

ANTI-BRIBERY, FRAUD AND CORRUPTION POLICY

Introduction

Karooon Energy Ltd, including its subsidiary companies (**Karooon**), is committed to conducting its operations and business activities with integrity and preventing bribery, fraud or corruption by any of its Directors, officers, employees or any other party acting on its behalf.

Karooon is dedicated to delivering the best possible performance for investors and employees. Karooon aspires to be a leader in its field while fostering a culture that values operating openly, with honesty, integrity, respect and responsibility. In maintaining its corporate social responsibility, Karooon will conduct its business ethically and responsibly, encourage community initiatives, consider the environment and ensure a safe, equitable and supportive workplace.

Karooon is committed to complying with all laws that apply to it, including anti-bribery, fraud and corruption laws.

The purpose of the Anti-Bribery, Fraud and Corruption (ABFC) Policy (the **Policy**) is to:

- (a) supplement Karooon's Code of Conduct by setting out the conduct expected by Karooon to minimise the risk of bribery, fraud or corruption occurring in connection with its operations and activities; and
- (b) provide guidance on how to deal with instances of bribery, fraud or corruption.

Application of this Policy

This Policy applies to Karooon and its Directors, officers, employees, secondees, contractors and other individuals or entities that are effectively controlled by Karooon (**Karooon Personnel**).

Non-controlled joint ventures and minority interests will be advised of and encouraged to adopt similar standards.

The Key Dos and Don'ts

Do		Don't	
1	Know your obligations under the Policy.	1	Offer, give, solicit or accept bribes.
2	Complete due diligence on third parties and ensure anti-bribery provisions are in contracts where required.	2	Make facilitation payments.
3	Keep accurate and transparent records.	3	Offer, pay, solicit or accept secret commissions.
4	Undertake anti-bribery training.	4	Give or accept improper gifts, hospitality or entertainment.
5	Report suspected instances of breach.	5	Engage in money laundering.

Prohibition against bribery and corruption

Bribery, fraud and corruption in any form is prohibited.

Bribery, fraud and corruption cover a range of improper conduct. You must not participate in any of the specific types of prohibited conduct set out below:

- (a) engaging in bribery;
- (b) offering, soliciting or accepting a secret commission;
- (c) making a facilitation payment;
- (d) engaging in money laundering;
- (e) offering or accepting gifts, entertainment or hospitality otherwise than in accordance with the Policy;
- (f) making donations otherwise than in accordance with the Policy; and
- (g) engaging with third parties otherwise than in accordance with the Policy.

For the avoidance of any doubt:

- (a) the prohibition on bribery, fraud and corruption applies irrespective of whether the person sought to be influenced works in the public or private sector;
- (b) the prohibition applies throughout the world;
- (c) it is irrelevant whether a bribe is accepted or ultimately provided. Merely offering a bribe is a contravention of this Policy and usually is sufficient for an offence to be committed; and
- (d) this prohibition is not subject to any local customs or business practices.

Definitions

Bribery involves the offering, promising, authorising, providing, giving, soliciting or accepting of a benefit (monetary or otherwise) to any person with the intention of improperly influencing the person to obtain or retain business, or a direct or indirect business or personal advantage.

Money laundering is the process by which a person or entity conceals the existence of an illegal source of income and then disguises that income to make it appear legitimate.

Secret commission means where a person or entity offers or gives a commission to an agent or representative of another person (the 'principal') that is not disclosed by that agent or representative to the principal. The commission is made as an inducement to influence the conduct of the principal's business.

Facilitation Payments are typically minor unofficial payments to Public Officials made either directly or indirectly to expedite or secure the performance of a routine government action that the Public Official is already obliged to perform.

Public Official means anyone who is:

- (a) a member of any legislative, administrative or judicial body;
- (b) a party official or a candidate for political office;
- (c) an employee, official or contractor of a government body or a wholly or partially state-owned enterprise;

- (d) an official, employee or contractor of any public international organisation (such as the United Nations, the World Bank or the International Monetary Fund);
- (e) a person who holds themselves out to be an intermediary of a Public Official;
- (f) a member of a royal family; or
- (g) a commercial entity, or the Directors, officers or employees of a commercial entity, in which a government body has a significant ownership interest or over which it otherwise exerts control (i.e. a foreign public enterprise).

Gifts and entertainment

Karoon does not permit the exchange of gifts or involvement in hospitality activities that is beyond general commercial practice or that occurs in circumstances that could be considered to give rise to undue influence. Even where there is no ulterior motive, giving or receiving gifts may create an impression that the recipient will favour the organisation or individual giving the gift.

What constitutes a gift or involvement in hospitality activities should be interpreted broadly. This could include all types of gifts, meals, entertainment, invitations to events, cash and cash equivalents, airfares, car hire and accommodation.

The offer or acceptance of gifts or hospitality is permitted where it:

- (a) is for a legitimate business purpose, which may include developing business relationships;
- (b) does not take place with Public Officials from which a decision regarding any licence, permit, authorisation or any other official act or decision is pending;
- (c) involves, or is reasonably likely to involve, a third party paying for travel or accommodation, and that payment is approved by the Managing Director, Chief Financial Officer (CFO) or Chief Operating Officer (COO);
- (d) complies with the local law and government policies of the country in which the expenditure is made;
- (e) is given in an open and transparent manner;
- (f) does not include cash, loans or cash equivalents (such as gift certificates or vouchers); and
- (g) complies with the financial approval requirements referred to below.

Karoon Personnel must obtain approval from their direct supervisor (or in the case of Directors from the Chairman, or officers from the Managing Director, CFO or COO) before accepting or offering any gift or hospitality where it is reasonably foreseeable that the gift or hospitality will exceed AU\$200 (per person) in value (the **Threshold Value**). Where the value of the gift or hospitality is unknown, Karoon Personnel should adopt a conservative approach in estimating the value of the gift or hospitality.

A declaration must be made in the Gifts and Entertainment Register where the offer or acceptance of gifts (including personal favours) or hospitality is over the Threshold Value. The entry must:

- (h) include the value (or approximate value) of the gift or hospitality and whether the gift or invitation to participate in hospitality was accepted or declined; and
- (i) must be accurate and must not distort or disguise the true nature of the entry.

The Gifts and Entertainment Register is updated and maintained by the General Counsel.

The Gifts and Entertainment Register is reviewed by the General Counsel every 6 months.

Donations

Political donations

Karoon Personnel must not, on behalf of Karoon, make a political donation to any political party, politician or candidate for public office in any country unless the donation has been approved in advance by the Board and complies with the local law and government policies of the jurisdiction where the donation is made. The context of any political donation is key in determining its appropriateness. It must also be recorded accurately in Karoon's accounts.

Attendance at political gatherings, meetings and functions in a professional capacity is permitted where there is a legitimate business purpose. Attendance at political gatherings involving the following activities will require prior approval from the Chairman of the Board:

- (a) paying for attendees at functions or events sponsored by or associated with any political party, politician or political candidate;
- (b) sponsoring research by 'think tanks' affiliated or linked to political parties; and
- (c) being involved with any event organised by or on behalf of a political party for which a fee is paid.

Records of attendance (and the cost of attendance) must be declared in the Gifts and Entertainment Register.

Charitable donations and social programs

Apart from political donations, Karoon may make charitable donations and contribute to social programs (e.g. community education and health programs) as permitted by local laws and practices. No charitable donation may be offered or made or social programs established on behalf of Karoon without the prior approval of the Managing Director, CFO or COO.

Care must be taken to ensure that charitable donations and social program funds are applied to a legitimate and appropriate purpose.

Engaging with third party contractors, agents and intermediaries

It is prohibited by this Policy and the law to offer, give, solicit or receive a bribe indirectly, through a third party.

A third party includes, but is not limited to, any of the following: potential joint venture partner, merger or acquisition target, recipient of a charitable or political donation, community program partner, material supplier, or an agent or intermediary that may engage with government on Karoon's behalf or that is engaged on behalf of Karoon for activities both in and outside of Australia.

It is important that appropriate controls are implemented in respect of Karoon's engagement of third parties to ensure that the actions of the third parties do not affect Karoon adversely.

Third parties that pose particular risk to Karoon of breaching anti-bribery laws include those that operate in developing or emerging economies and are involved in negotiating any business arrangements or transactions with the public or private sector on behalf of Karoon. In these circumstances it is important that:

- (a) the standards of conduct set out in this Policy are clearly communicated;
- (b) sufficient due diligence is performed to ensure that it is appropriate for the third party to represent Karoon. This includes completion of an appropriate due diligence report. In

many instances it will be appropriate to conduct reference checks. If any issues of concern or 'red flags' are identified through the due diligence process, inform the Karoon General Counsel and do not progress the transaction without receiving further approval. The Karoon General Counsel will determine if a more detailed investigation is required prior to engaging in the proposed relationship;

- (c) the fees payable to the representative must be reasonable and at market rates for the services being rendered and not provide an incentive to act improperly;
- (d) success based or percentage-based fees are not negotiated or paid without the express prior approval of the Managing Director;
- (e) the appointment of the representative is documented in a written agreement which:
 - (i) contains anti-bribery provisions that satisfy the requirements of this Policy; and
 - (ii) expressly reserves Karoon's right to conduct performance monitoring and regular audits; and
- (f) the appointment must be approved by the Managing Director, CFO or COO.

Due diligence enquiries will also be made in respect of third-party contractors performing services in developing or emerging economies if the nature of the services poses a material risk of breaching anti-bribery laws. If any issues of concern or 'red flags' are identified through the due diligence process, inform the Karoon General Counsel and do not progress the transaction without receiving further approval. The Karoon General Counsel will determine if a more detailed investigation is required prior to engaging in the proposed relationship.

Joint ventures and acquisitions

Where a joint venture partnership or acquisition is under consideration, a due diligence report must be completed and signed off by the Managing Director, COO, CFO or General Counsel before entering into contractual relations.

Contracts with proposed joint venture partners should include standard terms regarding the issues addressed by this Policy. Karoon is committed to working with its joint venture partners to achieve the standards outlined in the Policy, including where Karoon does not exercise effective control in the joint venture. Karoon will work with its partners accordingly to adhere to the standards outlined in this Policy.

If Karoon Personnel are involved in the operation of joint venture partners, Karoon Personnel should pay particular attention to signs of improper payments and voice objections where appropriate, in accordance with the Policy. This will require Karoon Personnel to, wherever possible, maintain oversight of the work (including where appropriate requesting and reviewing progress reports, invoices and other documentation) in order to confirm that legitimate work has been undertaken and improper payments have not been made.

Payments to protect safety

Payments to protect the safety of Karoon Personnel are permitted. If Karoon Personnel face demands that involve explicit or implicit threats to personal safety, they may make a payment which would otherwise be prohibited under the Policy in accordance with the relevant incident management plan or crisis management plan as appropriate. If a payment is made for protection, Karoon Personnel must report it to the Managing Director, CFO, COO or the Karoon General Counsel as soon as reasonably

practicable. Any such payment must be promptly recorded (including the amount, to whom it was made, and the circumstances in which it was made).

Accounting, books and records

Internal financial recording and accounting systems and procedures must be maintained to make and keep books and records which accurately and fairly reflect, in reasonable detail, the parties, the payment arrangements and the purpose of all transactions and disposition of assets.

No undisclosed or unrecorded fund or account may be established for any purpose.

Compliance with local laws required

Karoon Personnel should ensure that they are familiar with local laws and, where a law imposes a higher standard than the Policy, Karoon Personnel operating in that country must fully comply with the higher standard.

In appropriate instances, Karoon will provide country-specific directions for Karoon personnel and Karoon subsidiaries operating in countries outside of Australia.

Consequences of non-compliance

Bribery and the other types of improper payments prohibited by this Policy are prohibited under the laws of the countries in which commercial dealings on behalf of Karoon take place.

Under relevant laws, for companies, possible consequences of contravention include the imposition of substantial fines, exclusion from tendering for government or private contracts and reputational damage. For individuals, possible consequences include criminal and civil liability with associated significant fines and/or lengthy terms of imprisonment.

Further, any breach of this Policy by Karoon Personnel or third parties acting on Karoon's behalf is a serious matter that will be investigated and addressed by Karoon. It may result in disciplinary action, including immediate termination of employment or engagement with Karoon.

Reporting procedure and queries

Karoon Personnel must report any instance where they believe that non-compliance with the Policy has occurred, is occurring, or is being planned, as soon as they become aware of it, in accordance with the Karoon Whistleblower Protection Policy.

Karoon Personnel are also encouraged to contact the Company Secretary or General Counsel if they have any questions or concerns regarding this Policy or subject matter to which this Policy relates. Any enquiries will be treated with the utmost confidentiality.

Protection from sanction

Karoon Personnel will not be subject to any form of punishment or reprisal from Karoon for:

- (a) raising a concern regarding, or reporting, any instance of, non-compliance or suspected non-compliance with this Policy (for further information on protection, see the Karoon Whistleblower Protection Policy); or
- (b) refusing to provide or receive a bribe or for refusing to participate in corrupt activity.

Karoon prohibits retaliatory action by Karoon Personnel against any individual who:

- (a) refuses to follow any directive or participate in any activity in circumstances where they are concerned that doing so may amount to a breach of this Policy; and/or
- (b) is involved in the reporting of conduct which they believe or suspect amounts to non-compliance with this Policy,

regardless of whether or not the targeted individual is Karoon Personnel.

Training

Anti-bribery, fraud and corruption training is to be provided to Karoon Personnel upon commencement of employment and at least annually thereafter.

Performance measures

A review of operational effectiveness of this Policy shall be undertaken periodically.

The impact and application of the Policy will be assessed by the Karoon General Counsel by:

- (a) reviewing the suitability and effectiveness of the Policy and any further internal control systems and procedures developed under this Policy every two years, including alignment with any changes in the Code of Conduct, relevant external standards, legislation, and Karoon's public commitments;
- (b) conducting assurance activities and reporting on compliance with this Policy at least annually; and
- (c) reviewing and reporting on actual and reported breaches of the Policy every six months to the Audit & Risk Committee. Material breaches of the Policy will be promptly reported to Chair of the Audit & Risk Committee.

Responsibility and Accountability

The following table outlines key accountabilities and responsibilities relevant to the Policy:

Position	Responsibility
Karoon Board of Directors	Approve the Policy
Company Secretary, General Counsel, Corporate Managers and Site Managers	Ensure compliance with the Policy
Karoon Personnel	Follow the requirements of the Policy and promptly disclose any suspected, potential or actual breaches of the Policy in accordance with the Code of Conduct and Whistleblower Protection Policy. If Personnel are uncertain about any aspect of the Policy, or the appropriate course of action to take in certain situations relevant to the Policy, Karoon Personnel should contact the Company Secretary or Karoon General Counsel.

Position	Responsibility
Corporate Managers and Site Managers	Identify, prevent, and encourage disclosure of breaches of this Policy Record compliance with procedures in relation to third parties (such as decision-making in relation to contractual clauses, due diligence reports and any other red flags)
Audit & Risk Committee	Develop, communicate, advise and ensure training is provided regarding compliance with this Policy. Monitor and investigate any reported breaches of the Policy and report accordingly Develop and conduct assurance activities in relation to assessing compliance with this Policy and the law, including in relation to books and records.

Policy review

A copy of this policy is available on Karoon's website. To ensure that this policy is operating effectively, the Audit & Risk Committee will review and update this policy at least every two years. The Audit & Risk Committee will periodically assess the need for ABFC testing to assess the effectiveness of the Policy.



Bruce Phillips
Chairman



Julian Fowles
CEO & Managing Director

Approved by the Board. Effective 22 January 2021