



warrego
energy



WARREGO ENERGY LIMITED

**ANTI-CORRUPTION &
BRIBERY POLICY**

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1. Warrego's commitment to ethical performance

1.1 It is Warrego's policy to conduct all of its business in an honest and ethical manner. We take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate and implementing and enforcing effective systems to counter bribery and corruption if encountered in our business dealings and relationships.

1.2 We will uphold all laws relevant to countering bribery and corruption in all the jurisdictions in which we operate. However, we remain also bound by the laws of the UK, including the UK's Bribery Act 2010, in respect of our conduct both at home and abroad.

1.3 As Warrego may deal with people, other enterprises and companies listed in the United States all of our employees and Business Partners (defined in Section 2 of this policy) worldwide are required to also comply with the US Foreign Corrupt Practices Act, which has potential impact on our operations. Compliance with this policy is a condition precedent to employment or a business relationship with Warrego.

1.4 The purpose of this policy is to:

- (a) set out our responsibilities, and of those working for or with us, in observing and upholding our policy against bribery and corruption; and
- (b) provide information and guidance to those working for us or with us on how to recognise and deal with bribery and corruption issues.

1.5 Bribery and corruption are punishable for individuals by up to ten years' imprisonment and if we are found to have taken part in corruption we could face an unlimited fine, be permanently excluded from tendering for public contracts (including licences in Australia and elsewhere) and face damage to our reputation. We therefore take our legal responsibilities very seriously.

1.6 We have identified that the following is a particular risk for our business, namely that, we contract with a number of agents and other third parties and are reliant on their compliance standards matching our own. To address this risk we have:

- (a) provided every current employee with a copy of this policy and made it a condition of their employment, through their contract, that they read and observe the policy;
- (b) put a process in place to provide all new employees with a copy of this policy and made it a condition of their employment, through their contract, that they read and observe the policy;
- (c) provided all agents with a copy of this policy and made them certify that they will comply with this policy, this certification shall be repeated on an annual basis;
- (d) made relevant third parties aware of our zero-tolerance approach to bribery and corruption through a notice on our website and on our email footers;
- (e) provided training to all relevant employees;
- (f) committed ourselves to training all relevant employees on an annual basis;
- (g) put in place risk assessments and due diligence procedures for new and existing relevant third party contracts and developed contractual language to deal with low, medium and high risk third parties ;
- (h) amended our standard terms and conditions of business to include anti bribery and corruption language; and
- (i) this policy has been unanimously approved by the Board.

Senior management and all our employees and Business Partners (defined in Section 2 of this policy) worldwide are required to comply with this policy, irrespective of where or in what sector they operate and regardless of local norms or practices. Any breach of this policy or the procedures implementing it will be treated as a serious matter resulting in disciplinary action, which may include termination of employment or the business relationship, and reporting to the appropriate authorities.

All recipients of this policy should therefore take time to read it carefully to ensure they understand their obligations.

2. Who is covered by the policy?

2.1 This policy applies to anyone “performing services” for Warrego and will be interpreted very broadly. This includes all directors and employees of the company (whether permanent, fixed-term or temporary). It also extends to all of the company’s overseas and satellite offices, any affiliates, subsidiaries, consultants, sub-contractors, joint venture partners, seconded staff, agents, sponsors, and all other contractual counterparties and third parties deemed to be “performing services” for Warrego (collectively referred to as Business Partners in this policy).

2.2 In this policy, “we” and “us” and “our” refer to Warrego and any company or business within the Warrego group. “You” and “your” refer to any of its employees and Business Partners.

3. What is bribery?

3.1 There are various definitions in law of bribery and corruption but, broadly, all capture the same fundamental concepts:

Bribery is:

- promising, offering, giving, requesting, agreeing to receive or accepting
- any advantage (not necessarily money)
- to induce or reward behaviour that is illegal, unethical or a breach of duty.

An “advantage” can be any kind of benefit or anything of value or perceived value

3.2 Bribery can occur in the private sector (i.e. between private companies like Warrego) in relation to any activity:

- (a) connected with a business, profession or trade; or
- (b) performed in the course of a person’s employment.

3.3 Bribery can be committed by an employee or a Business Partner of Warrego performing services on behalf of Warrego anywhere in the world.

3.4 Bribery can also occur in the public sector. This will often take the form of someone in the private sector bribing a government official either in the UK or abroad intending to secure a particular decision or to be awarded or to retain a particular benefit or business. A government official can be any person holding any legislative, executive, administrative or judicial office, whether domestic or foreign. It also includes anyone working for a public international organisation like the World Bank.

3.5 There is no minimum value for a bribe (although the greater the value, the more likely it will be regarded as a bribe).

3.6 You must not promise, offer, give, request, agree to receive or accept a financial or other advantage in return for favourable treatment, to influence a business outcome or to gain any business advantage. You must follow all the anti-bribery and corruption laws to which we and you are subject. You are liable to disciplinary action, dismissal, legal proceedings and possibly imprisonment if you are involved in bribery and corruption. Appropriate action will be taken against Warrego’s employees and Business Partners who fail to comply.

Examples:

Offering a bribe

- You offer a third party tickets to a major sporting event, but only if they agree to do business with us; or
- You offer the tickets thinking that it is more likely than not that you will not get the business unless you offer the tickets.

This would be an offence as you are making the offer to gain a commercial and contractual advantage. We may also be found to have committed an offence because the offer has been made to obtain business for us. It may also be an offence for the third party to accept your offer.

Remember: It will still be a bribe even if the potential client refuses your tickets. A bribe need not be accepted to be an offence.

Receiving a bribe

A third party gives your friend or relative a job, but makes it clear that in return they expect you to use your influence in our organisation to ensure we continue to do business with them. It is an offence for a third party to make such an offer. It would be an offence for you to accept the offer as you would be doing so to gain a personal advantage.

Bribing a foreign official

You arrange for the business to pay an additional payment to a foreign government official to speed up an administrative process, such as obtaining a permit for business-related activities. The offence of bribing a foreign government official has been committed as soon as the offer is made. This is because it is made to gain a business advantage for us. We may also be found to have committed an offence.

Note these examples are intended to assist in comprehension by providing a guide of the types of behaviours and circumstances in contemplation. This list is not definitive.

4. Gifts and hospitality

4.1 Gifts and corporate hospitality (whether given or received) in a commercial context or to a government official can lead to bribery and corruption issues in the same way as other “advantages”. These items may be bribes in themselves. Alternatively, they may be used as part of wider scheme of corruption, or give the impression that bribery is taking place. Gifts, hospitality or entertainment will be considered bribes under the UK’s Bribery Act 2010 if given or received with the intention of improperly influencing business decisions.

4.2 In the public sector, any gift or corporate hospitality/entertainment may amount to an “advantage”. For example:

- (a) Warrego branded or other gifts;
- (b) taking someone out for a meal or drinks;
- (c) invitations to a sporting event at Warrego’s expense; or
- (d) arranging accommodation or travel at Warrego’s expense.

4.3 This policy does not prohibit normal and appropriate bona fide hospitality or gifts (given and received) to or from third parties provided that they are reasonable and proportionate and are not unduly lavish. Hospitality will generally be bona fide where it is provided in order to better present Warrego’s image, products, services or people or to establish cordial relations.

4.4 The giving or receipt of a gift is not prohibited if 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;
- (b) it complies with local law;
- (c) it is given in the name of the relevant company, not in the name of an individual representative of a company;
- (d) it does not include cash or a cash equivalent (such as gift certificates or vouchers);
- (e) it is appropriate in the circumstances. For example, in the UK it is customary for modest gifts to be given at Christmas time;
- (f) taking into account the reason for the gift, it is of an appropriate type and value and given at an appropriate time;
- (g) it is given openly, not secretly; and
- (h) it is not offered to, or accepted from, government officials or representatives, or politicians or political parties, without the prior approval of Warrego’s General Counsel in all cases who will keep a register of all such gifts.

4.5 We appreciate that 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 legitimate, reasonable and justifiable under the laws of the country where the gift is provided and also when looked at from a UK perspective, i.e. by a reasonable person in the UK. The intention behind the gift should always be considered. You should understand that local customs cannot be followed if they conflict with this policy.

5. Facilitation payments

5.1 We do not make, and will not accept, facilitation payments of any kind or in any location. Facilitation payments are typically small, unofficial payments made to secure or expedite a routine government action by a government official to which we or you may be perfectly entitled. For example, a payment made to an official to speed up the issuing of a work permit or visa. Such payments are not allowed in the UK, but are common in some other jurisdictions in which we may operate. Facilitation payments are all bribes and are therefore illegal.

5.2 All employees and Business Partners must avoid any activity that might lead to, or suggest, that a facilitation payment will be made or accepted by us. 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 so you can demonstrate that the payment was an official fee for the service or goods. If you have any suspicions, concerns or queries regarding a payment you should contact the General Counsel for advice before accepting or giving any facilitation payment.

6. What is not acceptable?

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

- (a) give, promise to give, or offer, any payment, gift or hospitality with the expectation or hope that business or a business advantage will be received, or to reward for any business or 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 any procedure;
- (c) accept payment or any advantage or favour from a third party that you know or suspect is offered with the expectation that you will obtain or arrange 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 you or us in return;
- (e) threaten anything or retaliate against another employee or Business Partner 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.

7. Dealing with government officials

7.1 Although this policy covers all business transactions and activity in both the public and private sectors, we must be particularly careful when dealing with government officials in the UK and abroad. No employee or Business Partner should offer or promise any financial or other advantage to a government official to influence them in any way to help us or you obtain or retain business or another advantage in the conduct of our or your business.

7.2 The term “government official” is interpreted broadly around the world and covers people not only working directly for government, but also employees of government owned or controlled companies or agencies. In some countries it can be difficult to determine whether you are dealing with “government officials”. For example, they may be:

- (a) appointed or elected;
- (b) permanent or temporary
- (c) paid or unpaid
- (d) of any level of seniority
- (e) a member of a political party
- (f) a candidate for public office
- (g) an employee of a public international organisation (such as the United Nations).

7.3 You must never give or accept gifts or hospitality to or from government officials, or the spouses, family members or guests of government officials. You must not agree to pay for non-business travel and/or hospitality for any government official or their spouses etc. You must comply with all applicable written laws and with Warrego’s internal procedures regarding gifts or hospitality to government officials.

7.4 If you are in any doubt, you should contact Warrego’s General Counsel in advance of giving or receiving any such hospitality or gift or if you are invited to do so.

8. Business partners

8.1 Warrego only works with Business Partners where those Business Partners have contractually agreed to comply with this policy or have demonstrated an equivalent/appropriate policy. If you are unsure whether a Business Partner has been approved, you should contact Warrego's General Counsel who will keep an appropriate register of approved Business Partners.

8.2 Any remuneration payable to Business Partners acting on behalf of Warrego must be appropriate for the services carried out, i.e. fair market value (which is to be determined objectively as far as possible). Payments must never be made in cash. Payments should only be made in the jurisdiction where the third party is domiciled and always to a bank account in the name of the third party. All payments must be fully recorded in Warrego's financial records so that the reason for the payment can clearly be verified.

9. Donations

9.3 We do not make contributions to political parties, pressure groups or special interest groups. For the avoidance of doubt this does not include giving to charities as long as the gift is first approved by the General Counsel or in any case where it is of material scale, by the Warrego Board. For the avoidance of doubt the Amangu and Native title issues are not within this clause.

10. Your responsibilities

10.1 The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for us or under our control. All employees and Business Partners are required to avoid any activity that might lead to, or suggest, a breach of this policy.

10.2 You must not promise, offer, give, request, agree to receive or accept a financial or other advantage in return for favourable treatment, to influence a business outcome or to gain any business advantage. You must follow the anti-bribery and corruption laws to which we and you are subject.

10.3 You must notify Warrego's General Counsel as soon as possible if you believe or suspect that a conflict with this policy has occurred, or may occur in the future. For example, if a customer or potential customer offers you something to gain a business advantage with us, or indicates to you that a gift or payment is required to secure their business. Further "red flags" that may indicate bribery or corruption are set out in the attached Schedule to this policy.

10.4 You are liable to disciplinary action, dismissal, legal proceedings, prosecution and possibly imprisonment if you are involved in bribery and corruption. Appropriate action will be taken against employees and Business Partners who fail to comply with this policy.

11. Record-keeping

11.1 We must keep financial records and have appropriate internal controls in place which will evidence the business reason for making payments to third parties.

11.2 You must declare and keep a written record of all hospitality or gifts accepted or offered, which will be subject to managerial review.

11.3 You must ensure all expenses claims relating to hospitality, gifts or expenses incurred in relation to third parties are submitted in accordance with our expenses policy and specifically record the reason for the expenditure.

11.4 All accounts, invoices, memoranda and other documents and records relating to dealings with third parties, such as clients, suppliers and business contacts, should be prepared and maintained with strict accuracy and completeness. No accounts may be kept "off-book" to facilitate or conceal improper payments.

12. How to raise a concern

12.1 It is important that you notify Warrego's General Counsel in writing as soon as possible if you are offered a bribe by a third party, are asked to make one, suspect that this may happen in the future, or believe that you are a victim of another form of unlawful activity.

12.2 If you are unsure whether particular behaviour or conduct constitutes bribery or corruption, or if you have any other queries, these should be raised with Warrego's General Counsel without delay.

13. Training and communication

13.1 Training on this policy forms part of the induction process for all new employees and Business Partners. All existing employees and Business Partners will receive regular, relevant training on how to implement and adhere to this policy.

13.2 Our zero-tolerance approach to bribery and corruption must be communicated to all Business Partners at the outset of our business relationship with them and as appropriate thereafter.

14. Who is responsible for the policy?

14.1 The board of directors has overall responsibility for ensuring this policy complies with our legal and ethical obligations, and that all those under our control comply with it.

14.2 Warrego's General Counsel has primary and day-to-day responsibility for implementing this policy and for monitoring its use and effectiveness and dealing with any queries on its interpretation. Management at all levels are responsible for ensuring those reporting to them are made aware of and understand this policy and are given adequate and regular training on it.

15. Monitoring and review

15.1 Warrego's General Counsel will monitor the effectiveness and 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.

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Adopted by the Board,
Warrego Energy Limited
29th March 2012

Schedule

Potential bribery risk scenarios: “red flags”

The following is a list of possible red flags that may arise during the course of you working for us or your business activities and which may raise concerns under applicable anti-bribery and anti-corruption laws. The list is not intended to be exhaustive and is for illustrative purposes only.

If you encounter any of these red flags or any similar types of behaviors, circumstances or situations, while working with us or for us, you must report them promptly (and in writing) to Warrego’s General Counsel. You must not proceed unless and until the “red flag” has been investigated and clarified and you have been authorised (in writing) to proceed with the relevant transaction:

- (a) you become aware that a third party engages in, or has been accused of engaging in, improper business practices;
- (b) you learn that a third party has a reputation for paying bribes, or requiring that bribes are paid to them, or has a reputation for having a “special relationship” with foreign government officials;
- (c) a third party insists on receiving a commission or fee payment before committing to sign up to a contract with us, or carrying out a government or regulatory function or process for us;
- (d) a third party requests payment in cash and/or refuses to sign a formal commission or fee agreement, or to provide an invoice or receipt for a payment made or proposed to be made;
- (e) a third party requests that payment is made to a country or geographic location different from where the third party resides or conducts business;
- (f) a third party requests an unexpected additional fee or commission to “facilitate” a service;
- (g) a third party demands lavish entertainment or gifts before commencing or continuing contractual negotiations or provision of services;
- (h) a third party requests that a payment is made to “overlook” potential legal violations;
- (i) a third party requests that you provide employment or some other advantage to a friend or relative;
- (j) you receive an invoice from a third party that appears to be non-standard or customised;
- (k) a third party insists on the use of side letters or refuses to put terms agreed in writing;
- (l) you notice that we have been invoiced for a commission or fee payment that appears large given the service stated to have been provided;
- (m) a third party requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to us;
- (n) you are offered an unusually generous gift or offered lavish hospitality by a third party;
- (o) a third party refuses to respond to our due diligence questionnaire or to agree contractually to implement adequate anti-corruption measures.

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