

Conflicts of Interest Policy

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Introduction

Arrow Energy (**Arrow**) places great importance on making clear any existing or potential conflicts of interest.

Any officers, employees, contractors, representatives or agents representing Arrow or acting on behalf of Arrow (**Arrow Staff**) must comply with this Policy.

All Arrow Staff must abide by the following:

If you think a conflict of interest may exist, you are to disclose the relevant facts and explain the circumstances that you think create the conflict of interest.

It is the relevant Arrow Staff member's obligation to volunteer this information and not wait until specifically asked.

What is a conflict of interest?

Conflicts of interest can be actual, apparent (or perceived) or potential and for the avoidance of doubt, can arise where social invitations or gifts are extended to Arrow Staff.

- An **actual** conflict of interest involves a direct conflict between the Arrow Staff member's duties and responsibilities and their existing private interests.
- An **apparent or perceived** conflict of interest exists where it appears an Arrow Staff member's private interests could improperly influence the performance of their duties regardless of whether this is in fact the case.
- A **potential** conflict of interest arises where private interests could conflict with an Arrow Staff member's duties and responsibilities.

Detecting conflict of interests

Some general principles that apply to conflicts of interest are:

1. conflicts of interest can be financial or personal; and
2. conflicts of interest can involve the financial or personal interests of the Arrow Staff member or the Arrow Staff member's family or personal friends, including but not limited to spouses, domestic partners, children, parents, siblings and relatives.

Accordingly, Arrow Staff must not solicit or accept from any person or entity doing (or seeking to do) business with Arrow or give any customer, contractor, supplier or vendor (or any potential such persons) gifts and/or entertainment.

The only exceptions to the above rule are:

- a. normal advertising or promotional giveaways of limited financial value; and
- b. gifts or social invitations that are deemed to be customary and reasonable under the business circumstances. *For example*, a meal with a supplier or attendance at a sporting, cultural, theatrical, charitable or other similar event might be acceptable provided that:
 - it is of a customary and reasonable value;

- the host is in attendance; and
- an Arrow business interest is being served.
- There are no imminent business decisions pending.

Managing conflicts of interest

Conflicts of interest should be prevented by putting in place appropriate control measures that:

- 1) Assist in identifying potential conflicts of interest;
- 2) Assess and evaluate conflicts of interest that actually exist; and
- 3) Act upon, and implement, appropriate responses to those actual conflicts.

Where an actual conflict of interest exists, the Arrow Staff member must **immediately disclose** details of the conflict of interest in accordance with the reporting requirements noted below.

Arrow Staff need to manage all conflicts in accordance with the direction provided by their Band Representative and GRA Manager.

The Governance, Risk and Assurance (GRA) Manager maintains a register of all declared 'Conflicts of Interest' reported to them.

Reporting

Arrow Staff must report all conflicts in accordance with the following:

1. Receiving of gifts and/or entertainment

Prior to the acceptance of any gifts and/or entertainment, Arrow Staff must disclose and obtain approval in accordance with the following:

Gift/Entertainment Value	Disclosure Requirement	
	<u>Pre-Approval Requirement</u>	Disclosure to GRA?
\$0 - \$150	Band 2 to 5 Representative approval required*	No disclosure is required.
\$150+		Disclosure to the GRA Manager is required.
Value uncertain		

** Approval banding must be higher than the one declaring. CEO needs to obtain CFO approval.*

Disclosure to the GRA Manager can be done via email to the following address: gra@arrowenergy.com.au

2. Conflicts of interest other than gifts/entertainment

All conflicts must be disclosed to a Band Representative within their reporting line as well as GRA Manager (gra@arrowenergy.com.au)

3. Reporting suspected conflicts of interest

Any conflicts of interest that is detected or suspected must be reported immediately to the GRA Manager, who coordinates all investigations with the Legal Department and other affected areas, both internal and external.

Employees should not attempt to personally conduct investigations or interviews/interrogations related to any suspected conflicts of interest.

Arrow Energy Whistleblower Service

In the event that you feel it's not appropriate or you feel uncomfortable to follow the above reporting protocols, you can contact Arrow's external Service Provider [Deloitte] on one of the following where you can raise your concerns confidentially:

- a. Telephone line [Australia] 1800 728 593.
- b. Website- www.arrowenergy.deloittedigital.com.au
(User name: arrow, Password: energy1!)
- c. Email- arrowenergy@deloittedigital.com.au
- d. Fax- +61 3 9691 8182
- e. Reply paid postal address:
*Arrow Energy Whistleblower Service
Reply paid 12628
A'Beckett Street,
Melbourne VIC 8006*

All **disclosure requirements** must detail the following:

- Name of Arrow Staff member involved ;
- Brief description of the (potential) conflict;
- Details of any actions taken, or proposed, to date; and
- Where gifts/entertainment are involved:
 - Name of third party involved;
 - Reason for third party providing the offer;
 - Estimated value of offering;
 - Whether previous offers have been received within the last 12 months by the third party and its estimated cumulative value to date.
- Any other information that is deemed relevant that may assist the Banding Representative to reach a decision.

Responsibilities of Band Representatives

Band Representatives assessing declared conflicts will ensure all declarations are made in accordance with the declaration requirements noted above.

All disclosures need to be assessed for reasonableness and provide recommendations/ approval back to the staff member.

Where there are concerns about a particular conflict, they should raise it with other Band Representatives or the GRA Manager in an effort to seek an objective view and failing that, report it to the Vice President Legal.

Band Representatives are also responsible for ensuring that:

- their Arrow Staff are made aware of this Policy and procedures required;
- the work of their Arrow Staff is closely monitored in order to expose any inherent risks that might lead to a conflict of interest;
- their Arrow Staff are aware of appropriate ways to respond to actual, perceived or potential conflicts; and
- reporting all conflicts of interest to the GRA manager so that the conflicts of interest register can be maintained in good order and available for review;

Enforcement

Non-compliance with the Conflicts of Interest Policy by Arrow Staff will be treated as a disciplinary matter and disciplinary action up to and including termination of employment may be taken.

Administration

The Group Financial Controller is responsible for the, revision, interpretation and application of this policy. The policy will be reviewed annually and revised as needed.



Andrew Faulkner
Arrow Energy CEO