



THE AUSTRALIAN PETROLEUM PRODUCTION & EXPLORATION ASSOCIATION (APPEA)

ANTI-BRIBERY AND CORRUPTION POLICY

Approved by the Board March 2022

Anti-Bribery and Corruption Policy

1. Purpose

APPEA has zero appetite for unacceptable behaviour in relation to bribery and corrupt business practices and will comply with the laws of the jurisdictions in which we operate.

To achieve this, this policy sets out:

- the activities and payments that are prohibited;
- the responsibilities of APPEA Personnel in upholding the prohibition against Bribery and Corruption;
- the requirements for managing Gifts and Hospitality, political engagements, dealing with Public Officials, and third parties including Agents and Representatives; and
- guidance on how to recognise and raise a concern relating to unacceptable behaviour.

Capitalised terms used in this policy are defined in the Glossary attached to this policy.

2. Scope

This policy applies to all APPEA Directors, employees and contractors (collectively **APPEA Personnel**) and covers all work-related functions and activities. It also applies to all recruitment, selection, and promotion decisions. The objective of this policy is to guide APPEA Personnel to perform their roles in line with ethical standards and applicable legal requirements.

3. Bribery and corruption

APPEA Personnel are prohibited from being involved in Bribery and Corruption, in any form, anywhere in the world.

This means that APPEA Personnel must not:

- offer, pay, solicit or accept bribes or other improper payments or benefits in any form; or
- engage in fraudulent or corrupt business practices for the benefit of APPEA, themselves or another party; or
- pay any Secret Commissions to those acting in an agency or fiduciary capacity; or
- make Facilitation Payments.

If APPEA Personnel receive an offer for or are asked to provide any benefit prohibited by this policy, they must refuse the offer or request and notify the relevant Executive Team member and the Chief Executive as soon as practicable.

Where possible, meetings involving Public Officials should be attended by two or more APPEA Personnel.

Where a payment is made to protect against perceived or actual immediate danger to personal safety or liberty, it must be reported at the first available opportunity to the relevant Executive Team member and the Chief Executive.

4. Third parties including agents and representatives

Appropriate controls must be implemented to help ensure contracted third parties including Agents and Representatives, meet the requirements of this policy. These include but are not limited to:

- formally communicating APPEA's Code of Conduct and associated policies to contracted third parties;
- undertaking an appropriate risk-based approach to due diligence on the background, associations, reputation, and qualifications of contracted third parties. This includes due diligence and consideration of the third party's familial and other related party relationships with Public Officials;
- incorporating appropriate anti-bribery and corruption clauses in agreements and contracts, including audit rights and termination rights in the event of a failure to comply with APPEA's requirements; and
- implementing appropriate oversight over the work and activities undertaken by the third party.

Where APPEA intends to appoint a third party, Agent or Representative who will engage with Public Officials, approval by the Chief Executive must be obtained. The fees paid to a third party, Agent or Representative must be reasonable and commensurate with the scope and nature of services provided and on arm's length commercial terms.

5. Gifts and hospitality

APPEA prohibits the giving or receiving of Gifts or Hospitality in connection with APPEA operations that go beyond the common courtesies of general commercial practice.

APPEA prohibits the receiving or giving of Gifts or Hospitality in circumstances that may be regarded as:

- compromising personal judgment or the judgment of others;
- unduly influencing APPEA Personnel or anyone else, creating a personal obligation or an obligation for someone else;
- giving rise to a conflict of interest;
- damaging APPEA's reputation or relationships;
- inappropriate (in terms of value), illegal or immoral;
- indicating favouritism or prejudice towards a particular person or group; or
- conflicting in any way with APPEA's Values.

In all circumstances, APPEA prohibits:

- Gifts or Hospitality if offered in the form of physical cash or equivalents; or
- any efforts made by others (including suppliers, members or stakeholders) to unfairly or inappropriately influence any decision-making process in order to achieve unfair advantage or benefit.
- Gifts or Excessive Hospitality¹, being offered to, or accepted from Public Officials.

¹ 'Excessive Hospitality' is defined as Hospitality valued at greater than \$250 per person per event or where Hospitality is provided or received on a frequent basis

All gifts over A\$250 or Hospitality over A\$250 per person per event in value must be recorded in APPEA's Gifts and Hospitality Register and approved by the relevant Executive Team member or the Chief Executive [in accordance with APPEA's Delegated Authority].

Where possible, prior approval for Hospitality exceeding A\$250 per person per event is preferred with the exception of business meals reflecting common courtesy, having regard to the jurisdiction, value and seniority of the attendees.

6. Travel and accommodation

APPEA will only provide payment of travel and/or accommodation to a third party where there is an appropriate business reason to do so, and with the prior approval of the Chief Executive.

APPEA Personnel may only accept travel and accommodation offered by a third party where there is an appropriate business reason to do so, and with the prior approval of the Chief Executive.

The payment, directly or indirectly, of travel and accommodation for Public Officials is prohibited unless approved in advance by the Chief Executive. Approval can only be given if all the following are satisfied:

- the payment is for reasonable and bona fide expenditure properly incurred;
- the travel is directly related to the promotion, demonstration or explanation of APPEA's activities, or directly related to the performance of a contract with a government or government owned organisation;
- the payment relates to travel undertaken by a Public Official directly related to participating in APPEA activities; and
- the travel is in connection with the execution or performance of the Public Official's regulatory functions.

7. Political engagement

APPEA periodically incurs expenditure in relation to political engagement across the states and territories, and federally as part of its ongoing advocacy activities.

Any such expenditure must comply with and be declared to, the Australian Electoral Commission (**AEC**) and relevant State/Territory electoral commissions and be made in accordance with APPEA's Delegated Authorities as approved by the Board from time to time.

APPEA Personnel may only attend a function or event organised by a political party that requires financial contribution or payment, if the function or event is relevant to APPEA's activities and any amount payable is not disproportionately above the value of the event. Attendance at any of those events requires prior approval of the Chief Executive, and Director of Federal Government Relations.

APPEA reports all amounts paid to any politician, Public Official, or political party for any reason and irrespective of size, even if those amounts may not constitute donations requiring disclosure under the AEC's disclosure scheme.

8. Charitable donations and sponsorships

All APPEA Charitable Donations and sponsorships must be approved in accordance with APPEA's Delegated Authorities as approved by the Board from time to time, and consistent with APPEA's Values. The payment of a donation by cash is prohibited.

9. Record keeping

An accurate and auditable record of all expenses incurred by APPEA employees, including all gifts, entertainment and payments must be maintained in accordance with generally accepted accounting principles. A record that may distort or disguise the true nature of any expense or transaction is prohibited.

10. Access to this policy

APPEA Personnel will be made aware of the application of this policy through mandatory Code of Conduct training. High risk roles will also receive additional training on a periodic basis.

11. Compliance

Any breach of this policy will be regarded as serious misconduct and may result in summary dismissal. It may also expose an individual to civil or criminal legal liability and could result in imprisonment or significant financial penalties.

12. How to raise a concern

APPEA Personnel must be alert to activities that may result in a breach of this policy. If an APPEA employee suspect or know of a breach of this policy, they are required to report the matter immediately in accordance with APPEA's Whistleblower Policy.

13. Report and Review

The Board or the Executive Committee of the Board will be informed of any material breaches of this policy.

This policy and any supporting procedures will be monitored and reviewed at least every two years so that it remains effective and appropriate for APPEA's circumstances.

GLOSSARY

Term	Definition
Agent or Representative	A person or entity which will, through its scope of activities, act for or represent APPEA in APPEA's business dealings with public sector and/or private sector third parties
Bribery	This is a specific act of corruption that involves offering, promising, giving, accepting or soliciting of an advantage as an inducement for action which is illegal, unethical or in breach of trust. A bribe can be made directly or indirectly (for example via a third party or intermediary).
Charitable Donations	A financial payment provided voluntarily to a charitable organisation to support a cause or initiative with no expectation of commercial gain in return.
Corruption	Any dishonest activity in which a person acts contrary to the interests of APPEA and abuses his or her position of trust in order to achieve some personal gain or advantage for himself or herself or for another person or entity.
Facilitation Payment	A payment or other inducement provided to a Public Official to secure or expedite a Routine Government Action that the Company is entitled to under law and in the ordinary course of business. These are generally relatively minor payments, by way of a gratuity, made to lower-level officials or employees. It is irrelevant whether the payment is or is not intended to distort or influence a proper decision-making process.
Fraud or fraudulent business activity	Dishonest and/or deceptive activity causing actual or potential loss, either financial or non-financial.
Gifts	Gifts can include payment, payments in kind such as goods or services, favours, travel and accommodation, and other benefits.
Hospitality	Hospitality can include meals and entertainment such as theatre, sporting and other similar activities
Personnel	APPEA Directors, employees and contractors.
Public Official	<ul style="list-style-type: none"> • an official or employee of a government or government owned enterprise, government agency, statutory authority or regulatory authority; • an official or employee of a political party or a political candidate; • any official or employee of an international public organisation such as the United Nations, World Bank or International Monetary Fund; • a member of the judiciary; • an individual who holds or performs the duties of an appointment, office or position created by custom or convention, including some members of royal families and some tribal leaders;

Term	Definition
	<ul style="list-style-type: none"> • a person who is, or holds themselves out to be, an authorised intermediary of a public official; • police officers, customs and tax officials, employees of state-owned enterprises, and political party officials; and • a relative or associate of a public official (as described in the other parts of this definition).
Routine Government Action	<p>An action that is ordinarily performed by the Public Official in question and may include, but is not limited to, the following:</p> <ul style="list-style-type: none"> • granting a permit, licence or other document that qualifies a person to do business in the relevant country; • processing government papers such as visas or work permits; • providing police protection or mail collection or delivery; • scheduling inspections associated with contract performance or transit of goods; • providing telecommunication services, power or water; • loading and unloading cargo; and • protecting perishable products or commodities from deterioration.
Secret Commissions	<p>Benefits that are given, offered, received or solicited by an agent or representative of another person or entity, where that benefit is:</p> <ul style="list-style-type: none"> • not disclosed to the principal; and • given, offered, received or solicited as an inducement or reward for providing or having provided a favour, or the receipt of which would tend to influence the provision of a favour.