



FRAUD AND CORRUPTION POLICY

1. POLICY STATEMENT

Central Petroleum Limited (Central Petroleum) is committed to conducting business fairly and with integrity to maintain the trust of shareholders, employees, business partners and the greater community.

In doing this, Central Petroleum is committed to implementing and maintaining a Fraud and Corruption risk management framework designed to promote an ethical culture and maintain the highest standards of integrity and ethical conduct within the organisation. The Central Petroleum Board of Directors and Senior Management are conscious of the risks and threats of Fraud and Corruption that may affect the organisation, and will treat Fraud, Corruption and other integrity matters seriously.

Central Petroleum has zero tolerance to Fraud and Corruption in the organisation, and is committed to its prevention, detection and control. Fraud, Corruption and improper activities of any type are prohibited. Central Petroleum Employees are required to conduct themselves in a manner consistent with the principles and values of Central Petroleum as laid out in this Policy and Central Petroleum's Code of Conduct.

Central Petroleum may take direct action and has the right to refer to police (or any other appropriate body) for investigation and prosecution any allegation or suspicious activity that falls within the scope of this Policy.

2. PURPOSE AND SCOPE

The Fraud and Corruption Policy (the Policy) sets out Central Petroleum's Fraud and Corruption control principles and its governance arrangements. It further sets out the behaviour expected from Employees who must make themselves aware of their responsibilities and obligations under this policy.

The Policy is should be read in conjunction with other relevant policies and procedures including the Code of Conduct and the Whistleblower Policy and Procedure, which provides a mechanism for the reporting of matters related to Fraud and Corruption related matters.

The Policy is applicable to all Employees.

3. DEFINITIONS

The following definitions apply to this policy. Where referenced in related Fraud and Corruption policies and procedures, the same definitions are to apply.

Bribery is defined as the offering, promising, giving, accepting or soliciting of an advantage as an inducement for an action, which is illegal, or a breach of trust. The payment of a bribe is intended to cause a person to act in a way that is contrary to the interests of his or her employer, is contrary to the organisation's policy on a given issue or is against the public interest. A bribe will typically be paid without the knowledge or implicit agreement of the employer and will include payments intended to influence the outcome of a specific action or event, as well as actions over a period of time.

Corruption is defined as a dishonest activity in which any Employee acts contrary to the interests of Central Petroleum and abuses his or her position of trust in order to achieve personal gain or advantage for him or herself, or for another person or entity. Examples of activities within this definition include:

- Payment or receipt of a Bribe (either in money or another form of value to the receiver) which may relate to a specific decision or action by the receiver.
- Knowingly allowing or failing to prevent independent contractors, business partners and other representatives of the organisation in engaging in corruption which is related to the business interests of Central Petroleum.
- Use of confidential information for accruing personal gain.
- Collusive tendering.
- Payment or solicitation of donations, gifts or gratuities for an improper purpose.
- Manipulation of a procurement process by favouring one tenderer over others, or selectively providing information to some tenderers.
- Bribing Public Officials in order to secure a contract.

Employee is defined as a person who carries out any work or activity in any capacity for Central Petroleum including as:

- an employee or director;
- an employee of a labour hire company who has been assigned to work for Central Petroleum;
- a contractor or subcontractor, or their employees;
- an outsourced service provider, or their employees;
- a trainee or apprentice, whether employed directly by Central Petroleum or by a group training organisation;
- a student or intern gaining work experience; or
- a volunteer.

Facilitation Payments also referred to as “kickbacks” or “expedition fees”, are payments of a minor value made to domestic or foreign Public Officials, to expedite or secure the performance of a routine government action by a government or statutory agency or body that the Public Official is already obliged to perform (for example, to facilitate the processing of visas or licenses). These payments can be made either directly or by third parties.

Fraud is defined as the dishonest activity causing actual or potential financial loss to Central Petroleum, including theft of monies or other property by persons internal or external to Central Petroleum, where deception is used. Examples of fraudulent behaviour include:

- Falsification of expenses and invoices.
- Misuse of corporate credit cards.
- Misappropriation of funds, supplies or other company owned assets.
- Unauthorised use or misuse of Central Petroleum property, equipment, materials or records (this includes, without limitation, confidential information).
- Alteration or falsification of records.
- Making a deliberate financial misstatement by, for example, the intentional misreporting of profit, revenue or expenses.
- Any claim for expense reimbursements not made for the benefit of Central Petroleum, or in accordance with policy.

Public Official means:

- an elected or appointed official, employee or agent of any:
 - national, regional or local government or state or territory;
 - department, agency or instrumentality of any such government, state or territory; or
 - enterprise in which such a government, state or territory owns, directly or indirectly, a majority or controlling interest;
- any employee or agent of an organisation which represents the interests of traditional owners, such as the Central Land Council;
- any individual holding a legislative, administrative or judicial office, whether appointed or elected;
- an official of a political party;
- a candidate for public office; and
- any official, employee or agent of any public organisation.

4. ROLES AND RESPONSIBILITIES

While all individuals within Central Petroleum have a responsibility for managing Fraud and Corruption risk effectively, there are specific responsibilities for providing oversight to manage risks appropriately. The roles and responsibilities in relation to the governance and application of this policy are outlined in the table below:

Role	Responsibilities
Central Petroleum Board of Directors	<ul style="list-style-type: none"> • Responsible for oversight of risk management activities within Central Petroleum, including Fraud and Corruption • Delegating authority to those accountable for the overall risk management of Fraud and Corruption within Central Petroleum
Chief Executive Officer	<ul style="list-style-type: none"> • An observable commitment to promoting adherence to an ethical culture within Central Petroleum • Accountable for approval of the policy and having the ultimate management responsibility for the prevention, detection and response to Fraud, Corruption and other integrity related matters
Audit Committee and Risk Committee	<ul style="list-style-type: none"> • An observable commitment to promoting adherence to an ethical culture within Central Petroleum • Responsible for the review and endorsement of the Policy • Assist the Central Petroleum Board of Directors to discharge its responsibilities in relation to implementing, maintaining and enhancing an ethical culture at Central Petroleum
Risk and Assurance Manager	<ul style="list-style-type: none"> • Responsible for the implementation, review and oversight of the Policy • Responsible for the execution of Central Petroleum’s Fraud and Corruption control activities
Senior Management	<ul style="list-style-type: none"> • An observable commitment to promoting adherence to an ethical culture within Central Petroleum • Recognises key Fraud and Corruption risks and threats to the organisation and escalates such risks and threats to the appropriate team for appropriate treatment and control

Legal Counsel	<ul style="list-style-type: none"> • An observable commitment to promoting adherence to an ethical culture within Central Petroleum • Assist in investigation processes and provide legal advice relating to Fraud and Corruption allegations, as required
Managers	<ul style="list-style-type: none"> • An observable commitment to promoting adherence to an ethical culture within Central Petroleum • Receive reports of suspected non-compliance and advise those responsible for risk and compliance immediately
Employees	<ul style="list-style-type: none"> • Have a clear awareness and understanding of the Policy • Adhere to the policy and reporting any concerns of suspected non-compliance as soon as observed or detected • Never: <ul style="list-style-type: none"> • offer, request, or receive Bribes of any kind to or from any person • help, encourage, conspire with, or ask another person to offer a Bribe • make, arrange, or direct the making of a Facilitation Payment • Avoiding any collusion with a perpetrator of Fraud or Corruption, or any activity that condones or conceals the Fraudulent or Corrupt action or behaviour • Following directions of the Risk Manager or investigating personnel in relation to maintaining confidentiality, preserving evidence and maximising the opportunity to apprehend perpetrators • Not wilfully providing false or misleading allegations or information related to Fraud or Corruption • Avoiding any detrimental action, including harassment or victimisation, of reporters of Fraud or Corruption.

5. REPORTING OF SUSPECTED MATTERS

Central Petroleum has implemented a Whistleblower Policy and Procedure, which provides Employees with a mechanism to raise concerns regarding actual or suspected unethical, unlawful or undesirable conduct freely and without fear of reprisal or intimidation.

Central Petroleum will treat all reports seriously and will conduct an investigation into the matters raised, which will be performed by appropriately skilled internal or external resources.

Where the matter relates to complaints against Employees and misconduct involving Employees, the matter will be dealt in accordance with the Guidelines for Managing Complaints and Misconduct.

6. GIFTS AND ENTERTAINMENT

In the Australian business context, the giving of gifts (beyond hospitality) is quite unusual. Accordingly, if contemplated, it should be discussed at a senior manager level.

Central Petroleum avoids the appearance of paying Bribes through other means such as meals and entertainment or gift giving. It is recognised that offering or accepting gifts and gratuities is a legitimate contribution to building good business relationships, however, gifts and hospitality must not unduly influence business decision making or cause others to perceive any undue influence which may give rise to a conflict of interest or affect independence in decision making. All gifts, meals, travel, entertainment or anything else of value are to be appropriate and consistent with Central Petroleum's Code of Conduct and other relevant travel policies. The following general principles apply:

- (a) Except for the absolute prohibitions stated in items (c) and (e) below, gifts should only be offered or accepted if they are occasional and less than \$100 of value, hospitality should only be offered or accepted if they are occasional and less than \$200 of value, Determining what is occasional and less than the threshold values is a matter of judgement and should be clarified with management where unclear.
- (b) As a guide, the higher the monetary value of the gift or hospitality, the greater the level of transparency that is required. Gifts and hospitality should be disclosed to your supervisor or manager in advance.
- (c) It is prohibited to offer or accept loans, cash or cheques, and product or service discounts that are not available to all Employees.
- (d) It is prohibited to offer or accept gifts, favours or any form of hospitality or entertainment in return for, or in exchange for, business services or information.
- (e) It is prohibited to offer or accept gifts or hospitality of an inappropriate nature, at an inappropriate venue or that are not of a valid business purpose or business relationship.

A high degree of caution in relation to exchanging gifts or entertainment with Public Officials is required, as it may create the perception that Central Petroleum has sought to improperly influence the Public Official to obtain an improper advantage or preferential treatment.

Any gifts or hospitality which are given or accepted, that has a retail value of more than \$10, must be reported to the Risk and Assurance Manager providing the below information so as it can be recorded in the Gifts Register.

- Date
- Name and position
- Description of gift or hospitality
- Estimated or actual value
- Name of organisation
- Whether gift or hospitality was given or accepted

Offers declined do not need to be recorded except:

- Where the value is greater than \$100
- Offers of cash (including cash equivalent such as shares)
- Items of a cultural or historical significance
- Any offers from known or potential suppliers during a tender process

The Gifts Register will be reported to the Audit Committee and the Risk Committee.

7. SPONSORSHIPS AND CHARITABLE CONTRIBUTIONS

Our commitment to local communities in the form of sponsorships and charitable contributions is important in our endeavour to create sustainable growth and encourage members of these communities to work alongside the organisation. Central Petroleum is committed to maintaining transparency in the sponsorships of local communities to manage and minimise the risk of Bribery, Corruption and other integrity related matters.

Sponsorships and charitable contributions should be reviewed at least annually by the Risk Committee.

Any delegation of authority to approve sponsorships and charitable contributions should be endorsed by the local area manager.

8. LANDOWNER AND LOCAL COMMUNITY ENGAGEMENT

Our relationships and ability to work collaboratively and transparently with landowners and local communities where Central Petroleum operates, are pivotal to the success of our business. Central Petroleum is committed to engaging openly with landowners, providing employment and training opportunities to local communities and supporting local participation in our procurement arrangements. Central Petroleum is committed to dealing with landowners and local communities in a transparent manner and at arm's-length so that we adhere to our regulatory obligations and minimise any potential conflicts of interest.

9. NON-COMPLIANCE WITH THIS POLICY

Non-compliances may be escalated to the Chief Executive Officer, Board of Central Petroleum or a relevant Board Committee, as appropriate.

Incidents of willful or reckless non-compliance with this Policy are considered to be serious and will be dealt with in accordance with Central Petroleum's normal performance management process, which may include dismissal.

Results of the compliance monitoring program established to support this policy will be reported to the Audit Committee and the Risk Committee.

10. REVIEW OF POLICY

Central Petroleum is committed to reviewing the effectiveness and relevance of this policy every two years. Central Petroleum may also deem it appropriate to update this policy following the investigation and subsequent outcomes identified from a Fraud or Corruption related matter, where identified that improvements in processes and controls are required to further prevent such a matter occurring again.

Last reviewed and approved: 29/3/2019