






# Anti-Bribery and Anti-Corruption

## Standard

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2	1/10/2014	Issued for Use	Kazuhisa Ikeuchi (Anti-Bribery Officer)	Jodie Hatherly (General Counsel)	Hideki Iwashita (Director, Commercial Coordination)
					

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## 1 PURPOSE

This Anti-Bribery and Anti-Corruption Standard (**Standard**):

- (a) sets out the responsibilities of persons and entities involved in or associated with INPEX in relation to anti-bribery and related improper conduct; and
- (b) provides guidance on recognising and addressing instances of bribery and related improper conduct.

## 2 SCOPE

This Standard is for internal and external use.

### 2.1 Application of this Standard

This Standard applies to:

- (a) INPEX Australia Pty Ltd (ACN 134 715 254); and
- (b) any other subsidiary of INPEX Corporation incorporated in Australia from time to time,  
  
(together, **INPEX**); and
- (c) Ichthys LNG Pty Ltd (ACN 150 217 299) (**Ichthys LNG**); and
- (d) all of the subsidiaries and affiliates of INPEX and Ichthys LNG and all joint ventures or entities effectively controlled by or are under operational control of INPEX or Ichthys LNG or that act on behalf of them (either directly or indirectly); and
- (e) all of their Personnel,  
  
in relation to their activities in Australia or elsewhere.

(2.1(a) – (e) together are **INPEX Personnel**)

### 2.2 Context of prohibitions and requirements

Bribery and the making of other unlawful or improper payments that seek to improperly influence any individual or entity in the performance of their role or function is prohibited.

This Standard prohibits the following types of improper payments and conduct:

- (a) bribery of a Public Official or any other individual or entity in the public or private sector;

- (b) the making of facilitation payments;
- (c) the offering, making, soliciting or receiving of secret commissions;
- (d) the giving or receiving of gifts and/or entertainment which is not in accordance with this Standard;
- (e) money laundering;
- (f) the encouragement, authorisation or facilitation of bribery or other related improper conduct by another person, such as an agent or representative; and
- (g) false, misleading, incomplete or inadequate accounting or books or record-keeping.

The above types of improper payments and/or conduct are explained at section 5 below.

This Standard requires that any suspected or actual conduct in breach of this Standard be reported in accordance with the Anti-Bribery and Anti-Corruption Guideline (**Guideline**).

### **3 POLICIES AND GOVERNANCE**

#### **3.1 Background and legal context**

Laws prohibiting bribery and other types of improper payments covered by this Standard apply in all of the countries in which commercial dealings on behalf of INPEX take place.

Laws, such as the:

- (a) Foreign Corrupt Practices Act in the United States;
- (b) Bribery Act 2010 in the United Kingdom; and
- (c) Commonwealth Criminal Code in Australia,

have extraterritorial reach. This means that, for instance, under Australian law, an Australian citizen, resident or company may be prosecuted in Australia where the relevant activity occurred entirely overseas. In addition, where the activity occurred in Australia, a non-Australian citizen, resident or company may be liable under Australian law.

The same or substantially similar principles apply to laws in other countries where INPEX Personnel operate, have activities or relevant commercial dealings on behalf of INPEX.

This means that INPEX Personnel may be found liable in the country where the offending conduct occurs, or in their home jurisdiction.

### **3.2 INPEX Business Management System**

In addition to the above legislation, this Standard operates in conjunction with the INPEX Business Management System.

## **4 RESPONSIBILITIES**

### **4.1 General**

It is the responsibility of all INPEX Personnel to understand and comply with this Standard and to follow the reporting requirements set out in this Standard.

Any queries regarding the application of this Standard in any particular circumstance should be directed to the Anti-Bribery Officer.

### **4.2 Anti-Bribery Officer**

INPEX has appointed an Anti-Bribery Officer who is responsible for implementing this Standard. The Anti-Bribery Officer reports to the General Counsel of INPEX Australia Pty Ltd (**General Counsel**).

### **4.3 General Counsel**

Overall responsibility for the administration of this Standard, including the implementation and monitoring of the Standard, lies with the General Counsel.

## **5 BUSINESS RULES**

### **5.1 Prohibition on bribery**

#### **5.1.1 Business Principle:**

The giving, offering, promising, authorising, accepting or requesting of a bribe is prohibited.

#### **5.1.2 Business Rules:**

- (a) Bribery involves giving, offering or promising a benefit (monetary or otherwise) to a person where the benefit is:
  - (i) not legitimately due;
  - (ii) given or offered with the intention of influencing a Public Official or person within the public or private sector in the exercise of their duties or functions; and

- (iii) given or offered with the intention of obtaining business or a business advantage that is not legitimately due.
- (b) Whether the person sought to be influenced works in the public or private sector is irrelevant. The relevant laws apply to the bribery of Public Officials as well as bribery in relation to any commercial transaction in the private sector.
- (c) Bribery can involve offering or providing the benefit directly to the person sought to be influenced, or doing so indirectly, for instance by:
  - (i) procuring an agent or other intermediary, including a colleague, relative or friend, or trust or company in which they are a beneficiary, to provide or offer the illegitimate benefit to the person sought to be influenced; or
  - (ii) giving the illegitimate benefit to a relative or business associate to the person sought to be influenced, or to a political party or charitable organisation with which the person is associated.
- (d) It is irrelevant whether the bribe is accepted or ultimately paid. Merely offering the bribe is a contravention of this Standard and usually is sufficient for an offence to be committed.

## **5.2 Prohibition on facilitation payments**

### **5.2.1 Business Principle:**

The making of facilitation payments is prohibited.

### **5.2.2 Business Rules:**

Facilitation payments are typically minor unofficial payments to Public Officials either directly or indirectly to expedite or secure the performance of routine government action (for example, to facilitate the expedition of applications for visas or licences).

If asked by a Public Official for a facilitation payment or told that one is required in order for the routine government service to be obtained, or to be obtained by a particular time, you should firmly state that it is company policy that no such payment can be made. If pressed, you should refuse to make the payment and inform your immediate supervisor and/or the Anti-Bribery Officer of the request/demand as appropriate.

### **5.3 Prohibition on secret commissions**

#### **5.3.1 Business Principle:**

The paying or receiving of secret commissions to or from any person or entity, including any private party or Public Official is prohibited.

#### **5.3.2 Business Rules:**

It is an offence in Australia, the United Kingdom and most countries around the world to pay a secret commission.

Secret commissions arise where a person who is the agent or representative of another person or entity takes or solicits a commission from a Third Party without disclosing that commission to their principal. The secret commission is given as an inducement to the agent or representative to use their position to influence the conduct of their principal's business. This would include, for instance, making a payment to an agent of a customer or supplier, where that agent does not disclose the payment to the customer or supplier and, in return, the agent facilitates favourable commercial terms with that customer or supplier.

### **5.4 Prohibition on improper gifts and entertainment**

#### **5.4.1 Business Principle:**

The giving or receiving of gifts or entertainment in circumstances which could be considered to give rise to undue influence is prohibited.

#### **5.4.2 Business Rules:**

- (a) The giving or receiving of minor gifts, meals and entertainment to or from Public Officials or any private person or entity, are permitted provided that those expenditures:
  - (i) are given in the name of the company and not any individual employee;
  - (ii) are solely aimed at building a general relationship and understanding;
  - (iii) are not intended, and could not be construed as, an attempt to influence improperly the performance of the recipient's role or function;
  - (iv) are given in an open and transparent manner;
  - (v) comply with any relevant governmental law, regulation, rule, or code;

- (vi) are otherwise lawful in the jurisdiction in which they are made;
  - (vii) do not include cash, loans or cash equivalents;
  - (viii) if their value exceeds the value set by the Anti-Bribery Officer, receive prior written approval from your immediate supervisor and are recorded in a Gift Register managed by the Anti-Bribery Officer. The supervisor must provide a copy of the written approval to the Anti-Bribery Officer;
  - (ix) are accurately and transparently financially recorded;
  - (x) would not embarrass INPEX if publicly disclosed; and
  - (xi) to the extent that such expenditures involve the provision of entertainment, are used for entertainment in a setting reasonable and appropriate for the persons involved.
- (b) The practice of giving corporate gifts and arranging corporate entertainment varies between countries, regions and industries, and what may be common and appropriate in one place may not be in another. INPEX Personnel must approach this issue carefully and conservatively. For instance, gifts or entertainment should not be given or received while the relevant parties are involved in an invitation to tender process or contractual negotiations.
- (c) If gifts or entertainment are frequently given to, or received from, the same person or entity, and/or create an ongoing expectation for such gifts or entertainment and in aggregate exceed the value or frequency set by the Anti-Bribery Officer, they will not comply with this Standard.
- (d) If you are in any doubt as to the appropriateness of any gift or entertainment, you should consult your immediate supervisor and/or the Anti-Bribery Officer before it is given or accepted or otherwise as soon as possible.

## **5.5 Prohibition on money laundering**

### **5.5.1 Business Principle:**

Any form of money laundering is prohibited.

### **5.5.2 Business Rules:**

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. Use of any proceeds related to an INPEX project for illegal activity can give rise to liability for INPEX Personnel involved in that conduct.



If you suspect that any transaction might involve the payment or receipt of proceeds of any unlawful activity, you must immediately report your suspicion in accordance with the Guideline.

## **5.6 Application of this Policy to Third Parties**

### **5.6.1 Business Principle:**

The provision of a benefit to a Third Party where it is expected or likely that some or all of that benefit will be provided or offered to another person, in order to obtain business or a business advantage that is not legitimately due, is prohibited.

### **5.6.2 Business Rules:**

- (a) INPEX Personnel engage with a broad range of Third Parties in a variety of circumstances on behalf of INPEX. In certain circumstances, INPEX Personnel may be liable under anti-bribery or other laws for the improper conduct of these Third Parties.
- (b) Third Parties that pose particular risk of breaching anti-bribery laws include those:
  - (i) operating in developing or emerging economies; or
  - (ii) involved in negotiating any business arrangements or transactions within the public or private sector in any country (including bidding for tenders, negotiating supply contracts, arranging introductions to potential business clients or key government decision-makers, arranging leases or licenses or providing transportation or customs clearance services).
- (c) Where it is proposed that a Third Party will be engaged appropriate controls must be implemented to ensure that the actions of the Third Party will not adversely affect INPEX or the interests of any INPEX Personnel.
- (d) The Anti-Bribery Officer is responsible for determining the categories of Third Parties engaged to whom the controls set out at 5.7 below apply.
- (e) When engagement of a Third Party is proposed, the Anti-Bribery Officer must be informed so that they can determine the extent to which those controls apply.

## 5.7 Controls for Third Parties

### 5.7.1 Business Principle:

- (a) Where required by the Anti-Bribery Officer, sufficient due diligence must be performed to ensure that it is appropriate for the Third Party to be engaged.
- (b) Where required by the Anti-Bribery Officer, contractual terms that incorporate the issues addressed by this Standard must be included in contracts with Third Parties.

### 5.7.2 Business Rules:

- (a) Due diligence
  - (i) If due diligence is required, a written due diligence report about the Third Party and the Third Party's work must be completed and approved by the Anti-Bribery Officer. A due diligence checklist and standard form for the written report is available from the Anti-Bribery Officer.
  - (ii) If any issues of concern are identified by this due diligence, they must be identified in the written report and immediately raised with the Anti-Bribery Officer and General Counsel who will determine if:
    - (A) it is appropriate for the Third Party to be retained; or
    - (B) further investigations or discussions with the Third Party are required prior to the parties entering into any arrangement.
- (b) Contractual terms
  - (i) All contracts entered into by, or on behalf of INPEX or Ichthys LNG must comply with all applicable INPEX contracting procedures, including, where relevant, the Contracting and Procurement Process Overview (document PER-00120055) and the Contracts Approval Standard (document PER-00121791).
  - (ii) Where a contract is to be entered into with a Third Party and the standard terms that address anti-bribery are not agreed, the Legal Department must be notified.
  - (iii) The Legal Department will determine the appropriate terms to be used. Any such contract must be authorised by the Legal Department before execution.

- (c) Oversight of Third Parties
  - (i) INPEX Personnel that engage Third Parties must maintain oversight of the work of those Third Parties (including, where appropriate, receiving progress reports and reviewing invoices and other documentation) in order to confirm legitimate work is undertaken and improper payments are not made.
  - (ii) The identification of any actions, issues or concerns which may be contrary to this Standard must be fully documented, reported and investigated in accordance with the Guideline.

## **5.8 Joint Ventures**

### **5.8.1 Business Principle:**

Every joint venture arrangement INPEX controls or operates must put in place procedures consistent with this Standard in order to address the potential for bribery or any other improper payments made in the course of the joint venture operations.

### **5.8.2 Business Rules:**

- (a) Applying this Standard

A majority joint venture partner may be found liable for any activity conducted on behalf of the joint venture. INPEX Personnel must work with relevant joint venture partners to achieve the standards outlined in this Standard even where they do not exercise effective control of the joint venture. This includes any joint venture with a partly or fully state-owned enterprise.

- (b) Due Diligence

- (i) Where a joint venture is proposed, due diligence must be performed on the prospective joint venture partner, and an accompanying written due diligence report must be completed and approved, prior to entering into contractual relations. A due diligence checklist and standard form for the written report is available from the Anti-Bribery Officer.
- (ii) If any actions, issues or concerns which may be contrary to this Standard are identified by this due diligence, they must be identified in the written report and immediately raised with the General Counsel and Anti-Bribery Officer.
- (iii) The General Counsel and Anti-Bribery Officer will determine if it is appropriate to enter into a joint venture arrangement,

or if further investigations or discussions with the prospective joint venture partner are required.

## **5.9 Mergers and acquisitions**

### **5.9.1 Business Principle:**

Anti-bribery due diligence must be conducted on any proposed merger or acquisition target prior to entering into contractual arrangements with the target.

### **5.9.2 Business Rules:**

- (a) Due diligence must be undertaken in relation to both the past and current conduct of the proposed target.
- (b) Detailed records of the due diligence investigations must be kept, including a written due diligence report. A due diligence checklist and standard form for the written report is available from the Anti-Bribery Officer.

## **5.10 Accounting, books and records**

### **5.10.1 Business Principle:**

Complete and accurate accounts, books and records must be kept and maintained.

### **5.10.2 Business Rules:**

False, misleading or incomplete record keeping is a criminal and civil offence in many countries in which INPEX Personnel operate, have activities or commercial dealings in relation to INPEX. Therefore:

- (a) No undisclosed or unrecorded fund or account may be established by INPEX Personnel for any purpose.
- (b) INPEX Personnel must ensure that internal financial recording and accounting systems and procedures are established and maintained which ensure books and records accurately and fairly reflect, in reasonable detail, the parties, the payment arrangements and the purpose of all transactions and disposition of assets.

## **5.11 Consequences of non-compliance**

### **5.11.1 Business Principle:**

Where an investigation commenced in accordance with the Guideline determines there has been a breach of this Standard, that breach will be addressed in accordance with the Guideline.

### **5.11.2 Business Rules:**

- (a) For INPEX Personnel, possible consequences include the imposition of substantial fines, exclusion from tendering for government or private contracts and reputational damage.
- (b) For individuals, possible consequences include criminal and civil liability with associated significant fines and/or lengthy terms of imprisonment.
- (c) Conscious disregard, deliberate ignorance and wilful blindness will not avoid liability in relation to any of the matters set out in this Standard.

## **6 MONITOR AND IMPROVE**

Training on this Standard will be provided in accordance with the Guideline.

This Standard is subject to internal audit in accordance with the Audit and Compliance Procedure (document PER-00115864).

The Anti-Bribery Officer, General Counsel and General Manager Human Resources will monitor the implementation of this Standard and will review on an ongoing basis the Standard's suitability and effectiveness.

Internal control systems and procedures will be regularly audited to ensure that they are effective in minimising the risk of non-compliance with this Standard.

This Standard is subject to annual internal review by the General Counsel. Any variation of this Standard is to be reported to the INPEX Australia Pty Ltd Board.

## 7 ABBREVIATIONS AND DEFINITIONS

**Table 1: Abbreviations and Definitions**

<b>Abbreviation / Term</b>	<b>Definition</b>
Consultant	A person engaged by an external consultant company.
Consultant Company	An external company engaged by INPEX or Ichthys LNG through a consultancy agreement to provide a specific scope of work such as a study or advice to INPEX or Ichthys LNG (as applicable).
Contractor	A person employed via the INPEX or Ichthys LNG contractor management alliance to deliver a scope of work.
Employee	A person employed directly either full-time, part-time or casually on a continuous or fixed term basis.
Expatriate	An employee assigned to work in a location outside of their home country or country where they were initially employed.
Guideline	Anti-Bribery and Anti-Corruption Guideline.
Ichthys LNG	Ichthys LNG Pty Ltd (ACN 150 217 299).
Inpatriate	An INPEX or Ichthys LNG employee from a foreign/overseas INPEX entity.
INPEX	Means (a) INPEX Australia Pty Ltd (ACN 134 715 254); and (b) any other subsidiary of INPEX Corporation incorporated in Australia from time to time.
INPEX Personnel	Means (a) INPEX; (b) Ichthys LNG; and (c) all of the subsidiaries and affiliates of INPEX and Ichthys LNG and all joint ventures or entities effectively controlled by or are under operational control of INPEX or Ichthys LNG or that act on behalf of them (either directly or indirectly); and (d) all of their Personnel.
Legal Department	Legal Department of INPEX Australia Pty Ltd.

Personnel	<p>Includes:</p> <p>(a) Employees, Contractors, Expatriates, Inpatriates, Consultants and Secondees; and, for the purposes of this Standard:</p> <p>(b) directors, officers, agents and representatives of INPEX and Ichthys LNG and other individuals, effectively controlled by or under operational control of INPEX or Ichthys LNG Pty Ltd or that act on their behalf (either directly or indirectly).</p>
Public Officials	<p>Includes:</p> <p>(a) an employee, official or contractor of a government body or a wholly or partially state-owned enterprise;</p> <p>(b) a person performing the duties of an office or position created under a law of a foreign country or by the custom or convention of a country;</p> <p>(c) a person in the service of a governmental body including a member of the military or the police force;</p> <p>(d) a politician, judge, or member of the legislature of a state, province or country;</p> <p>(e) an employee, contractor or person otherwise in the service of a public international organisation (such as the United Nations);</p> <p>(f) an individual who is or who holds himself or herself out to be an authorised intermediary of a Public Official;</p> <p>(g) a political party, party official or candidate for public office;</p> <p>(h) a member of a royal family; or</p> <p>(i) 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 (ie a foreign public enterprise).</p>
Secondee	<p>An external joint venture employee assigned to work on an INPEX operated or controlled project but engaged and paid by the joint venture partner.</p>

Third Parties	Includes, but is not limited to: agents, distributors, intermediaries, suppliers, actual or potential clients, customers, consultants, advisers or other contractors. Third Parties may also be part of state-owned entities.
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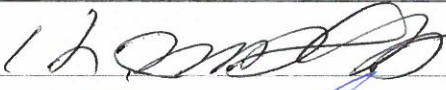
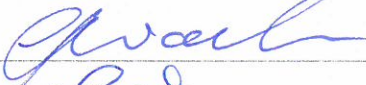



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**8 DOCUMENT ADMINISTRATION****Document Revision History**

Rev	Date	Brief Description
0	3 December 2012	First Version.
1	22 August 2013	The application of this Standard expands to INPEX Oil & Gas Australia Pty Ltd and INPEX DLNGPL Pty Ltd.
2	1 October 2014	This Standard (Rev 1) upgrades into New BMS template.

**Document Endorsement**

Endorser	Signature	Date
Hideki Iwashita		20/10/14
Conor Walker		10.10.14.
Danny Gentili		12.10.14.
Craig Hunter		9/10/14
Gwen Cohen		9 / 10 / 2014

**Document Squad Check List**

No.	Reviewed by	Area
1	Phoebe Berridge (Legal Counsel)	Legal
2	Brett Williamson	Legal
3	Jodie Hatherly (General Counsel)	Legal
4	Carmelo Naccarato	C&P
5	Shinichi Ogawa	C&P

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