



arrowenergy

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Anti Fraud Policy

Contents

Purpose of Policy 3

Scope 3

Anti Fraud Policy 3

Reporting 4

Investigation 4

Enforcement 4

Confidentiality 5

Administration 5

Purpose of Policy

This anti-fraud policy is established to facilitate the development of controls that will aid in the prevention, deterrence, detection and handling of fraud against the company and its shareholders. It is the intent of Arrow Energy to promote consistent organisational behaviour by providing guidelines and assigning responsibility for the development of controls and conduct of investigations.

Scope

This policy applies to any irregularity, or suspected irregularity, involving Arrow Staff as well as shareholders, consultants, vendors, contractors, outside agencies doing business with employees of such agencies, and/or any other parties with a business relationship with Arrow.

All parties to whom this policy applies have a responsibility to assist in the prevention and detection of fraud perpetrated against Arrow.

Anti Fraud Policy

Fraud is defined as the intentional, false representation or concealment of a material fact to obtain or attempt to obtain an unjust / illegal advantage, for example to make a gain (financial or otherwise), to avoid an obligation or to cause loss to another party.

For the purposes of the Anti-Fraud Policy, the term "fraud" includes corruption and attempted fraud and includes but is not limited to the following:

- Any dishonest or fraudulent act.
- Misappropriation of funds, securities, supplies, or other assets.
- Impropriety in the handling or reporting of money or financial transactions.
- Profiteering as a result of insider knowledge of company activities.
- Disclosing confidential and proprietary information to outside parties.
- Disclosing to other persons activities engaged in or contemplated by the company.
- Seeking anything of material value from contractors, vendors, or persons providing services/materials to the Company.
- Seeking to obtain advantage by offering improper inducements (directly or indirectly) to public officials and others.
- Destruction, removal, or inappropriate use of records, furniture, fixtures, and equipment.
- Any similar or related irregularity.

If there is any question as to whether an action constitutes fraud, contact the Governance Risk and Assurance Manager for guidance.

Reporting

Any irregularity that is detected or suspected must be reported immediately to the Governance Risk and Assurance 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 fraudulent act.

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*

Investigation

The Governance Risk and Assurance Manager has the primary responsibility for the investigation of all suspected fraudulent acts as defined in the policy. If the investigation substantiates that fraudulent activities have occurred, the Governance Risk and Assurance Manager will issue reports to appropriate designated personnel and, if appropriate, to the Board of Directors. Decisions to prosecute or refer the examination results to the appropriate law enforcement and/or regulatory agencies for independent investigation will be made in conjunction with legal counsel and senior management, as will final decisions on disposition of the case.

Any investigative activity required will be conducted without regard to the suspected wrongdoer's length of service, position/title, or relationship to Arrow Energy.

Any individual who is under investigation for suspected or discovered fraud may be suspended, pending the outcome of the investigation.

Enforcement

Non-compliance with the Anti-Fraud Policy by Arrow employees will be treated as a disciplinary matter. Where the allegations are substantiated, disciplinary action, up to and including termination of employment may be taken.

Non-compliance with the Anti-Fraud Policy by any other party to whom it applies, will result in a recommendation to terminate their contract with Arrow or terminate the

engagement of the individual(s), within that contracting entity, found to be in breach of the policy.

If an investigation results in a recommendation to terminate an individual, the recommendation will be reviewed for approval by the designated representatives from Human Resources and the Legal Counsel and, if necessary, by outside counsel, before any such action is taken. The Governance Risk and Assurance Manager does not have the authority to terminate an employee. The decision to terminate an employee is made by the employee's management. Should the Governance Risk and Assurance Manager believe the management decision inappropriate for the facts presented, the facts will be presented to executive-level management for a decision.

Confidentiality

Arrow Energy treats all information received confidentially. Investigation results will not be disclosed or discussed with anyone other than those who have a legitimate need to know. This is important in order to avoid damaging the reputations of persons suspected but subsequently found innocent of wrongful conduct and to protect the Company from potential civil liability.

Administration

The Governance Risk and Assurance Manager 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

