

SENEX ENERGY LIMITED

ABN 50 008 942 827

CONFLICT OF INTEREST POLICY

**Adopted by resolution of the Board of Directors on
27.06.2012**

1.0 Purpose

This policy sets out the obligations of Senex employees not to participate in a decision or an activity that may conflict, or be seen to conflict with the interests of Senex.

2.0 Scope

This policy applies to all Senex employees. Responsibilities outlined in this policy are additional to provisions outlined in any Awards, Agreements or other local legislation relevant to the employee's employment by Senex.

3.0 Policy statement

During the course of employment, employees must not participate in an activity that conflicts with the interests of Senex, nor do anything that could be construed as possibly being in conflict. This means avoiding a situation where a decision or action may be influenced, or may be perceived to be influenced, by a personal, private or outside interest.

It is important to avoid and declare not only an actual conflict of interest but also any perceived or potential conflict of interest. Examples include a private business activity, a relationship or employment with any other company.

If an employee believes there is any possibility of a potential conflict of interest, he or she should discuss it with the relevant Manager as soon as possible.

4.0 Application

4.1. Definitions

A *Conflict of Interest* is a situation in which an employee has a personal interest in a matter that is the subject of a decision made or duty carried out by that person on behalf of Senex.

A Conflict of Interest exists if:

- an employee's personal affairs influence, or may influence, the judgements made by that person for Senex;
- an action taken by an employee in relation to their personal affairs has the effect of undermining Senex's business;
- an employee, or their spouse or any family member, friend, or personal associate, receives or may receive a benefit through their use of Senex resources or their status as a Senex employee; or
- a third-party organisation, such as a community group or charity, with which the employee is associated, receives or may receive a benefit through their use of Senex resources or their status as a Senex employee.

Competitor includes any business in the oil and gas industry.

4.2. Areas of conflict

Some areas where conflicts of interest could arise include:

- Employment with Other Companies

Whilst employed with Senex, an employee must advise his/her Manager of any employment by another entity where that employment or relationship has the potential to negatively impact upon:

- The ability to perform their role at Senex, or
- Senex' marketplace success, or
- Senex' reputation or its services to its customers, or
- Senex' current or future business plans.

If the employment is with a competitor of Senex, written approval from the Managing Director must be obtained before entering or continuing in the relationship.

- Investments and Directorships

Directorships or substantial investments made by employees or their immediate family in Senex' competitors or business partners may represent a conflict. Employees must declare any such interests in writing to their Manager.

- Internal conflicts

Employees who have responsibility for making decisions relating to recruitment, remuneration, promotion or management of others, or selection of third party contractors/suppliers, should declare to their Manager any situations in which they are called upon to make decisions affecting friends or family members.

- Relationships with Suppliers and Contractors

Employees should not use Senex' business relationships with suppliers or other business partners to gain support, involvement or contributions to third party organisations including for fundraising activities undertaken either on behalf of Senex or personally.

It is the responsibility of each individual involved in such activity to clearly set out to any business associate that any support given is independent of current business arrangements and will not influence future business arrangements.

An employee should not generally accept or offer a gift, service, discount, gratuity or other gain from (or to) people who conduct business with Senex. A small gift, business courtesy or invitation to a local social or sporting function will generally be acceptable where it does not influence decisions and as long the giver is not led to think they are going to benefit in some way. Employees should avoid situations where gifts are offered and inform their Manager whenever a gift is given. In the event of a large gift (i.e. greater than \$300 in value) employees must refuse unless they have prior written approval from the Secretary.

- Unauthorised payments to third parties

A Senex employee must never offer a bribe or inducement to anyone. Senex prohibits the giving or receiving of any bribe, commission or inducement. This includes a government, a minister, an elected or appointed member, adviser or official, or any other company or director, officer, employee or contractor. In most instances, such acts

will be unlawful. Legislation exists in Australia which specifically prohibits payments to public officials and other conduct regarded as corrupt practice.

4.3. What you must do

You must avoid a Conflict of Interest wherever possible. However, everyone has personal relationships, friendships, and interests and these sometimes overlap or conflict with their duties as employees.

If you have an actual or a potential Conflict of Interest you must declare that interest to your Manager in writing. If the conflict affects your ability to perform your duties, Senex may direct you to cease the activity which causes the Conflict of Interest. If directed to cease a particular activity which raises a conflict, you must do so, otherwise you will be in breach of this policy.

Employees must immediately notify their Manager if they become aware of any perceived Conflict of Interest of any supplier or contractor of Senex.

4.4. Tender process

Any employee engaged in any aspect of a tender process at Senex must ensure the highest ethical standards are maintained and any Conflicts of Interest do not impact any decision making.

4.5. Breach

Breaches of this policy include penalties of disciplinary action, up to and including summary dismissal, as well as compensation for damage caused. Senex may also seek an injunction to prohibit activities that cause a Conflict of Interest.

5.0 Responsibilities

- **Managers:** Compliance with this policy, and reporting, investigating and acting upon any incidents of breach of this policy.
- **Employees:** Compliance with this policy and reporting any known breaches of this policy to the appropriate Manager.
- **Human Resources:** Assisting with the education of Managers and employees in maintaining compliance with this policy.