



# Code of Conduct

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## ST2 – Anti Corruption Procedure

### Purpose

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- + With reference to the Company's Code of Conduct, this Procedure sets out the expectations and requirements for the identification and reporting of corruption and bribery and sanctions at Santos.

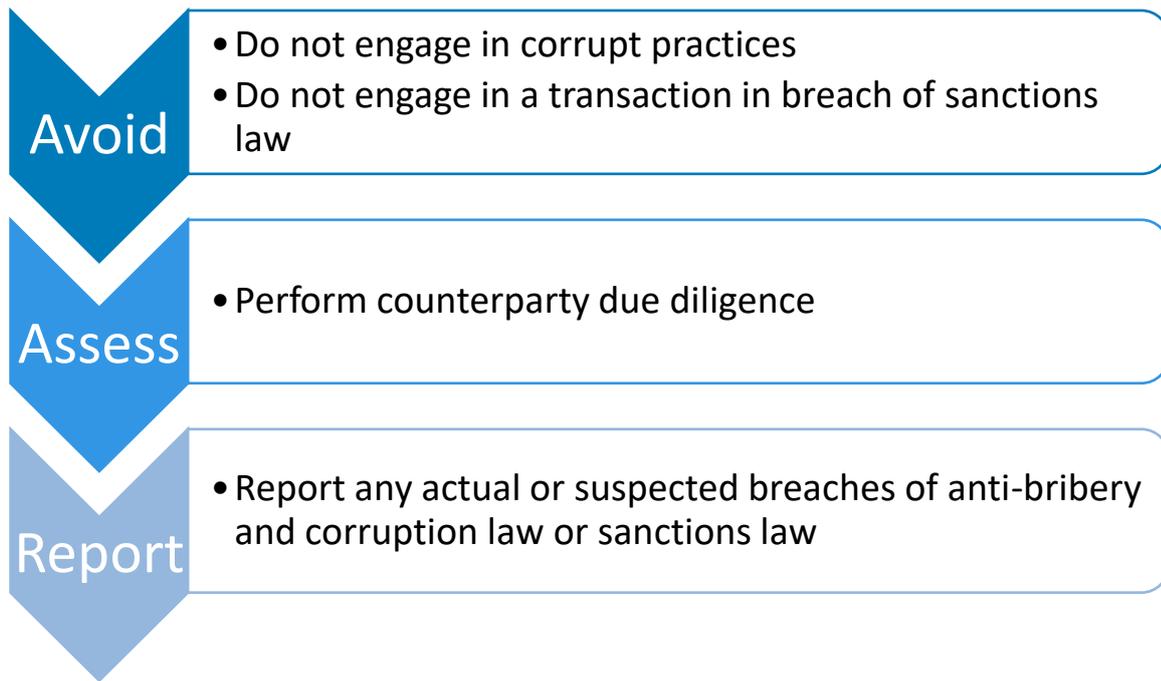
### Scope

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- + This Procedure applies to all Santos Workers and across all Santos activities.
- + It must be applied in dealings with all Santos Business Partners, Government Bodies, Government Officials and other third parties.
- + This Procedure acts as the Santos anti-bribery and corruption policy, and is intended to supplement anti-bribery and corruption laws, including anti-money laundering and counter-terrorism financing laws.
- + For information about or support with this Procedure, please contact Santos Legal.

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## 2 Requirements

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### 2.1 Do not engage in corrupt practices

#### 2.1.1 Do not engage in corrupt practices, including:

- + giving, offering, promising, authorising, accepting or requesting a bribe (see section 2.1.2);
- + making a facilitation payment (see section 2.1.3);
- + paying or receiving a secret commission (see section 2.1.4); or
- + engaging in money laundering (see section 2.1.5).

Refer to **Appendix A** for a list of bribery and corruption red flags.

#### 2.1.2 Bribery

- + Bribery involves improperly giving, offering or promising a benefit to a person where the person does so with the intention of influencing a Government Official in the exercise of his/her duties. It is irrelevant whether the gift is customary in the situation.
- + The benefit can be direct or indirect. For instance, liability may arise where the benefit is given or offered indirectly to the person sought to be influenced, such as a business associate or family member.
- + The benefit may be monetary or non-monetary. It is not limited to cash or property, but includes any financial or other advantage such as gifts, hospitality, travel, meals, daily expense allowances, political, community or charitable contributions, sponsorships, or anything of value.
  - o Please refer to the **Gifts & Benefits, Corporate Entertainment & Company Resources Procedure** for further information on the expectations and requirements in relation to the offering, providing and receipt of gifts and benefits.
  - o Please refer to the **External Affairs Management Standard** for further information on the expectations and requirements in relation to political and charitable donations and sponsorships.
- + It is irrelevant whether the bribe is accepted or ultimately paid. Merely offering a bribe will usually be sufficient for an offence to be committed and will result in a breach of this procedure.
- + Payments which could be construed as a bribe and would otherwise be prohibited under this Procedure are permitted in the face of an imminent or explicit threat to personal health or safety.
- + Decline any bribe offered, report it to Santos Legal and record it on the **Gifts and Benefits Register**.
- + Santos will not penalise you for refusing to engage in corrupt practice, even if it results in Santos losing business.

#### 2.1.3 Facilitation payments

- + Facilitation payments are typically minor, unofficial payments made for the sole or dominant purpose of securing or expediting a routine government action by a government official or employee.
- + For example, a payment to expedite an application for a licence.

#### 2.1.4 Secret commissions

- + Secret commissions occur where a benefit is dishonestly or corruptly given to or received from an agent or representative of a third party as an inducement or reward for providing a favour, or for a favour already provided, and that benefit is not disclosed to the relevant principal(s).
- + For example, a payment or other benefit made by an employee of Santos to an agent or representative of another person (eg a supplier), where that payment is not disclosed by the agent or representative to their principal. Likewise, the receipt of a payment or other benefit by an employee of Santos from a third party where the payment is not disclosed by the employee could be a secret commission.

#### 2.1.5 Money laundering

- + 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.
- + Exercise caution in dealing with persons and other entities associated with tax havens and countries with a reputation for money laundering.

## 2.2 Do not engage in any transaction that is in breach of sanctions law

2.2.1 A sanctions law is one which restricts trade or prohibits other transactions with particular countries, individuals, or entities and which has been imposed by the Department of Foreign Affairs and Trade, Australia or the United Nations Security Council. Sanctions laws, and countries, individuals and entities that are subject to sanctions, are subject to frequent change.

2.2.2 Do not engage in a transaction that involves:

- + the providing or receiving of any payment, other benefit, good 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 Santos to engage in any conduct or transactions that is prohibited by a sanctions law; and
- + any measure intended to circumvent a sanctions law.

## 2.3 Applicable laws and consequences of non-compliance

2.3.1 Laws prohibiting bribery and other improper payments apply in each country in which Santos operates, and apply to Santos companies and personnel. In addition, a number of these laws, such as the Australian Criminal Code, the US Foreign Corrupt Practices Act and the UK Bribery Act 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.

2.3.2 If Santos or Santos Workers are found to have taken part in bribery, breach of sanction law or any other related improper conduct addressed by this Procedure, Santos and/or Santos Workers could face serious civil or criminal penalties, lose contracts and suffer reputational harm.

## 2.4 Reporting corrupt practices or breaches of sanctions law

2.4.1 Report in accordance with the **Reporting Misconduct Procedure**, if you:

- + become aware of or suspect corrupt practices;
- + become aware of or suspect a breach in sanctions law; or
- + make a payment in the face of a threat to personal health or safety.

2.4.2 The Board will be informed of any material breaches of this Procedure.

## 2.5 Perform counterparty due diligence

- 2.5.1 Under anti-corruption laws, Santos may be held responsible for the illegal activities of Santos Business Partners. It is important to:
- + ensure that all Santos Business Partners and wholly or partly owned Santos subsidiaries comply with the principles of this Procedure;
  - + conduct appropriate due diligence to assess whether a potential counterparty is fit to be a Santos Business Partner (refer to the process set out in the **Counter-Party Due Diligence Procedure** which must be followed before transacting with any counterparty on behalf of Santos); and
  - + if necessary in the circumstances, seek advice from Risk & Audit and Santos Legal in respect of any additional due diligence that may be required or any other concerns.
- 2.5.2 When putting a contract in place with a Santos Business Partner, include an ethical conduct clause in terms such as those set out in **Counter-Party Due Diligence Procedure** if deemed appropriate in the circumstances. Consult with Santos Legal if you have any questions or concerns.
- 2.5.3 Do not enter into a transaction with a counterparty if it would be in breach of the **Counter-Party Due Diligence Procedure**. For example, if after conducting due diligence, there is reason to suspect that any transaction entered with that counterparty:
- + may breach any anti-money laundering or counter-terrorism financing or economic trade and sanctions law in Australia or any other country;
  - + involves a person or entity that is itself sanctioned or is connected, directly or indirectly, to any person or country that is sanctioned under economic and trade sanctions;
  - + may directly or indirectly involve the proceeds of, or be applied for the purposes of, conduct which is unlawful in Australia or any country.

## 2.6 Keep accurate records of Santos' business affairs

- 2.6.1 To prevent corrupt practices, ensure that accurate records, which reflect a true and fair view of Santos' business affairs, are maintained in accordance with Santos' accounting, finance and relevant internal controls.

## 2.7 Training and review

- 2.7.1 Relevant Santos Workers will receive training in relation to this Procedure, in addition to mandatory Code of Conduct training.
- 2.7.2 This Procedure will be periodically reviewed to ensure ongoing suitability and effectiveness.

### 3 Key terms

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<b>Term</b>	<b>Definition</b>
Government Body	includes any government or government owned enterprise, government agency or regulatory authority, political party, international public organisation, the judiciary or magistracy, and any appointment, office or position created by customer or convention, which may include some royal families and some tribal groups.
Government Official	includes an official, employee or member of any Government Body, or a person who is or holds themselves out to be an authorised intermediary of an official, employee or member of any Government Body.
Santos	means each of the Santos Limited group of companies, including each Related Body Corporate (as that term is defined in the <i>Corporations Act 2001</i> (Cth)) of Santos Limited.
Santos Business Partner	means any joint venture or associated party, agent and any other intermediary, contractor, supplier and customer with whom Santos has a business relationship, who is not a Santos Worker.
Santos Worker	means any person who performs work, or provides services, in any capacity for, or on behalf of, Santos, including: (a) employees, officers and directors; (b) contractors, agents, consultants and subcontractors; and (c) apprentices, trainees, secondees, students gaining work experience and volunteers.

The following is a list of bribery and corruption “red flags” that may arise during the course of working for or providing services to Santos. The list is for illustration purposes only and is not exhaustive. Please refer to the **Counter-Party Due Diligence Procedure** for a comprehensive process on engaging with counterparties.

- + You learn that a counterparty engages in, or has been accused of engaging in, improper business practices.
- + You learn that a counterparty has a reputation for paying bribes.
- + A counterparty requests that payment is made to a country or geographic location different from where the third party resides or conducts business.
- + A counterparty requests an unexpected additional fee or commission to “facilitate” a service.
- + A counterparty demands lavish entertainment or gifts before commencing or continuing contractual negotiations or provision of services.
- + A counterparty requests that Santos provide employment or some other advantage to a friend or relative.
- + A counterparty requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to Santos.