalf.

The Board of OILEX is committed to maintaining high ethical standards in the Group’s dealings with our business partners, including foreign governments and their State owned enterprises, our joint venture partners and also generally with everyone with whom we have business dealings.

As a recipient of this Policy, we would urge you to read it. If after having done so you have any concerns about the probity or propriety of the activities of any employee of the Group, or the activities of anyone acting on our behalf I would ask that you consider voicing your concerns by following the procedures set out in our Whistleblowers Policy.



Ron Miller
Managing Director
OILEX Ltd



Max Cozijn
Chairman
OILEX Ltd

1. **POLICY STATEMENT**

- 1.1 It is our Policy to conduct all of our business in an honest and ethical manner. We take a zero-tolerance approach to bribery and corruption and we are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate and to implementing and enforcing effective systems to counter bribery and corruption.
- 1.2 We will uphold all laws relevant to countering bribery and corruption in all the jurisdictions in which we operate. However, we remain bound by the laws of Australia, including the *Australian Criminal Code Act 1995* in respect of our conduct both in Australia and abroad including, in particular, India, Indonesia and Timor Leste.
- 1.3 The purpose of this Policy is to:
- (a) set out our responsibilities, and of those working for us, in observing and upholding our position on bribery and corruption; and
 - (b) provide information and guidance to those working for us on how to recognise and deal with bribery and corruption issues.
- 1.4 Bribery and corruption are punishable for individuals by terms of imprisonment and if we are found to have taken part in corruption we could face an unlimited fine and, no doubt also face damage to our reputation. We therefore take our legal responsibilities very seriously.
- 1.5 Some of the countries in which we operate are perceived to be highly susceptible to corruption. Likewise, the oil and gas industry is generally perceived to have a high incidence of bribery and corruption.
- 1.6 To address these risks we have, amongst other things, introduced detailed due diligence procedures which will be carried out in respect of all third party contractors acting on our behalf who have any interaction on our behalf with any host government or public authority.
- 1.7 We already incorporate standard anti-corruption warranties and undertakings in all of our operating contracts and we will continue this practice.

- 1.8 We will implement a practice of self certification by all Group employees and contractors and obtain written confirmation they have received, read and understood our Anti Bribery Policies. This will be complimented by an ongoing anti-corruption training programme for all Group employees and also for those of our contractors who have any contact with public officials on our behalf.
- 1.9 In this Policy, “**third party**” means any individual or organisation you come into contact with during the course of your work for us, and includes contractors, suppliers, advisers acting on our behalf, and government and public bodies, including their advisors, politicians and political parties.

2. **WHO IS COVERED BY THE POLICY?**

This Policy applies to **all** individuals working at **all** levels within the Group, including the Chairman of the Board of Directors and all other Directors of OILEX, all Group employees (whether permanent or temporary), consultants, contractors, or any other person associated with us, or their employees, wherever located (collectively referred to as “**workers**” in this Policy).

3. **WHAT IS BRIBERY?**

A bribe is an inducement or reward offered, promised or provided in order to gain any commercial, contractual, regulatory or personal advantage.

Examples:

Offering a bribe/Bribing a government official

You agree to make a payment of say, USD500, to a customs official who has agreed to speed up the usual administrative process of clearing our goods through customs. Or, you approve payment to a freight forwarding agent who makes the payment on OILEX’s behalf and you approve the reimbursement of that payment in their invoice to OILEX.

This would be an offence of (1) bribery and (2) bribing a foreign government official under the *Australian Criminal Code Act 1995* and that would be the case whether the payment was made direct by an OILEX employee or by an agent acting on our behalf. Any director or employee of the Group who approved or condoned the payment of the bribe could also be guilty of an offence under the *Australian Criminal Code Act 1995*.

In addition, if the Australian courts take the view that the Group did not do enough to prevent the bribery taking place, OILEX could be guilty of the corporate offence of “failing to prevent bribery” under *Australian Criminal Code Act 1995*, which could lead to various sanctions, including a fine being imposed on OILEX and serious reputational damage. Directors and other senior officers can potentially also be fined and/or face jail. It is also a criminal offence under the laws of Host Countries for the customs official to have accepted the offer of a bribe.

Receiving a bribe

The local manager of the real estate company that owns and leases office space in India, with whom OILEX is negotiating a 3 year lease of additional office space, offers you USD100 per month for 3 years provided that you use your influence in OILEX to get OILEX to commit to the inflated rent proposed by him and to pay the entire rent in advance.

It would be an offence under *Australian Criminal Code Act 1995* for you to accept the payment.

4. GIFTS AND HOSPITALITY

4.1 This Policy does **not** prohibit normal and appropriate hospitality (given and received) to or from third parties.

4.2 The giving or receipt of gifts is not prohibited, provided the following requirements are met:

- (a) it is not made with the intention of influencing a third party to obtain or retain business or a business advantage, or to reward the provision or retention of business or a business advantage, or in explicit or implicit exchange for favours or benefits (that would constitute a bribe);
- (b) it complies with all applicable laws;
- (c) it is given in OILEX’s name, not in your name;
- (d) it does not include cash;
- (e) taking into account the reason for the gift, it is of an appropriate type and value and given at an appropriate time. However, gifts or hospitality should never be lavish or extraordinary;

- (f) it is appropriate in the circumstances; and
- (g) it is given openly, not secretly and is properly recorded in OILEX's Gift Register.

- 4.3 The practice of giving business gifts varies between countries and regions and what may be normal and acceptable in one region may not be in another. The test to be applied is whether in all the circumstances the gift or hospitality is reasonable and justifiable. The intention behind the gift should always be considered.
- 4.4 All gifts or hospitality given or received from a government official, irrespective of value, require to be disclosed.
- 4.5 Gifts given or received from other persons with a value of over USD\$200 per gift must be properly recorded in the Gift Register maintained by the Group Compliance Officer for the purposes of this Policy.
- 4.6 Hospitality given, or received, with a cost over USD\$200 per incidence must also be duly recorded in the Hospitality Register maintained by the Group Compliance Officer for the purposes of this Policy.
- 4.7 Details of hospitality at Management Committee meetings and other formal meetings with government and other public officials must also be recorded in the Hospitality Register.
- 4.8 The Gift Register and Hospitality Register will be subject to periodic review and it will be an offence, which may result in your dismissal for gross misconduct, if you fail to declare gifts given or received or hospitality given or received which falls within the above guidelines for disclosure.

5. **WHAT IS NOT ACCEPTABLE?**

It is not acceptable for you (or someone on your behalf) to:

- (a) give, promise to give, or offer, a payment, gift or hospitality with the expectation or hope that a business advantage will be received, or to reward a business advantage already given;
- (b) give, promise to give, or offer, a payment, gift or hospitality to a government official, agent or representative to "facilitate" or expedite a routine procedure (for instance customs clearance);
- (c) accept payment from a third party that you know or suspect is offered with the expectation that it will obtain a business advantage for them;

- (d) accept a gift or hospitality from a third party if you know or suspect that it is offered or provided with an expectation that a business advantage will be provided by us in return;
- (e) threaten or retaliate against another worker who has refused to commit a bribery offence or who has raised concerns under this Policy; or
- (f) engage in any activity that might lead to a breach of this Policy.

6. FACILITATION PAYMENTS AND KICKBACKS

- 6.1 We do not pay, and we will not condone the payment on our behalf of, facilitation payments or "kickbacks" of any kind.
- 6.2 If you are asked to make a payment on our behalf you should always be mindful of what the payment is for and whether the amount requested is proportionate to the goods or services provided. You should always ask for a receipt which details the reason for the payment. If you have any suspicions, concerns or queries regarding a payment, you should raise these with the Group Compliance Officer.

7. POLITICAL AND CHARITABLE DONATIONS

- 7.1 We do not make any contributions to political parties.
- 7.2 We do occasionally make charitable donations but these must be legal and ethical under applicable laws and are never made in an attempt to influence any decision or to gain a business advantage.

8. BACKGROUND CHECKS ON CONTRACTORS

- 8.1 It is essential that we know who we are doing business with and that we are satisfied that they are bona fide businesses capable of delivering the goods and services contracted in an ethical manner. For this reason we will carry out due diligence enquiries into the background of some contractors. This may include requesting that they complete a background questionnaire answering queries about ownership, financial matters and trading references. More detailed queries may also be undertaken and further assurances sought where the contractor is likely to have any dealings with government or public officials on our behalf. As a general rule, most contracts with third parties will also include standard anti-corruption warranties and undertakings, including an undertaking to comply with this Policy in their dealings on our behalf. If we are not able, for whatever reason, to obtain satisfactory assurances about a

potential business partner then we will not be able to conduct any business with them.

9. YOUR RESPONSIBILITIES

- 9.1 You must ensure that you read, understand and comply with this Policy.
- 9.2 The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for the OILEX Group, including contractors under our control. All workers are required to avoid any activity that might lead to, or suggest, a breach of this Policy.
- 9.3 You must notify OILEX's Group Compliance Officer as soon as possible if you believe or suspect that a conflict with this Policy has occurred. "Red flags" that may indicate bribery or corruption are set out in Part 1 of the Schedule to this Policy.
- 9.4 Any employee who breaches this Policy will face disciplinary action, which could result in dismissal for gross misconduct. We reserve our right to terminate our contractual relationship with other workers if they breach this Policy.

10. RECORD KEEPING

- 10.1 We are obliged to keep financial records and have appropriate internal controls in place which evidence the business reason for making payments to third parties. **For this reason, invoices and receipts must be kept evidencing all expenditure.**
- 10.2 You must ensure that all expenses claims relating to hospitality, gifts or expenses incurred to third parties are submitted in accordance with the Group's normal expenses policy and that they specifically record the reason for the expenditure. The Gift Registers and Hospitality Registers must also be kept up to date and will be subject to periodic audit to ensure compliance. The Gifts and Hospitality Registers will be maintained by the Group Compliance Officer at the OILEX registered office.
- 10.3 All accounts, invoices and records relating to dealings with third parties should be prepared and maintained with strict accuracy and completeness. No accounts may be kept "off-book" to facilitate or conceal improper payments.

11. HOW TO RAISE A CONCERN

You are encouraged to raise concerns about any issue or suspicion of malpractice at the earliest possible stage. If you are unsure whether a particular act constitutes bribery or corruption, or if you have any other queries, these should be raised with the Group Compliance Officer. Concerns should be reported by following the procedure set out in our **Whistleblower Policy** to the Group Compliance Officer. A copy of our **Whistleblower Policy** can be obtained from the OILEX Group Compliance Officer or the OILEX website: www.oilex.com.au

12. WHAT TO DO IF YOU ARE A VICTIM OF BRIBERY OR CORRUPTION

It is important that you tell the Group Compliance Officer as soon as possible if you are offered a bribe by a third party, or you are asked to make one, or you suspect that this may happen in the future, or you believe that you are a victim of another form of unlawful activity.

13. PROTECTION

13.1 Workers who refuse to accept or offer a bribe, or those who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. We aim to encourage openness and will support anyone who raises genuine concerns in good faith under this Policy, even if they turn out to be mistaken.

13.2 We are committed to ensuring no one suffers any detrimental treatment as a result of refusing to take part in bribery or corruption, or because of reporting in good faith their suspicion that an actual or potential bribery or other corruption offence has taken place, or may take place in the future. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern. If you believe that you have suffered any such treatment, you should inform the compliance manager immediately. If the matter is not remedied, and you are an employee, you should raise it formally using our **Whistleblower Policy**, which can be found on the OILEX website: www.oilex.com.au or obtained on request from the Group Compliance Officer.

14. TRAINING AND COMMUNICATION

- 14.1 Training on this Policy forms part of the induction process for all new workers. All existing workers will receive regular, relevant training on how to implement and adhere to this Policy.
- 14.2 Our zero-tolerance approach to bribery and corruption must be communicated to all suppliers, contractors and business partners at the outset of our business relationship with them and as appropriate thereafter.

15. WHO IS RESPONSIBLE FOR THE POLICY?

- 15.1 The Board of Directors of OILEX has overall responsibility for ensuring this Policy complies with our legal and ethical obligations, and that all those under our control comply with it. The Board of Directors is further responsible for monitoring the Policy's use and effectiveness. This Policy was approved by the Board of Directors of OILEX Ltd on 17 July, 2013.
- 15.2 OILEX's Group Compliance Officer, is the Chief Financial Officer (Mr Christopher Bath) who has primary day-to-day responsibility for implementing this Policy and dealing with any queries on its interpretation. However, management at all levels are responsible for ensuring that those reporting to them are made aware of and understand this Policy and are given adequate and regular training on it.

16. MONITORING AND REVIEW

- 16.1 The Board of Directors of OILEX Ltd will monitor the effectiveness and will review the implementation of this Policy regularly considering its suitability, adequacy and effectiveness. Any improvements identified will be made as soon as possible. Internal control systems and procedures will be subject to regular audits to provide assurance that they are effective in countering bribery and corruption.
- 16.2 All workers are required to provide, on request, a Certificate of Compliance in the form set out in part 2 of the Schedule to this Policy or an acceptable explanation for any failure or refusal to do so. **Refusal without a satisfactory explanation is grounds for instant dismissal for gross misconduct and may also result in your being reported to the relevant police or law enforcement authorities.** Certificates of Compliance will be requested from workers at least once a year.

- 16.3 All workers are responsible for the success of this Policy and should ensure they use it to disclose any suspected danger or wrongdoing.
- 16.4 Workers are invited to comment on this Policy and suggest ways in which it might be improved. Comments, suggestions and queries should be addressed to OILEX's Group Compliance Officer.
- 16.5 This Policy does not form part of any employee's contract of employment and it may be amended at any time.

Approved by the Oilex Ltd Board on 19 July 2013