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Anti-bribery & corruption policy



INVICTUS
ENERGY LIMITED

The Company strictly prohibits bribery and other unlawful or improper payments made to any individual or entity, as outlined in this Policy. This Policy applies to all persons and entities within the Company's Group, across all operations globally. This Policy reflects the laws that apply in each country in which the Company operates or trades.

1 Definitions

For the purpose of this Policy:

Board means the board of directors of the Company.

Bribery involves improperly giving, offering or promising a benefit (monetary or otherwise) to a person, to obtain or retain a business advantage that is not legitimately due or to induce or reward the improper exercise of the duties or functions of a Public Official or a person within the public or private sector.

Company Personnel means all directors, officers and employees of the Company, and all subsidiaries, contractors, secondees, consultants, agents and other individuals or entities that are effectively controlled by the Company or act on its behalf (either directly or indirectly).

Group means the Company and its subsidiaries.

Public Official includes:

- an employee, official or contractor of a government body or state-owned or state-controlled enterprise;
- 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, such as a member of a royal family;
- a person in the service of a government body including a member of the military or the police force;
- a politician, judge or member of the legislature of a local government authority, state, province or country;
- an employee, contractor or person otherwise in the service of a public international organisation (such as the United Nations);
- an individual who is or who holds himself or herself out to be an authorised intermediary or representative of a Public Official; or
- a party official or candidate for public office.

A **Sanctions Law** is one which restricts trade or prohibits other transactions with particular countries, individuals or entities and which has been imposed by Australia, the United Nations or by any country with or in which the Company does business or which otherwise applies to the Company Personnel.

2 Anti-Bribery and Corruption Policy

Introduction

- 2.1 The Company is committed to conducting its business in accordance with all applicable laws and regulations and in accordance with the highest standards of ethical behaviour at all times.
- 2.2 The Company prohibits any activity that seeks to bribe or otherwise improperly influence a Public Official in any country to act (or omit to act) in a way that differs from that official's proper duties, obligations and standards of conduct.
- 2.3 The Company also prohibits any activity that seeks to bribe or otherwise improperly influence any other individual or company in the public or private sector to act (or omit to act) in a way that differs from the proper performance of their role or function.

Application of Policy

- 2.4 The Policy applies to all Company Personnel. It is the responsibility of all Company Personnel to understand and comply with this Policy and to follow the reporting requirements set out in this Policy.
- 2.5 Any queries regarding how to apply this Policy to a particular event or circumstance should be directed to the Managing Director and Company Secretary.
- 2.6 Overall responsibility for the administration of this Policy lies with the Company's Board.

The Laws Apply in Australia and Overseas

- 2.7 Laws prohibiting bribery and other improper payments apply in each country in which the Company operates or trades. In addition, a number of these laws, such as the Australian Criminal Code, the US Foreign Corrupt Practices Act and the UK Bribery Act 2010, have extra-territorial reach. This means that, for example, under Australian law an Australian citizen may be prosecuted in Australia even where the relevant activity occurred entirely overseas. These laws apply to the Group as well as Company Personnel.

Prohibitions and Requirements

- 2.8 The conduct prohibited and/or required by this Policy is set out below.

3 Prohibition on Bribery

General prohibition

- 3.1 The Company prohibits the giving, offering, promising, authorising, accepting or requesting of a bribe.
- 3.2 Bribery involves improperly giving, offering or promising a benefit (monetary or otherwise) to a person, to:
 - obtain or retain a business advantage that is not legitimately due; or
 - to induce or reward the improper exercise of the duties or functions of a Public Official or a person within the public or private sector.
- 3.3 The benefit can be direct or indirect.
- 3.4 It is irrelevant whether the payee or recipient of the act of bribery works in the public or private sector. The relevant laws apply to bribery of Public Officials as well as bribery in relation to any commercial transaction in the private sector.
- 3.5 It is irrelevant whether the bribe is accepted or ultimately paid. Merely offering the bribe will be a contravention of this Policy and will usually be sufficient for an offence to be committed.
- 3.6 Liability may arise notwithstanding that the benefit is given or offered indirectly to the person who is sought to be influenced, for instance to a business associate or family member.
- 3.7 In addition to the above, you should check whether any Public Officials you deal with have their own code of conduct or are subject to local laws relating to acceptance of hospitality and gifts. In the Australian public service sector there is a Code of Conduct and Values as well as individual agency guidelines. These guidelines generally provide that acceptance of gifts or hospitality will not be appropriate in a range of circumstances, including where the provider of the gift or hospitality is involved in a tender process with the agency or is the subject of a decision within the discretionary power or substantial influence of the government employee concerned. However, outside such circumstances, the guidelines do permit some acceptance of hospitality in circumstances where that hospitality may genuinely assist the agency to develop and maintain constructive relationships with stakeholders. Examples of bribery are set out in the back of this Policy.

4 Prohibition on Facilitation Payments

- 4.1 The Company prohibits the making of facilitation payments.
- 4.2 Facilitation payments are minor unofficial payments made 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 permits and licences). Facilitation payments are prohibited under the laws of many countries in which the Company operates (e.g. Zimbabwe and Australia among others) and under this Policy.

5 Prohibition on Secret Commissions

- 5.1 The Company prohibits the paying or receiving of secret commissions or payments to any person or entity.
- 5.2 Secret commissions or payments occur where a commission from a third party is taken or solicited without disclosing that commission to their principal. The secret commission is given as an inducement to that person to use their position to influence the conduct of their principal's business. This would include, for instance, making a payment to an employee or agent of a customer of the Company, where that employee or agent does not disclose the payment to the customer, in return for obtaining a commercial advantage to the Company from that customer.

6 Prohibition on Improper Gifts and Entertainment

- 6.1 The Company prohibits the giving or receiving of gifts, entertainment or sponsored travel in circumstances which could be considered to give rise to undue influence.
- 6.2 Gifts, entertainment and sponsored travel must not be provided or accepted unless in accordance with this Policy.
- 6.3 The practice of giving corporate gifts and arranging corporate hospitality varies between countries, regions and industries, and what may be common and appropriate in one place may not be in another. Company Personnel must approach this issue carefully and conservatively.

7 Prohibition on Money Laundering

- 7.1 The Company prohibits any forms of money laundering in connection with its business activities.
- 7.2 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.
- 7.3 Use by the Company of proceeds of illegal activity can give rise to liability to the Company and/or to individuals involved in that conduct.
- 7.4 If you become aware of any transaction that you think might involve the payment or receipt of proceeds of any unlawful activity you should contact the Managing Director and Company Secretary immediately.

8 Prohibition on breach of Sanctions

- 8.1 The Company prohibits the making of any payment or engaging in any transaction that is in breach of any Sanctions Law. This includes:
- the providing or receiving of any payment, other benefit, goods or service, directly or indirectly, to or from any individual or entity that is subject to a Sanctions Law;
 - any activity in connection with a designated country, where that activity is prohibited by a Sanctions Law;
 - encouraging, permitting or otherwise allowing any person or entity acting on behalf of the Company to engage in any conduct or transaction that is prohibited by a Sanctions Law; and
 - any measure intended to circumvent prohibitions imposed under a Sanctions Law.
- 8.2 The Company also prohibits engaging or continuing to engage with a third party where it is expected or likely that the nature of the engagement may breach a Sanctions Law.
- 8.3 Sanctions are subject to frequent change. If you are uncertain whether a Sanctions Law applies in a particular situation you should consult with the Managing Director and Company Secretary.

9 Application to Third Parties: Agents, Intermediaries, Distributors, Suppliers, Contractors, Joint Venture Partners and Merger and Acquisition Targets

Prohibition on provision of benefit for improper purpose through an agent or third party

- 9.1 The Company engages with a broad range of third parties in a variety of circumstances, particularly in its business activities and across the activities of its supply chain. In certain circumstances, the Company may be liable for the improper actions of these third parties.
- 9.2 The Company prohibits the provision of a benefit to a third party where it is expected or possible that some or all of that benefit will be provided or offered to another person, in order to obtain any improper business advantage for the Company.

Internal controls

- 9.3 Where the Company proposes to engage a third party to represent it or act on its behalf, it is important to implement appropriate controls to ensure that the actions of the third party will not adversely affect the Company. These third parties might include agents, distributors, intermediaries and suppliers.
- 9.4 Third parties who pose particular risk to the Company of breaching anti-bribery laws include those that operate in developing or emerging economies (which includes many African countries), or are involved in negotiating any business arrangements or transactions with the public or private sector on behalf of the Company in any country (including bidding for tenders, negotiating supply contracts, arranging leases or licences or providing transportation or customs clearance services).
- 9.5 **(a) Communication of the Policy**
The standards of conduct set out in this Policy should be clearly communicated to third parties, together with the expectation that the third parties comply with the standards.

(b) Contracts with third parties

Contracts with third parties should be in writing and contain relevant anti-corruption clauses and assurances and prohibition on conduct that would breach Sanctions Laws.

(c) Oversight of third parties

The Company Personnel who engage third parties must maintain oversight of the work of those third parties, including where appropriate, receiving progress reports, reviewing invoices and other documentation, in order to determine that legitimate work has been done and improper payments have not been made.

(d) Due Diligence

Where it is proposed that the Company:

- enter into a joint venture, due diligence must always be conducted on the proposed partner before entering into the joint venture relationship,
- acquire or invest (either solely or conjunction with another party) in a third party entity, due diligence must always be conducted on the entity concerned; or
- enter into any transaction in a country in which it has not previously conducted business, due diligence must always be conducted on the country concerned.

In the case of the first two bullet points, the due diligence investigation must define how the asset was acquired by the proposed partner or third party entity.

Where due diligence is required, a due diligence report must be completed and retained. If any issues of concern or 'red flags' are identified by this due diligence, the Managing Director and Company Secretary must be informed immediately. The Managing Director and Company Secretary will then determine if a more detailed investigation is required prior to engaging in the proposed relationship.

Joint Ventures

- 9.6 The Company will ensure that any joint venture that is effectively controlled by the Company through ownership, management or other involvement complies with this Policy, or has in place equivalent policies and procedures.
- 9.7 The Company is committed to working with its joint venture partners to achieve the standards outlined in this Policy where the Company does not exercise effective control within the joint venture. The Company will take such steps as are open to it to require that any such joint venture complies with the standards set out in this Policy.
- 9.8 Company Personnel who are involved in the operations of joint venture partners should pay particular attention to signs of improper payments and should voice objections where appropriate. If such a Company representative becomes aware of evidence that a joint venture partner has engaged or may engage in improper payments, that evidence must be reported to the Managing Director and Company Secretary.

10 Donations and Sponsorships

- 10.1 Donations and sponsorships must not be used as a means of making improper payments.

11 Accounting, Books and Records

- 11.1 The Company is required to maintain a system of internal accounting controls and 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.
- 11.2 No undisclosed or unrecorded fund or account may be established for any purpose.
- 11.3 False, misleading or incomplete record keeping is a criminal and civil offence in many countries where the Company operates or trades.
- 11.4 The Company's internal audit function will carry out periodic reviews to test the effectiveness of this Policy and identify potential bribery and corruption risks to the Company.

12 Consequences of Non-Compliance

- 12.1 Bribery and the other types of improper payments prohibited by this Policy are prohibited under the laws of all countries in which the Company operates. Breaches may expose the Company and Company Personnel to criminal penalties and/or civil action.
- 12.2 Possible penalties include substantial fines and, for individuals, imprisonment. For the Company, the risks also include exclusion from tendering for government or private contracts and reputational damage.
- 12.3 Conscious disregard, deliberate ignorance and wilful blindness will not avoid liability in relation to any of the matters set out in this Policy.
- 12.4 Failure to observe this Policy by Company Personnel will also lead to disciplinary action by the Company, which may include termination of employment.

13 Reporting Bribery or Other Improper Payments

- 13.1 The Company recognises the value and importance of its directors, officers and employees reporting identified or suspected instances of bribery, secret commissions, money laundering, facilitation payments or other improper payments and strongly supports such disclosures and reports.
- 13.2 All persons should remain alert to any instances of directors, officers, employees, subsidiaries or joint venture partners, agents, suppliers, distributors or other contractors attempting to, or engaging in, bribery or other improper conduct or otherwise not meeting the standards of behaviour required under this Policy.
- 13.3 Reports concerning suspected or actual instances of bribery or other improper practices should be made to the Managing Director and Company Secretary.
- 13.4 If you are unsure whether a particular act constitutes bribery, a facilitation payment, a secret commission or money laundering, or if you have any other queries, you should ask the Managing Director and Company Secretary.
- 13.5 The Company will take all available steps to protect from detrimental treatment anyone who refuses to take part in conduct that may constitute bribery or improper conduct or who raises genuine concerns in respect of any such conduct, even if they turn out to be mistaken or that refusal may affect the Company's business.
- 13.6 Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern. If you are subjected to such treatment, you should inform the Managing Director and Company Secretary immediately.
- 13.7 Suppliers, contractors, agents or other business partners who have any concerns which they wish to raise under this Policy should approach the Managing Director and Company Secretary.

14 Training, Monitoring and Review

- 14.1 Training on this Policy forms part of the induction process for all relevant Company Personnel.
- 14.2 Relevant existing Company Personnel will receive periodic training updates on how to comply with this Policy and will confirm that they understand and will comply with this Policy.
- 14.3 The Managing Director and Company Secretary will monitor the implementation of this Policy and will review on an ongoing basis the Policy's suitability and effectiveness. Internal control systems and procedures will be periodically audited to ensure that they are effective in minimising the risk of non-compliance with this Policy.

15 What is Bribery: Examples

Offering a bribe

- 15.1 You offer a third party tickets to a major sporting event, but only if they agree to do business with us or you offer the tickets thinking that it is more likely than not that you will not get the business unless you offer the tickets. This would be an offence as you are making the offer to gain a commercial and contractual advantage. We may also be found to have committed an offence because the offer has been made to obtain business for us.
- 15.2 It may also be an offence for the third party to accept your offer.
- 15.3 Remember: It will still be a bribe even if the potential client refuses your tickets. A bribe need not be accepted to be an offence.

Receiving a bribe

- 15.4 A third party gives your friend or relative a job, but makes it clear that in return they expect you to use your influence in our organisation to ensure we continue to do business with them. It is an offence for a third party to make such an offer. It would be an offence for you to accept the offer as you would be doing so to gain a personal advantage.

Bribing a foreign official

- 15.5 You arrange for the business to pay an additional payment to a foreign government official to speed up an administrative process, such as obtaining a permit for business-related activities. The offence of bribing a foreign government official has been committed as soon as the offer is made. This is because it is made to gain a business advantage for us. We may also be found to have committed an offence.
- 15.6 Note these examples are intended to assist in comprehension by providing a guide of the types of behaviours and circumstances in contemplation. This list is not definitive.