



Oil Search

Corruption Prevention Policy

Approved by the Board on 12 December 2019

Richard Lee
Chairman

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Introduction

Oil Search's commitment to corruption prevention stems from its principle of operating with integrity. Under this principle Oil Search aims to conduct business ethically at all times as well as adopting and advocating for principles, practices and standards which contribute toward combating corruption.

Oil Search has a zero-tolerance approach to bribery and corruption and requires all *Oil Search Personnel* and *Business Partners* to perform their duties:

- ethically, honestly, responsibly and diligently; and
- in full compliance with the law, this Policy and the Code of Conduct.

If there is a conflict between this Policy and the law, the higher standard will apply.

1. Purpose

This is a group-wide Policy that applies to all of Oil Search's business dealings in all jurisdictions in which Oil Search operates and must be complied with by *Oil Search Personnel*. Every person covered by this Policy is required to understand and comply with this Policy.

Business Partners are expected to have and comply with policies for managing bribery and corruption risks. Where a *Business Partner* does not have policies managing bribery and corruption risks, or such policies do not meet Oil Search standards, Oil Search expects its *Business Partners* to comply with this Policy.

2. Corruption Prevention

2.1 General Guidance

Bribery and corruption are criminal offences for which:

- *Oil Search Personnel* can face imprisonment and fines; and
- Oil Search could face fines and reputational damage.

2.2 Prohibited Activity

Bribery means giving, offering, paying or promising anything of value to another person with the intention of improperly influencing them to obtain or retain a business advantage.

Any form of bribery or corrupt conduct by *Oil Search Personnel* is absolutely prohibited. As bribery and corruption can take a variety of forms, *Oil Search Personnel* **must not**:

- give, pay, offer, promise, authorise or accept bribes, kickbacks, inducements, or any other illegal payments either directly or indirectly to anyone;
- give, pay, offer, promise, directly or indirectly, any benefit, including cash, per diems, donations, gifts, entertainment or any other benefit of any kind to a Government Official (of any country) or a person in the private sector including suppliers and contractors to improperly influence them in connection with their duties or to obtain a business advantage;
- give, pay, offer or promise a Facilitation Payment;
- accept Gifts or Entertainment where the donor party is engaged in a tender or competitive bidding process with Oil Search;
- give, pay, offer or promise Gifts or Entertainment where a material business decision is imminent between Oil Search and the other party;

- give, pay, offer or promise Gifts or Entertainment that you pay for personally to avoid having to report or seek internal approval;
- give, pay, offer, promise or receive Gifts and Entertainment not in accordance with this Policy; or
- prepare false, misleading, incomplete or inadequate accounting books or records

2.3 Extortion/safety payment

If a payment has been made as a result of a direct or associated imminent threat to the health or safety of *Oil Search Personnel*, it must be immediately reported to the Oil Search security team at the relevant location, and the Line Manager **and** Compliance as soon as practicable. The payment will be accurately recorded as an extortion or safety payment in Oil Search's accounting records.

3. Training

Oil Search Personnel **must** undertake online anticorruption training within two months of commencing employment with Oil Search and **must** undertake online anticorruption refresher training every two years.

Business Units **must** co-ordinate with the VP Internal Audit and Compliance to identify individuals who work in roles which have greater exposure to potential bribery and corruption and who may require face-to-face anticorruption training within two months of joining Oil Search or moving to a new position where such training is required.

4. Gifts, Entertainment and other benefits

Precautionary measures **must** be taken prior to offering, promising or giving anything of value, including Gifts and Entertainment directly or indirectly to anyone.

This section sets the rules for recording and seeking pre-approval for Gifts and Entertainment where:

- they are offered, given or promised by, or requested from, Oil Search Personnel; and
- they are offered to or received by Oil Search Personnel.

This section of the Policy is not designed to cover internal staff entertainment, i.e. where Oil Search employees provide meals, gifts, entertainment or travel for other Oil Search employees at the expense of Oil Search.

4.1 Prohibited acts

Oil Search Personnel **must not** authorise, offer, give or promise any benefit directly or indirectly to a Government Official or anyone to induce them to perform their work duties improperly to gain a potential advantage for Oil Search.

Oil Search Personnel **must not** authorise, undertake or participate in any of the following:

- schemes to give any improper benefit or kickback or secret commission to anyone;
- offering or giving facilitation payments, even if it is customary to make such payments;
- providing per diem, cash or cash equivalent payments of any kind to a Government Official, unless prior approval has been provided by an EVP and either the General Counsel or the Chief Financial Officer; or
- Using a third party to do something that Oil Search is prohibited from doing directly.

4.2 Recording and Pre-approvals

Oil Search Personnel **must**:

- Obtain pre-approval from EVP/President before offering or giving a per diem, cash or cash equivalent payment to a Government Official, regardless of value;

- Obtain pre-approval from EVP/President and Compliance before offering or giving a Gift to a Government Official, regardless of value;
- Obtain pre-approval from EVP/President before offering, giving or receiving Entertainment with a value >US\$200 to or from a Government Official;
- Obtain pre-approval from Managing Director before offering, giving or receiving Entertainment with a value >US\$500 to or from a Government Official;
- Obtain pre-approval from EVP/President before offering, giving or receiving a Gift or Entertainment with a value >US\$200 to or from a private individual or entity;
- Obtain pre-approval from Managing Director before offering, giving or receiving a Gift or Entertainment with a value >US\$500 to or from a private individual or entity;
- Line Manager approval must be obtained before offering, giving or receiving a Gift or Entertainment to the same recipient or from the same provider more than three times in a calendar year for the fourth and all subsequent Gifts or Entertainment given or received in excess of US\$50;
- All Gifts and Entertainment >US\$200 must be registered with Compliance using the Oil Search Gifts and Entertainment Forms within the month they were given or received;
- EVPs/Presidents are not required to seek pre-approval for a Gift or Entertainment with a value below US\$500 but must obtain pre-approvals from the Managing Director for a value >US\$500.

4.3 Site Visits - Travel Expenses for Government Officials

Oil Search prohibits the payment of travel and travel related expenses for Government Officials, unless such payment has been pre-approved by the relevant Country President (or the Chief Operating Officer (COO) as the Country President's delegate) **and** the required pre-approvals have been obtained and reporting requirements met under paragraph 4.2.

The Country President (or the COO as the Country President's delegate) may grant exceptions to the general prohibition provided that:

- The payment is for reasonable and bona fide expenditure properly incurred in relation to travel; and
- The travel is directly related to the promotion, demonstration or explanation of Oil Search's business operations or directly related to the performance of a contract with the government or government owned entity.

The prohibition does not apply to travel undertaken by a Government Official:

- to an Oil Search site in connection with the performance of their regulatory duties; or
- in an Oil Search vehicle,

so long as such travel is organised and facilitated by Oil Search.

5. Political and Charitable Donations

5.1 Political donations

Oil Search **does not** make payments in cash or in kind, directly or indirectly, to politicians, political parties, political organisations, their representatives or any independent candidates engaged in politics. Any breach of this Policy could contravene applicable legislation and result in sanctions against Oil Search, its subsidiaries and their respective directors.

5.2 Charitable donations

Oil Search supports various charitable and educational programmes and builds relationships with our local communities by open and honest engagement with people affected by our operations.

Community and charitable donations offered or made on behalf of Oil Search **must** be pre-approved by the relevant EVP.

5.3 Prohibited activity

Oil Search Personnel must not use Oil Search money or resources to:

- offer, lend, donate, sponsor or give anything of value, including cash, the use of Oil Search property/facilities or any other benefit, either directly or indirectly, to a Political Party;
- pay a subscription or other fee for affiliation to, or membership of, any Political Party or political organisation;
- make a donation or sponsorship to any officer, member, trustee or agent of a Political Party; nor
- purchase tickets for fundraising dinners, seminars or other events where the ticket price includes a donation to a Political Party.

6. Business Partners

Oil Search expects its *Business Partners* to conduct themselves in full compliance with laws and with a code of conduct substantially similar to Oil Search's Code of Conduct. Oil Search can be held responsible for the acts of its *Business Partners* and so they must be chosen with care.

Oil Search Personnel must not engage or do business with a *Business Partner* if there is a concern that the *Business Partner* could breach anticorruption laws, this Policy or the Code of Conduct or an equivalent code.

7. Conflicts of interest

7.1 What is a conflict of interest

A conflict of interest arises when an individual's private or personal interests interfere with or influence, or appear to interfere with or influence, their obligations, loyalty and objectivity in relation to Oil Search.

Examples of where a conflict of interest may arise include:

- providing a special advantage to a spouse, partner, relative, child or friend;
- having a close personal relationship with a work colleague;
- having a second job;
- share ownership;
- serving as a director, consultant or contractor of another entity; or
- holding public office, performing a public duty or fulfilling any other role with any other organisation, including volunteer positions and charitable activities.

Determining whether a conflict of interest exists requires review and an understanding of the circumstances. It could be a "possible conflict of interest", a "perceived conflict of interest" or an "actual conflict of interest".

A "possible conflict of interest" is one in which a reasonable person would think that a person's judgment is likely to be compromised, even if it is not in fact: e.g. if that person is managing a project involving a company where the person was formerly employed.

A "close personal relationship" goes beyond the bounds of a personal friendship or working relations and includes dating, romantic, sexual or similar relationships. Such relationships have the potential to create a conflict of interest.

7.2 What to do if a conflict of interest arises

Oil Search Personnel must avoid entering into any situation in which an actual or possible conflict of interest may arise.

Oil Search Personnel must consult with their Line Manager if they know or think they have a conflict of interest.

Line Managers **must** determine whether a conflict of interest exists and if so, ensure that individual reports the conflict of interest to Compliance.

7.3 What to do if you have a Close Personal Relationship at work

Oil Search Personnel must disclose to People & Culture any “close personal relationship” with another employee including:

- direct or indirect reporting lines; and/or
- actual or possible conflicts of interest between roles including actual, potential or perceived opportunities for one person to make decisions regarding the other’s work, entitlements, or position/standing at Oil Search.

All disclosures will be treated in strict confidence.

Further information can be found in the *Human Resources Procedure*.

7.4 Approvals

Oil Search Personnel must obtain prior written approval from their line Executive Vice President/President (or Managing Director in the case of EVPs/Presidents) before:

- acquiring an interest in a competitor, supplier or customer of Oil Search, other than acquiring a shareholding of less than 5% in a publicly listed company on a stock exchange. Notwithstanding this clause, Oil Search Personnel must comply with the obligations of the Share Trading Policy;
- hiring or supervising a relative, regardless of whether that person is an Oil Search employee or employed by an Oil Search contractor; or
- accepting a position as a board member (including with not-for-profit organisations).

7.5 Register of conflicts of interest

Line Managers **must** notify Compliance of all conflicts of interest reported to them.

A corporate register of conflicts of interest will be maintained by Compliance.

8. Maintaining accurate books and records

Oil Search **must** maintain books and records that accurately reflect all its transactions in detail.

Oil Search Personnel must not:

- make, alter, destroy or conceal an Accounting Document; or
- fail to make or alter an Accounting Document if there is a duty to make or alter it,
- with the intention that such conduct would facilitate, conceal or disguise:
- the receipt or giving of a benefit that is not legitimately due; or
- a loss that is not legitimately incurred.

9. Reporting

Oil Search Personnel must notify Compliance or Legal if they become aware of or suspect any of the following:

- a breach or suspected breach of bribery or corruption related laws;
- a conflict of interest (either personally or of a colleague);

- they, or a Business Partner, have offered, or been offered, or received, a corrupt payment (including facilitation payments), however vague or trivial they may seem; or
- any wrongdoing which may be unlawful or may expose Oil Search to financial loss, prosecution by a regulatory body or other damage.

Any person who feels uncomfortable reporting an incident to Compliance or Legal should raise the matter using the ***Oil Search Whistleblower Hotline***.

Matters raised under the Oil Search Whistleblower Policy will be managed in accordance with that Policy.

If you have any concerns, you can:

- » Speak to your Line Manager
- » P&C
- » Legal
- » Compliance
- » OSL Hotline:
- » **AUS:** 1800 427 734 (toll free)
- » **PNG:** +675 322 5777 (toll free)
- » **USA:** 1 800 874 9485 (toll free)
- » <http://www.oilsearchhotline.deloitte.com.au>



If a payment has been made as a result of a direct or associated imminent threat to the health or safety of *Oil Search Personnel*, it must be immediately reported to the Oil Search security advisor at the relevant location, and to your Line Manager and to Compliance as soon as practicable and accurately recorded in Oil Search accounting records.

If an incident is judged to be material by the Vice President Internal Audit and Compliance, it will be reported immediately to the General Counsel and/or the Chief Financial Officer. What constitutes a material issue is a matter of judgment and may vary across locations but it will include all cases which involve: (i) Government Officials, (ii) Landowner Company service providers; *Business Partners*, and/or (iii) misuse of money in excess of \$US1,000.

Material breaches of this Policy will be reported at the next Board Audit and Financial Risk Committee meeting.

Oil Search will not tolerate retaliation or harassment or other detrimental conduct against anyone who has reasonable grounds for raising a concern.

10. Reviewing and Maintaining the Policy

This Policy will be reviewed as required to ensure that it is line with changes in law and that Oil Search continues to operate effectively and in compliance with the relevant laws and regulations.

Abbreviations, Definitions and External References

For a full list of Company Definitions refer to the [Oil Search Glossary](#) on the [Our Way Portal](#).

Term	Definition
Accounting Document	means, without limitation, accounting documents such as invoices, receipts, ledgers and employee expense claims.
Business Partner	means: <ul style="list-style-type: none"> • Joint venture partners or co-investors. • Third parties that interact with others on behalf of Oil Search or any Oil Search owned or controlled entities, such as agents, brokers, intermediaries, advisors, consultants, representatives, travel agents, freight forwarders, customs or visa agents, tax advisors, law firms, finders, lobbyists and accountants. • A vendor that is known or believed to be owned in whole or in part by a Government Official or close relative of a Government Official. • A vendor that is recommended, suggested or mandated by a Government Official.
Entertainment	Any social activity where the host is an Oil Search employee or other personnel, or a third party who has invited an Oil Search employee or other personnel to attend, such as dining, attending an amusement or sporting, artistic or cultural event, or participating in a recreational or related activity. If the individual or company host who extended the invitation to an entertainment event does not attend, or is not represented at the event, the event ceases to be entertainment and instead should be treated as a Gift to the party invited.
Facilitation Payments	A payment made to secure or expedite the performance of a routine or ordinary action to which the payer of the facilitation payment has legal or other entitlement. Typical examples would be providing nominal payments to custom agents for issuing minor licenses or permits or clearing goods through customs.
Gift	Anything of value (actual good, service, benefit in kind, etc.) given/received by an Oil Search employee or other personnel for which no specific service or compensation is expected or received. A gift may take the form of discounts, loans, favourable terms on any product or services, services, membership, travel or travel related expenditure, prizes, conference/training expenses, other educational expenditure, transportation, use of another company's vehicles (including aircraft and marine vessels) or other equipment, use of holiday facilities, stocks or other securities, participation in stock offerings, home improvements, tickets, gift certificates, and any gift to a charity, club or 3rd party made on behalf of the recipient
Government Official	Any officer or employee of any government (whether Central, Federal, State or Provincial) or any ministry, body, department, agency, or instrumentality such as state-owned or state controlled companies or statutory corporations thereof, or of a public international organisation, any person acting in an official capacity for or on behalf of any government or government entity, or of a public international organisation, any political party or party official.
Oil Search Personnel	<ol style="list-style-type: none"> 1. All Oil Search entities and their directors, officers, employees, secondees (i.e. a person seconded by another entity to an Oil Search entity) and contracted employees; and 2. Individuals or entities who are effectively controlled by an Oil Search entity, are under operational control of an Oil Search entity, or act on behalf of an Oil Search entity (either directly or indirectly).
Political Party	Any political party, including any political organisation and/or any independent election candidates.