



**TLOU ENERGY**

## **Anti-Bribery and Anti-Corruption Policy**

Adopted by the Board of Tlou Energy Limited on 12 August 2014.

### **1. INTRODUCTION**

Bribery and corruption have a serious impact on the social, economic and political environment of many countries. Bribery is not a victimless crime. It undermines human rights and erodes confidence in the democratic process and the legitimacy of a government. Like many such insidious practices it is most felt usually by the world's poorest.

Tlou Energy Limited (**Tlou Energy**) is committed to responsible corporate governance and to conducting business in an honest and ethical manner in accordance with the law. Honesty and integrity are considered integral to the Company's values and the way Tlou Energy and its subsidiaries (**Tlou Energy Group**) operate their businesses. Conduct associated with bribery, corruption and dishonesty is inconsistent with these values and against the law and may result in Tlou Energy and individual company employees being prosecuted.

This Anti-Bribery and Anti-Corruption Policy (**Policy**) prohibits Tlou Energy Personnel (defined below) from engaging in activity that constitutes bribery or corruption. This Policy supports the Tlou Energy corporate governance framework.

The purpose of this policy is to:

- (a) set out the responsibilities of Tlou Energy Personnel in observing and upholding the prohibition on bribery, corruption and related improper conduct; and
- (b) provide information and guidance on how to recognise and deal with instances of bribery and corruption.

### **2. WHO DOES THE POLICY APPLY TO?**

This Policy applies to all individuals at all levels who are employed by, act for, or represent the Tlou Energy Group (**Tlou Energy Personnel**) in all countries. This includes, but is not limited to, the following:

- (a) directors;
- (b) officers;
- (c) managers;
- (d) employees;
- (e) contractors;
- (f) consultants; and
- (g) any other person representing the Tlou Energy Group.

This Policy applies to Tlou Energy Personnel irrespective of their employment status (that is, whether they are employed on a full-time, part-time, fixed term, casual, contractor or temporary basis).

### **3. WHAT IS BRIBERY AND CORRUPTION?**

#### **3.1 Bribery**

Bribery is the act of offering, promising, giving, soliciting or accepting a benefit, with the intention of influencing a person to behave outside the responsibilities of their role or to not act in good faith, in order to gain a personal or business advantage that is not legitimately due.

Acts of bribery are typically intended to improperly influence individuals to act dishonestly in the performance or discharge of their duty.

A bribe could be either, a direct or indirect promise, offering, or authorisation, of anything of value designed to exert improper influence.

The benefit that is offered, given or received may be monetary or non-monetary. For example, it may involve non-cash gifts, political or charitable contributions, loans, reciprocal favours, business or employment opportunities or lavish corporate hospitality.

#### **3.2 Target of the bribery**

Whether the target of the act of bribery works in the public or private sector is irrelevant. The relevant laws apply to bribery of public officials as well as bribery in respect of any proposed or completed commercial transaction in the private sector.

#### **3.3 Direct and indirect forms**

Bribery can be direct or indirect. It may involve procuring an intermediary or an agent to make an offer which constitutes a bribe to another person, or where a bribe is made to an associate of a person who is sought to be influenced.

#### **3.4 Acceptance of a bribe**

It is irrelevant if a bribe is accepted or paid. Merely offering the bribe will usually be sufficient for an offence to be committed.

#### **3.5 Corruption**

Corruption is the misuse of office or power or influence for private or personal gain.

#### **3.6 What are facilitation payments?**

Facilitation payments are typically, but not always, minor unofficial payments made for the purposes of securing or expediting a routine government action by a government official or employee.

As a general rule, it is Tlou Energy's policy that such payments must not be made. In the

event that any Tlou Energy staff, contractors or representatives is faced with a situation where such a request has been made or it is perceived as being necessary that staff member, contractor or representative must notify their immediate superior or superior once-removed or contact the Company Secretary or the In-House Counsel.

In the event that Tlou Energy staff member, contractor or representative is unsure whether a payment would amount to a facilitation payment, then he/she must contact their immediate superior or superior once-removed or contact the Company Secretary or the In-House Counsel.

In certain circumstances, where not prohibited by local or applicable laws, and where not otherwise in breach of this policy, a facilitation payment may be approved by one of the aforementioned officers of Tlou Energy. In which event the details of the payment including the substance of its purpose will be recorded in the Company's records and accounts.

### **3.7 What are secret commissions?**

Secret commissions typically, but not always, arise where a person or entity (eg any Tlou Energy Personnel) offers or gives a commission to an agent or representative of another person which is not disclosed by that agent or representative to their principal. Such a payment is made as an inducement to influence the conduct of the principal's business.

## **4. WHAT CONDUCT IS PROHIBITED?**

### **4.1 Legal obligations**

Most countries have laws that prohibit bribery and corruption domestically. Australia, the United Kingdom and the United States, among others, also have laws that prohibit bribery even when it is committed in another country. In Australia, those prohibitions apply to businesses incorporated in Australia and to individuals who are Australian citizens or residents, wherever they may be.

A breach of these laws can be a serious offence, which may result in fines on the Company and employees and or the imprisonment of employees. The appearance of a breach of these laws can have serious reputational impact on the Company. A breach of these laws may have serious consequences for Company personnel, including termination where appropriate.

### **4.2 Prohibition for Tlou Energy Personnel**

Tlou Energy Personnel must not do any act that constitutes bribery or corruption as described in paragraph 3 of this Policy. This means that Tlou Energy Personnel must not directly or indirectly give, offer, promise, request or receive a bribe or cause a bribe to be given or received.

In accordance with the UK Bribery Act, the making of facilitation payments by Tlou Energy Personnel or companies part of the Tlou Energy Group is prohibited unless your health, safety or liberty is threatened (see section below). In addition, the payment of secret commissions by any Tlou Energy Personnel is prohibited.

sectors, they are illegal under the UK laws which have far-reaching jurisdiction and could apply to Tlou Energy operations anywhere in the world. On this basis Tlou Energy prohibits facilitation payments and will support all Tlou Energy Personnel in their refusals to make such payments, even if such refusals cause delays or difficulties in doing business.

Tlou Energy does however expect Tlou Energy Personnel to plan for the possibility of such delays or difficulties in the lead up to projects in higher risk countries.

It is sometimes difficult to determine if a requested payment is a genuine fee for a government service, or if it is actually a facilitation payment. Therefore when making any payment to government officials you must be mindful of what the payment is for and whether the amount being requested is proportionate to the goods or services provided. You must always ask for a receipt which details the recipient (which should be the government agency or department rather than the official themselves) and the reason for the payment.

#### **4.3 Threats to health, safety & liberty**

If you are faced with a situation where a payment is demanded and your health, safety or liberty is threatened you may feel as though you have no alternative but to make the payment in order to protect yourself. In these circumstances you may make the payment, provided you record the payment and the circumstances and report it to your immediate superior as soon as possible after the event

#### **5. WHAT ARE THE CONSEQUENCES OF A CONTRAVENTION?**

Corruption, bribery and any related conduct are very serious offences.

If any Tlou Energy Group company is found to have taken part in bribery or any other related improper conduct addressed by this policy, it could face a fine, be excluded from tendering for public contracts and/or suffer reputational harm. An individual may be subject to penalties or lengthy terms of imprisonment.

A breach of this Policy by any Tlou Energy Personnel will be regarded by Tlou Energy as serious misconduct, and may lead to disciplinary action which may include termination of employment and/or referral of a matter to relevant authorities.

#### **6. WHAT GIFTS AND HOSPITALITY MAY BE GIVEN OR ACCEPTED?**

##### **6.1 Gifts and hospitality**

Gifts, meals, travel, entertainment and other hospitality (**Gifts**) often form part of a legitimate commercial relationship. However, in some circumstances Gifts can compromise the exercise of objective business judgement, and may result in a breach of this Policy. Therefore, it is important to be careful when offering, promising, giving or receiving anything of value, particularly involving any government official, to ensure that it does not constitute a bribe or corrupt payment or that it would not be perceived as engaging in improper conduct. As such, precautions must be taken and this Policy must be complied with when offering Gifts to, or receiving Gifts from, any external party or entity.

## 6.2 **Criteria for allowable Gifts**

This Policy does not preclude any Tlou Energy Personnel from giving to, or accepting a Gift from, a government official or any other person, when engaging in Tlou Energy Group business in accordance with the following guidelines.

Before giving a Gift to, or accepting a Gift from, any person, including a government official it is important to:

- (a) ensure that the Gift is directly connected to a legitimate business activity;
- (b) ensure that no regulatory approvals (such as the granting of permits or licences) are currently being considered by that person or government official such that a Gift could, or could be seen to, influence or reward action taken by that person or government official;
- (c) ensure that the proposed recipient can accept any such Gift (many government officials and other private sector representatives cannot do so under local laws or their own code of conduct);
- (d) ensure that it is of an appropriate value and nature considering local custom, the position of the recipient and the circumstances and:
  - (i) the value of the Gift does not exceed the value of \$300, or when aggregated with other Gifts given to that person during the current calendar year, \$500;
  - (ii) the Gift does not include cash, loans or cash equivalents such as gift certificates or vouchers;
- (e) assess that the giving or acceptance of the Gift would not cause a third party to form an impression that there is an improper connection between that Gift and a business opportunity; and
- (f) comply with the requirements in paragraphs 6.3 and 6.4 of this Policy.

If a Gift does not satisfy the criteria set out in paragraph 6.2, the Gift must not be given or received by the Tlou Energy Group or any Tlou Energy Personnel.

The criteria set out in paragraph 6.2 remains applicable in the case of customary gifts (such as for weddings or cultural festivals).

## 6.3 **Giving Gifts**

If any Tlou Energy Personnel proposes to give a Gift to any external party which is of a value in excess of \$400, they must obtain prior written clearance from their immediate superior or superior once-removed.

## 6.4 **Receipt of Gifts**

Gifts of any kind must not be demanded or sought from any supplier, customer,

government official or other party with whom Tlou Energy conducts business.

If any member of Tlou Energy Personnel receives a Gift from an external party which is of a value in excess of \$400, they must report it to their immediate superior or superior once-removed, who will then decide whether to provide clearance for the Tlou Energy Personnel to accept the Gift having regard to the criteria set out in paragraph 6.2.

#### 6.5 **Register of Gifts**

If clearance is given to give a Gift to an external party in accordance with paragraph 6.3, it must be recorded in a register (**Register of Gifts**), which will be maintained by the company's internal legal counsel or Company secretary who is to update the board of directors with details of the register on an annual basis.

Where a Gift is received by a member of Tlou Energy Personnel, after reporting it to their immediate superior or superior once-removed, it must also be recorded in the Register of Gifts.

### 7. **HOW DOES THIS POLICY APPLY TO THIRD PARTIES?**

The Tlou Energy Group will not engage or deal with any third party (being any person or entity who is not a member of Tlou Energy Personnel, including agents, consultants, distributors, other contractors or joint venture partners) if there is a known risk that they will breach applicable anti-bribery or anti-corruption laws or Tlou Energy's policies and procedures relating to anti-bribery and anti-corruption.

Third parties must be chosen carefully and engaged appropriately, as any improper conduct by a third party could damage Tlou Energy's reputation and expose the company and its directors and employees to criminal or civil liability or other sanctions.

Before entering into a relationship with a third party, appropriate due diligence enquiries must be undertaken in relation to the third party. The necessary enquiries will vary depending on the nature of the proposed relationship, but will typically, among other things, determine whether:

- (a) the third party is reputable, competent and qualified to perform the work for which they are being engaged;
- (b) the compensation the third party requests is reasonable;
- (c) the proposed arrangement complies with all applicable legal requirements; and
- (d) there is any conflict of interest that means engaging the third party would be inappropriate.

Once a third party is engaged, they must be given a copy of this Policy.

Standard terms must be included in contractual arrangements with the third party that oblige the third party to operate in accordance with relevant anti-bribery and anti-corruption laws and in accordance with this Policy, and if requested in writing by Tlou Energy, provide Tlou Energy with a written statement that the third party is fully compliant with the relevant anti-bribery and anti-corruption laws and this Policy.

Furthermore, reasonable steps must be taken to monitor the transactions of the third party, which may involve periodic due diligence and review.

## 9. **RECORD KEEPING**

All accounts, invoices, and other documents and records relating to dealings with any external party or third party should be prepared and maintained with accuracy and completeness. No accounts may be kept “off-book” to facilitate or conceal potential breaches of this Policy.

All expenditure by Tlou Energy Personnel, including on Gifts, must be included in expense reports and approved in accordance with the Tlou Energy Group's policies.

## 10. **WHAT REPORTING OBLIGATIONS APPLY UNDER THIS POLICY?**

### 10.1 **Responsibilities of Tlou Energy Personnel**

All Tlou Energy Personnel have a responsibility to aid in the prevention, detection and reporting of not only bribery and corruption, but also of any other suspicious activity or wrongdoing in connection with Tlou Energy’s business.

### 10.2 **How to report an incident**

Should a member of Tlou Energy Personnel reasonably believe or suspect that a breach of this Policy has occurred, or is likely to occur; they must immediately notify their immediate superior or superior once-removed or contact the Company Secretary.

### 10.3 **Protection for Tlou Energy Personnel reporting behaviour**

As detailed, this policy is very important for the reputational value of the Company and to ensure that it conducts its business in an ethical and responsible manner. Therefore Tlou Energy is committed to ensuring that no person will suffer detriment because they have reported a matter. Detriment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with reporting a matter.

Persons who are subjected to such treatment should inform their immediate superior or superior once-removed, or the Company Secretary.

## 11. **DO YOU REQUIRE FURTHER GUIDANCE?**

If you require further guidance as to this Policy, please contact the Company Secretary on + 61 7 [ ].

## 12. **COMPLIANCE WITH THE POLICY**

Tlou Energy is committed to maintaining its reputation and complying with the law in all jurisdictions in which it operates.

Not all situations can be directly addressed in a policy. Tlou Energy Personnel should also bring their own reason, propriety and judgement to a situation based on the principles set

out in this Policy.

13. **REVIEW**

This Policy is to be reviewed:

- (a) as soon as practicable after a key change in the nature or scope of Tl o u E n e r g y ' s activities or a change in legislation relating to bribery and corruption; or
- (b) otherwise at least once every two years.

*Date Policy implemented: 12 August 2014*

*Date for next scheduled review: August 2016*

*Version number: 1*