



LIQUEFIED NATURAL GAS LIMITED

Anti-Bribery and Anti-Corruption Policy

19 November 2015

Liquefied Natural Gas Limited

Anti-Bribery and Anti-Corruption Policy

This policy is a key part of Liquefied Natural Gas Limited's ("LNGL" or the "Company") strategy and reflects the Company's values and expected behaviors contained in our Business Principles.

Everyone who works for and with LNGL - employees, directors, contractors, partners or suppliers ("**Workforce**") - has responsibility for adhering to our Business Principles and, thus, this Policy. Read this Policy in conjunction with LNGL's Business Principles, other policies and related guidance, which establish governance of the Company.

1. *Anti-Bribery and Anti-Corruption Policy*

LNGL conducts business in an ethical, fair and honest manner. LNGL strives to participate as a competitive participant in the global LNG industry and any other industry in which it is involved, and is committed to doing so without the use of bribery or other corrupt practices to obtain a business advantage.

Bribery and corruption are morally wrong and could seriously damage LNGL's reputation. Furthermore, bribery is a criminal offense and any corrupt act exposes the LNGL Group and the individual to the risk of prosecution, fines, and potential imprisonment.

LNGL applies a zero tolerance approach to acts of bribery and corruption by any member of our Workforce.

2. *Policy Implementation*

For purposes of this Policy:

- It is irrelevant whether the target of the act of bribery works in the public (government) or private sector; and
- Acts of corruption are deliberate or intentional wrongdoing, not negligence or a mistake.

2.1. Definitions

2.1.1. Bribery

Bribery is the offer, promise, giving, demanding or acceptance of an advantage as an inducement for an action, which is illegal, unethical or a breach of trust. Bribes can take on many different shapes and forms, but typically there will be reciprocity, meaning that both parties will benefit from the act of bribery.

A bribe could be:

- The direct or indirect promise, offering, or authorization, of anything of value (whether the value is material or not);
- The offer or receipt of any kickback, loan, fee, reward or other advantage; or
- The giving of aid, donations or voting support, designed to exert improper influence.

Acts of Bribery are designed to influence individuals to act dishonestly in the performance or discharge of their duties.

2.1.2. Corruption

An act of corruption is the misuse of office or power or influence for personal gain.

2.1.3 Facilitating Payment

A payment or offer of payment of anything of value to a foreign official, political party, or political party official or candidate, the purpose of which is to expedite, facilitate or secure the performing of a “routine governmental action” by any of those individuals.

2.2. Bribery and Corruption Laws and Enforcement

Bribery is a criminal offense and penalties can be severe for both companies and individual employees. There are laws in many countries, including Australia (the Criminal Code Act), the United States (the Foreign Corrupt Practices Act and Anti-Kickback Statute) and the United Kingdom (the Bribery Act), that prohibit bribery and corruption and are enforced with vigor by their respective enforcement authorities. Acts of bribery and corruption committed overseas may well result in prosecution, criminal and civil penalties including fines and imprisonment. Other consequences may include denial of export licenses and debarment from Commodity Futures Trading Commission.

2.3. Workforce Responsibility

This Policy outlines LNG’s expectations regarding integrity in the workplace and lawful business execution. This Policy is subject to the laws and regulations relating to employment and the responsibilities, if any, of employers and employees in any country or local jurisdiction in which LNG operates. In all cases, bribery and corruption are illegal, although some conduct prohibited by United States, UK or Australian laws may not be specifically prohibited. It is the policy of LNG to comply with all laws in jurisdictions in which it operates and to adhere to the strictest legal requirements.

In the eyes of the law, bribery and corruption can be committed by:

- An employee, officer or director; or
- Any person acting on behalf of another (i.e. a third-party representative); or
- Organizations that authorize, permit or facilitate others to carry out such acts.

People who are likely to be approached with bribes or corrupt conduct are generally those who are able to obtain, retain or direct business, or government officials involved in some aspect of the regulation or purchase of a company’s products and services.

A government official could be:

- A public official, whether foreign or domestic;
- Any employee of a government or any department or agency of such government (e.g. a tax inspector, an immigration officer)
- A political candidate or party official;
- A representative of a government-owned/majority-controlled organization (e.g. an employee of a government owned or controlled gas company);
- A representative carrying out public services (e.g. a police officer or a labor inspector); or
- An employee of a public international organization (e.g. World Bank)

If an individual in the Workforce is unsure of the relevant laws and regulations applying to lawful business execution in the country in which they are working then they should consult with the General Counsel to obtain specific legal advice. No facilitating payments can be made or offered to be made without prior written consent of the General Counsel.

2.4. Response to Policy Breaches

The LNGL Board has delegated responsibility of this Policy to the General Counsel to review any breaches or potential breaches of this Policy.

Any breach or potential breach of this Policy is promptly reported by the General Counsel to the Chairman of the Audit & Risk Committee.

The Chairman reviews the facts and makes recommendation(s) to the LNGL Board for resolution, which recommendations may include immediate termination of employment or contract.

2.5. Bribery and Corruption Prevention

2.5.1. Risk Assessment

Management assesses the vulnerability of the LNGL Group and each business unit to bribery and corruption risk.

Where bribery and corruption risk is identified, it is assessed and reported through the risk management process to the Audit & Risk Committee of the Board. Consideration of necessary action(s), which may include revision of this Policy, is an LNGL Board level decision.

If the LNGL Board requires any specific action, the General Counsel is responsible for the required action and informing the LNGL Board once such action has been implemented.

To the extent there is any change in this Policy, the Company Secretary expeditiously posts the revised Policy on LNGL's website and notify all staff of the changes.

2.5.2. Accurate Books and Record-Keeping

Management internal control framework procedures ensure that all LNGL Group books, records and overall financial reporting are complete and transparent; meaning that they accurately reflect each and all underlying transactions in all material respects.

[LNGL is required to devise and maintain a system of internal accounting controls that provide reasonable assurances that:

- Transactions are executed in accordance with management's general or specific authorization;
- Transactions are recorded as necessary to permit proper preparation of LNG's financial statements and maintain accountability for assets;
- Access to LNGL's assets is permitted only in accordance with general or specific authorization; and
- The recorded accountability for LNGL's assets is compared with the existing assets

at reasonable intervals and appropriate action is taken with respect to any differences.

2.5.3. *Effective Monitoring and Control*

Management takes necessary steps to maintain effective internal control and monitoring systems to prevent bribery and corruption. To achieve compliance LNGL created the Anti-Bribery and Anti-Corruption Compliance Program (the “Program”) The Program includes this Policy, mandatory education and training of the Workforce and third party representatives, due diligence procedures, internal and external review, reporting mechanisms, certifications, and inclusion of appropriate anti-bribery and anti-corruption clauses in new or renewed contracts. For specific requirements of the Program refer to [clause 3/Appendix A] of this Policy.

Hiring managers are responsible for ensuring inclusion of appropriate anti-bribery and anti-corruption contract clauses.

The Company Secretary retains executed copies of every new or renewed contract with members of the Workforce.

Required anti-bribery and anti-corruption clauses in contracts are tailored to meet specific circumstances but as a general principle must include the following provisions:

The Workforce must at all times during the currency of this agreement:

- Comply with all applicable laws, regulations, codes and sanctions relating to anti-bribery and anti-corruption (Relevant Requirements);
- Not engage in any activity, practice or conduct which would constitute, or be likely to constitute, an offense under the Relevant Requirement;
- Comply with all policies that the Company may introduce or implement from time to time which deal with, or relate to, the Relevant Requirements (whether directly or indirectly);
- Upon request by the Company, provide such evidence as the Company may reasonably require to demonstrate compliance with this clause; and
- Expressly acknowledges and agrees that any non-compliance with the requirements of this clause shall constitute a fundamental breach of this agreement.”

2.6. *Internal Management Representation*

Management provides annual representation to the Managing Director/CEO and Chief Financial Officer, as part of the annual management representation process, stating that LNGL has assessed the vulnerability of its operations to bribery and corruption risks, that appropriate controls and monitoring are in place to prevent bribery and corruption, and that, to the best of their knowledge, there has been no instances of bribery or corruption that have not been reported to the LNGL Board.

2.7. *Key Risk Areas for Bribery and Corruption*

2.7.1. *Gifts, Entertainment and Hospitality -*

All gifts received or given, greater than A\$200, are listed on the Gift & Hospitality register and submitted to the Company Secretary within 15 days of the event. Gifts,

entertainment and hospitality include the receipt or offer of gifts, meals or tokens of appreciation and gratitude, or invitations to events, functions, or other social gatherings in connection with matters related to LNGL business. These activities are acceptable provided they:

- Fall within reasonable bounds of value and occurrence;
- Do not influence, or are not perceived to influence, objective business judgment and decisions; and
- Are not prohibited or limited by applicable laws, corporate policies or applicable industry codes.

A member of the Workforce must not accept gifts or entertainment where to do so might influence, or be perceived to influence, objective business judgment and decisions.

A member of the Workforce shall not provide any gifts to, or receive them from, government officials.

With the prior approval of the General Counsel, rare exceptions may be permitted where a gift of greater than nominal value may be provided or received where it is an important local/cultural custom, the gift does not create the appearance of being an inducement and does not place the recipient under any obligation, and is permitted under applicable law. For purposes of this Policy, “nominal value” means equal to or less than A\$500, but in no circumstances may the gift be in cash or a cash equivalent.

If the person the LNGL Group does business with is a government official there are often local laws that would further restrict acceptable activities. Such further restrictions must always be adhered to.

If an example does not fall under the above categories, or the member of the Workforce is uncertain, the individual shall seek guidance and approval from the General Counsel in all cases where the benefit to be given or received is not of a nominal value.

2.7.2. Political Donations, Charitable Donations and Sponsorships -

No Workforce member may use LNGL funds to make any direct or indirect contribution to any political party, organization, or individual engaged in politics as a way of obtaining an improper advantage in the LNGL’s businesses.

All political donations must be pre-approved by the LNGL Board and, if approved, made in accordance with any applicable local laws and regulations

Members of the Workforce must ensure that any charitable donation or sponsorship is not being used as a subterfuge for bribery.

Any charitable donations or sponsorships must be in accordance with LNGL’s Approving Authorities Manual and any applicable local laws and regulations.

2.8. How to Raise a Concern

All individuals in the Workforce have a responsibility to help detect, prevent and report instances not only of bribery and corruption, but also of any other suspicious activity or wrongdoing in connection with LNGL business. Reporting mechanisms include an Ethics Hotline.

LNGL is committed to ensuring that all Workforce members have a safe, reliable, and confidential way of reporting any suspicious activity.

Refer to the Duty to Report Policy for further guidance.

2.9. Management Responsibility

The General Counsel is responsible for implementation and maintenance of this Policy.

2.10. Applicability to the Workforce

Every employee, director or officer of every wholly owned LNGL company and in every joint venture company under LNGL control must follow this Policy. We apply this Policy in all joint operations where LNGL is the operator. When participating in joint venture companies not under LNGL control we encourage the adoption of a similar policy.

Contractors and consultants are required to act consistent with this Policy when working for LNGL companies as our agent, on our behalf or in our name on any business activity including when delivering outsourced services.

Breach of a LNGL Policy may result in disciplinary action, up to and including dismissal. LNGL reserves the right to amend or update this Policy as required from time-to-time.

3. Anti-Bribery and Anti-Corruption Procedures

3.1. Appointment of Agents

The law prohibits both direct and indirect corrupt payments. Thus, LNGL can face liability based on improper payments made by agents, consultants, business partners and other representatives (“Representatives”). Therefore the Policy also applies to all Representatives. No Representative that may represent LNGL towards government officials may be hired, retained or otherwise consulted, whether verbally or by means of a written agreement, without prior due diligence process and specific written approval as described below.

Every employee must introduce the proposed agent, joint venture partner, consultant or representative by means of a Sponsor Memorandum. The Sponsor Memorandum form is provided and reviewed by the General Counsel. The employee must also notify the proposed Representative of the need to join TRACE INTERNATIONAL an independent third party due diligence provided. TRACE INTERNATIONAL will provide the Representative TRACE membership file to the Company Secretary and the General Counsel for review and final approval. Each Representative is required to update their TRACE INTERNATIONAL membership file on annual basis. No payments can be made to a Representative whose TRACE INTERNATIONAL file is not currently in good standing.

3.2. Contractual protections

All Representatives shall be required to sign a contract containing the following contractual protections. No deviation from this Policy is permitted without the prior written approval of the General Counsel. The key contractual protections include:

- Obligation to comply with LNGL’s Anti-Corruption and Anti-Bribery Policy
- Prohibition on engagement of sub-agent or representative without specific written consent
- Maintenance of separate bank accounts
- Specific requirements for invoice specificity
- Continuous Assurances Requirements

- Obligation to cooperate in audit for 5 years after contract expiration/termination
- Breach of agreement may result in termination and must result in immediate payment suspension.

3.3. Certifications

All employees and Representatives must sign an annual certification of compliance.

The employee certification, whether executed as part of a broader certification, shall include the following language:

I confirm that I agree to abide by the Anti-Corruption and Anti-Bribery Policy and to review its terms prior to engaging in any activity or transaction that could possibly be in violation of the Policy. If I have any questions concerning any proposed matter within the scope of the Policy, I will present them to General Counsel, prior to engaging in any such activity or transaction.

The Representative certification shall include the following language:

I do hereby certify for and on behalf of [Representative], that neither I nor, to my knowledge, any other person, including, but not limited to, every officer, director, stockholder, employee, representative and agent of Representative, in connection with our Agreement with Liquefied Natural Gas Limited or any of its affiliates dated _____ (the "Agreement") or the performance thereof, have made, offered to make or agreed to make any illicit offer, payment, loan or gift of anything of value to any person while knowing or having reason to suspect that all or a portion of such money, promise or thing of value will be offered, given or promised, directly or indirectly, for the purpose of obtaining or retaining business or favorable action, influencing any act or decision or inducing such person to use his or her influence to affect or influence any act or decision, or otherwise secure any improper advantage for Liquefied Natural Gas Limited or any of its affiliates.

I also hereby confirm that neither [Representative] nor any of its principals, shareholders, officers, directors, employees, agents or other representatives working on [Representative's] behalf in connection with performance under the Agreement, is a government official. I also hereby confirm that the [Representative] requires its principals, shareholders, owners, officers, directors, employees, agents and other representatives to comply with Representative's obligations under business ethics rules and anti-corruption laws.

3.4 Appendices

- 1. Appendix 1 Anti-Bribery and Anti-Corruption Procedures**
- 2. Appendix 2 Sponsor Memorandum**
- 3. Appendix 3 Consulting Services Agreement Form**

