STANDARD FOR THE PREVENTION OF BRIBERY & CORRUPTION

Procedures for the prevention of bribery and corruption in Petrofac’s business practices

Revision March 2016
Contents

Overview 01
Definition of Bribery and Corruption 03
Business Principles 05
– Communication and Training 07
– Contract Tendering 09
– Third Party Due Diligence 11
– Gift Giving and Receiving 13
– Entertainment Giving and Receiving 15
– Facilitation Payments 17
– Political Contributions 19
– Hosting of External Parties 21
– Social Investments 23
– Investigating and Reporting 25
– Maintaining Records and Monitoring Implementation 27
– Preventing Money Laundering 28
Appendices 29
Overview

This Standard for the Prevention of Bribery and Corruption defines the rules and procedures that all employees and those who work with and for Petrofac must follow. The Standard, first launched in 2010 and now updated, helps ensure that Petrofac does not become involved either directly or indirectly in bribery or corruption and is not negligent in its efforts to prevent bribery and corruption in all of its operations.

Failure to comply with the requirements of this Standard may result in disciplinary action up to and including termination of employment and/or a business relationship with Petrofac.

Purpose

This Standard is designed to ensure as far as reasonably possible that Petrofac operates according to a system which prevents bribery and corruption from occurring within its operations. It is designed to ensure that Petrofac acts responsibly and ethically at all times when pursuing and awarding business and that it complies with its Code of Conduct in relation to bribery and corruption provisions.

The Standard ensures that Petrofac complies with relevant laws, in particular the law of the UK and Jersey. Variations in local custom are not an acceptable basis for offering or accepting a bribe. Individuals involved will be exposed to potential imprisonment and Petrofac Limited exposed to potentially large fines if found guilty.

Scope

This Standard applies to all Petrofac employees and its principles apply to all third parties working with and for Petrofac.
**Responsibilities**

**Employees**
All Petrofac employees must familiarise themselves with this Standard and their responsibilities under it, and comply with all of its requirements.

**Business Units/Functions**
The business units and functions must ensure that this Standard is properly communicated, implemented and adhered to and that employees and third parties are aware of its provisions.

**Compliance Function**
Petrofac Compliance function will:

- Create and communicate tools, processes and procedures in line with the requirements of this Standard
- Monitor and review business unit and functional compliance with the provisions of this Standard, including reviewing documentary evidence
- Provide educational support to assist the businesses with the implementation and adoption of this Standard
- Resolve matters of interpretation or instances of break-down of the procedures in this Standard
- Investigate alleged acts of bribery or corruption
- Ensure that this Standard is reviewed and updated periodically to reflect changes in the external regulatory environment and industry good practice

If any aspect of this Standard or its application to generic or specific business situations is unclear the issue should be referred to the Compliance function.

If there is any doubt as to whether a particular activity or transaction may involve or may be perceived to involve bribery or corruption the matter should be referred to the Group Head of Compliance.
Definition of Bribery and Corruption

Bribery is defined as the offer or the acceptance of a financial or other form of benefit intended to encourage or influence the recipient of the benefit to act improperly or unfairly in the award of business or in the execution of their duties. Corruption is defined as dishonest or fraudulent conduct by those in power, typically involving bribery.

The risk of bribery and corruption could affect Petrofac in any of the following transactions or activities if performed by the Company with public or private third parties:

- Paying individuals with authority or influence over the award of business in order to influence them to make an award in favour of Petrofac
- Exchanging expensive gifts or providing lavish entertainment to individuals with the intention of influencing the award of business to Petrofac
- Making political or charitable donations to a third party or their family member(s) and/or close associate(s) with the intention of unfairly influencing the award of business to Petrofac
- Accepting payments or other inducements from third parties, including, but not limited to, agents, vendors, suppliers, service providers or sub-contractors in order to award business or grant another benefit to them
- Manipulating tender procedures to award a contract to a specific sub-contractor, service provider and/or vendor in return for some form of payment or other benefit
- Offering payments or other forms of benefit, whether directly or indirectly, to a tax, customs or immigration official to overlook local taxation, customs or visa requirements
All individuals who work with and for Petrofac must deploy the highest ethical standards and be in compliance with applicable laws when conducting business with government representatives.

Government officials represent increased risks given the UK Bribery Act offence specific to that class of individuals and the US Foreign Corrupt Practices Act which deals only with bribery of foreign officials.

A list of available resources for further information can be found at the end of this document (Appendix 3). A definition of terms can be found at the end of this document (Appendix 4).
Business Principles

This Standard has the following business principles:

Principle 1
Petrofac will educate its employees, as well as third parties who work with and for it, including, but not limited to, representatives, partners, contractors and suppliers, to reinforce their awareness, knowledge and commitment to its anti-bribery and corruption standards.

Principle 2
Petrofac is committed to ensuring that all contracts awarded to it or awarded by it are done so transparently, legally and without connection to bribery or corruption.

Principle 3
Petrofac is committed to ensuring that third parties with whom it deals are properly vetted to mitigate the risk of bribery and corruption.

Principle 4
Petrofac recognizes the giving and receiving of gifts as part of normal business relations provided these are not intended to unfairly influence or could be perceived as unfairly influencing business decisions or transactions such as, but not limited to, the award of contracts to or by Petrofac.

Principle 5
Petrofac recognizes as part of normal business relations provided these events are not intended to unfairly influence or could be perceived as unfairly influencing business decisions such as, but not limited to, the award of contracts to or by Petrofac.

Principle 6
Petrofac prohibits facilitation payments and is committed to combating the facilitation payment culture wherever it is encountered.

Principle 7
Petrofac prohibits all employees, representatives and affiliates from making directly or indirectly, via industry associations or charities, political contributions of any kind in the name of Petrofac or using Petrofac funds and/or resources for this purpose.

Principle 8
Petrofac recognizes that visits from external parties, including government officials, to its sites are a necessary part of its business. However, such visits when paid for by Petrofac must be carefully arranged, controlled and accurately recorded to avoid any perception of undue influence.
Principle 9

Petrofac is committed to supporting the host communities and societies where it operates whilst ensuring that its social investments do not amount to, or are not perceived to be, bribery or corruption.

Principle 10

Petrofac will investigate promptly and in confidence any actual or suspected instance of bribery or corruption related to any transaction that involves the company and/or those working with and for Petrofac of which we become aware. Petrofac will take appropriate disciplinary action against any employee and/or third party found to be engaged in bribery or corruption activities involving the company.

Principle 11

Petrofac will maintain accurate records and documentation to demonstrate the effectiveness of its compliance programme and monitor the implementation of this Standard.

Principle 12

Petrofac will only conduct business with third parties it believes are not engaged in money laundering activities and will not knowingly facilitate any transaction that has elements of such practice.

Petrofac is a signatory to both the Partnering Against Corruption Initiative of the World Economic Forum and the United Nations Global Compact of Business Principles.
Petrofac is committed to preventing and mitigating the risk of bribery and corruption in its businesses and will establish and implement tools, processes and procedures, communication and training to mitigate such risk.

Principle 1

Petrofac will educate its employees, as well as third parties who work with and for it, including, but not limited to, representatives, partners, contractors and suppliers, on its anti-bribery and corruption standards to reinforce their awareness, knowledge and commitment to them.

Standards and policies, communication, tools, training courses and materials will be made available to all employees and relevant third parties to facilitate their understanding and enable the mitigation of the risk of bribery and corruption in all of Petrofac’s business activities.
General Rules

A. All employees and third parties must complete promptly any compliance related training in general, and anti-bribery and corruption training in particular, assigned to them.

B. It is the responsibility of each business and functions heads to monitor training statistics to ensure that all of its employees and selected third parties complete any compliance and anti-bribery and corruption training that is assigned to them within the assigned timeframe.

C. All new employees and selected third parties must complete compliance and anti-bribery and corruption training within 30 days of joining the company. It is the responsibility of the hiring business and function to ensure completion.

D. All employees and third parties must communicate promptly to their line management, Compliance and/or Legal any suspected breach of this anti-bribery and corruption Standard.

E. All business and functional leaders must use every opportunity to communicate to their organisations the existence and importance of this Standard as well as the bribery and corruption risks inherent to their operations.

F. All employees are required to follow the processes and procedures in place aimed at identifying and mitigating the risk of bribery and corruption. It is the business and functional leaders’ responsibility to monitor compliance.

Petrofac will educate its employees, as well as third parties who work with and for it.
Contract Tendering

It is essential that Petrofac award and be awarded contracts in a transparent and legal manner. Failure to do so when entering into contracts could expose Petrofac to an allegation of bribery or corruption.

Principle 2

Petrofac is committed to ensuring that all contracts awarded to it or awarded by it are done so transparently, legally and without connection to bribery or corruption.

The business has the responsibility to ensure that any contract awarded by Petrofac follows an established, documented and communicated tendering process and that any business awarded to Petrofac is free of bribery and corruption.

The objective of establishing tendering guidelines is to ensure that consideration is given to the potential bribery and corruption risk that may be inherent in the awarding of contracts to and by Petrofac.

Any single sourced contract must be justified, documented and approved


**General Rules**

A. All business units must have an established and documented tendering process which must be communicated to all relevant parties

B. All business units must ensure that there are nominated individuals with the responsibility for ensuring that the process is properly communicated, implemented and followed without exceptions

C. Where there is a conflict of interest, the potential or the perception of a conflict of interest between the parties involved in a tendering process, the affected party must declare its interest and withdraw from the tendering process

D. All tenders must be documented according to the tendering process and such documentation be made available to be audited as may be required

E. All third parties representing Petrofac in a tendering process must abide by the Petrofac Code of Conduct, this Standard and any and all relevant documentation to be communicated by Petrofac to the third party

F. All Petrofac individuals as well as third parties involved directly or indirectly in a tendering process for the award of business to Petrofac or by Petrofac must not give and/or receive anything of value that could influence the tendering process or give rise to a perception that the tendering process has been influenced

**Exception Procedure**

There may be occasions where the business will award a contract on a single source basis, without following the established tendering process. Any single sourced contract must be justified, documented and approved by an individual with the necessary delegation of authority to approve such transaction.
Third Party Due Diligence

Petrofac must conduct adequate, risk-based due diligence on all third party relationships before any contractual commitment is made by it in order to mitigate the risk of illegal activities in general and bribery and corruption in particular. Petrofac must ensure that its third parties conduct their own adequate due diligence on their third parties in relation to any Petrofac business.

Principle 3

Petrofac is committed to ensuring that third parties with whom it deals are properly vetted to mitigate the risk of bribery and corruption.

Due diligence must be conducted on all third party relationships in order to determine the level of risk associated with the specific third party and that appropriate mitigation plans are put in place to mitigate any identified risks.

General Rules

A. The following categories of third parties will be subject to risk-based due diligence:
   i. Joint venture or consortium partners (including unincorporated)
   ii. Agents or intermediaries
   iii. Sub-contractors or administrative service providers (e.g. freight forwarders, immigration services, consultants)
   iv. Vendors
   v. Recipients of any social investment, including charitable donation or Corporate Social Responsibility expenditures
   vi. Clients

B. The request for due diligence on a third party should be made by the business units or functions to the Compliance function which will conduct the required due diligence in accordance with its due diligence procedure

C. The third party should be re-assessed periodically and as required by the Compliance function but in any event immediately if it is determined that the third party has been the subject of any allegations of bribery and corruption or illegality
D. All contracts between Petrofac and third parties must contain defined contractual provisions relating to the prevention of bribery and corruption which will cover:

i. Explicit agreement by the third party to abide either by the Petrofac Standards for the Prevention of Bribery and Corruption or to observe a standard that is acceptable to Petrofac and comparable to Petrofac’s in terms of scope and level of control

ii. Acceptance by a potential Joint Venture partner of the obligation to implement an anti-bribery and corruption program that is comparable to Petrofac’s and which Petrofac can review. Such program may adopt Petrofac’s compliance tools

iii. Reservation of the right by Petrofac to audit the third party in respect to the latter’s own bribery and corruption measures, if any exists, or its implementation of Petrofac’s standards and possible risk mitigation recommendations, if this has been agreed

iv. Reservation of the right by Petrofac, or any Petrofac joint venture controlled by Petrofac, to suspend all payments to the third party in the event of reasonable grounds for believing that an act of bribery or corruption may have taken place in relation to a Petrofac contract, including at the commencement of any investigation of such activities

v. Reservation of the right to terminate the contract and be reimbursed for damages including any expenditure associated with an investigation if such an investigation into an alleged act of bribery or corruption is substantiated

E. Where the outcome of the internal due diligence process highlights the need for additional investigation based on identified risks, the Compliance Function must determine what further steps are required to be taken, including, but not limited to, the need for independent outsourced investigations and/or reports.

F. The business units and the functions must implement any recommendation by the Compliance function on how to mitigate risks that might have been highlighted as a result of the internal and/or external due diligences. These mitigating actions might include, but are not limited to, inclusion of specific anti-bribery and corruption contractual clauses, periodic compliance audits, face-to-face training and annual compliance certification.

The anti-bribery and corruption contract provisions are attached as Appendix 1.
Gift Giving and Receiving

It is acceptable for modest gifts to be exchanged with third parties in the normal course of business to foster business relationships or to mark special business occasions. Such gifts must be given and/or received in a transparent manner and must not be aimed at unfairly influencing business decisions or transactions.

Principle 4

Petrofac recognises the giving and receiving of gifts as part of normal business relations provided these are not intended to unfairly influence or could be perceived as unfairly influencing business decisions or transactions, such as, but not limited to, the award of contracts to or by Petrofac.

General Rules

The following rules apply to the giving and receiving of entertainment:

A. Any gift given or received must not be intended to influence business decisions, such as the award of business to or by Petrofac

B. Any gift given or received must not be part of a pattern of repeated gift giving or receiving with the same individual or company

C. Gifts must not be in the form of cash or a cash equivalent, such as vouchers that can be exchanged for cash

D. Gifts must not be exchanged during a bidding process with a third party from whom we are seeking to be awarded business or to whom we are seeking to award business

E. Gifts to government official should be only of a nominal value, such as Petrofac branded goods

F. All gifts given and/or received should be recorded in the Gifts & Entertainment Register which is maintained by Group Compliance

G. Any gift that is given or received should not exceed $300 for high income countries and $150 for all other countries. High income countries are defined in Appendix 2

H. Gifts that are given by an executive on behalf of Petrofac to another company rather than to an individual (gifts exchanged between companies) should not exceed $1500
Exceptions Procedure

There may be special occasions or circumstances in which the management of the business may approve gifts that do not comply with the rules above. In such circumstances the following procedures must be observed, if possible, before the gifts are exchanged:

I. Any gift that is above the financial value threshold, or which is being exchanged with a third party with whom we are involved in a tendering process, must be approved by the Managing Director of the business or by the Group Head of Compliance. Any such gift received may have to be returned to the third party and/or donated to a charity.

J. Gifts above a nominal value which are given to government officials must be approved by the Managing Director of the business or by the Group Head of Compliance.

Gifts given or received must not be intended to influence business decisions.
Entertainment Giving and Receiving

It is acceptable for modest entertainment to take place between Petrofac and third parties to foster business relationships or to mark special business occasions. Such entertainment must be given and/or received in a transparent manner and must not be aimed at unfairly influencing business decisions or transactions.

Principle 5

Petrofac recognises the giving and receiving of entertainment as part of normal business relations provided these events are not intended to unfairly influence or could be perceived as unfairly influencing business decisions, such as, but not limited to, the award of contracts to or by Petrofac.

General Rules

The following rules apply to the giving and receiving of entertainment:

A. The entertainment that is given or received must not be intended to influence the award of business to or by Petrofac.

B. The entertainment that is given or received must not be part of a pattern of repeated entertainment giving or receiving with the same third party.

C. All entertainment given and/or received should take place in a reputable venue appropriate for business entertainment.

D. All entertainment given and/or received should be recorded in the Gifts & Entertainment Register which is maintained by Group Compliance.

E. Catered meals which involve third parties and take place in the office during working hours do not need to be registered in the Gifts & Entertainment Register.

F. Any entertainment that is given or received should not exceed $300 per person for high income countries and $200 per person for all other countries. High income countries are defined in Appendix 2.

G. Official corporate entertainment that is being exchanged between Petrofac and another company should not exceed $1500 per person.
Exceptions Procedure

There may be special occasions or circumstances in which the management of the business may approve entertainment that does not comply with the rules above. In such circumstances the following procedures must be observed, preferably before the entertainment takes place:

H. Any entertainment that is above the financial value threshold, or which is being exchanged with a third party with whom we are involved in a tendering process, must be approved by the Managing Director of the business involved or by the Group Head of Compliance.

I. Entertainment above the established limit which is given to government officials must have the approval of the Managing Director of the business or from the Group Head of Compliance.

Entertainment must not be aimed at unfairly influencing business decisions or transactions.
Facilitation Payments

Facilitation payments are unofficial payments made to public authorities to obtain or speed up routine services which those authorities are required to provide without the making of such payments.

Facilitation payments are illegal in most countries where Petrofac operates and should not be offered or paid, either directly or indirectly through a third party, as they represent a form of bribery and corruption which is inconsistent with the way Petrofac must conduct business. The making of facilitation payments are prohibited under Petrofac’s Code of Conduct.

Principle 6

Petrofac prohibits facilitation payments and is committed to combating the facilitation payment culture wherever it is encountered.

Examples of facilitation payments could include but are not limited to:

A. Unofficial payments made to speed up the obtaining of permits, licenses or other official documents to qualify Petrofac to do business in a foreign country - despite the fact that the correct procedures were followed and all documents submitted were in order.

B. Unofficial payments for the loading and unloading of cargo, when these services are provided by the local government.

C. Payments to expedite the processing of customs clearance either directly or indirectly through freight forwarding agents.

D. Unofficial payments made to speed up the obtaining of governmental papers or approvals, such as visas and work orders – despite the fact that the necessary and correct documentation had been submitted.

E. Unofficial payments for the rendering of routine services which are usually provided by government departments and agencies, such as mail pick-up and delivery, telephone, water and gas services or the scheduling of inspections associated with contract performance or inspections related to transit of goods across country.
If facilitation payments appear to be part of a pattern of pressure by a public authority, the affected business, with support from Group Legal and/or Group Compliance, must notify the relevant local authority of what has occurred and a complaint should be registered.

**Exception**

Facilitation payments may only be made in exceptional circumstances where personal safety is threatened. In such case, a detailed report of the incident (how, where and when the incident happened and how much was paid to the threatening party) must be provided to the individual’s line and financial managers, as well as to the Group Compliance Function.

If a facilitation payment is made under any circumstance, the transaction should be accurately recorded in the company’s accounting books and records.

The making of facilitation payments are prohibited under Petrofac’s Code of Conduct.
Political Contributions

Political contributions can take the form of, but are not limited to, money, rendering services or making facilities and resources available to third parties. Political contributions are made voluntarily to a politician, a political campaign, a political party, a political committee or other form of political organisation which is directly affiliated to a political party.

Principle 7

Petrofac prohibits all employees, representatives and affiliates from making directly or indirectly, via industry associations or charities, political contributions of any kind in the name of Petrofac or using Petrofac funds and/or resources for this purpose.

All employees, representatives and affiliates are free to make political contributions in their private capacities, using private funds and in their personal time provided there is no intention to gain a commercial advantage for Petrofac in the process.

Exceptions

The decision to make a political contribution on behalf of the company can only be made by the Petrofac Limited Board of Directors, following review by the Group Head of Compliance. It must also be publicly disclosed.
Petrofac prohibits all employees, representatives and affiliates from making political contributions of any kind in the name of the company.
Hosting of External Parties

It is acceptable for external parties, including government officials, to visit Petrofac offices and projects in the normal course of business. For example, these parties may want to visit our sites, assess how a project is progressing and better understand our capability in a certain area. Such visits, if paid for by Petrofac, must have a business rationale; be conducted in a transparent manner and must not be aimed at, or appearing to, unfairly influence decisions or transactions.

Principle 8

Petrofac recognises that visits from external parties, including government officials, to its sites are a necessary part of its business. However, such visits when paid for by Petrofac must be carefully arranged, controlled and accurately recorded to avoid any perception of undue influence.

General Rules

The following rules apply to the hosting by Petrofac of external parties, including government officials:

A. All external party visits being paid for by Petrofac need to be pre-approved by the Managing Director of the business organising the visit

B. All such visits must be supported by a valid Petrofac business need. Visits must only be for the duration deemed necessary to fulfil the identified business need, to the location deemed most appropriate for the business being discussed and should have a clear, pre-agreed list of participants and itinerary in place before they commence

C. The participants in such visits should have the technical capability necessary to meet the business needs and the itinerary should reflect the fact that the majority of the duration of the visit will be spent on Petrofac business
D. A copy of the itinerary, along with the names, positions and organisation of those visiting must be retained on record and all related costs must be accurately recorded in Petrofac’s accounting books and records

E. Travel costs may only be paid by Petrofac where the visit has been offered by Petrofac to the external party as part of a new business opportunity and/or envisioned in a pre-existing written contract between Petrofac and the external party and must comply with Petrofac’s Business Travel Policy

F. Travel paid for visiting external parties by Petrofac must be to/from the country of residence or employment of the participant(s)

G. Travel costs paid for by Petrofac must be limited to accommodation at/near site, meals for the duration of the visit and may involve routine entertainment and/or token gifts during the visit. These must all be in accordance with Petrofac policies and must be registered in the Gifts and Entertainment Register

H. All travel arrangements including hotel bookings, local transport (including taxis) and flights (where applicable) must be made by the Petrofac business to be visited by the external party, using Petrofac approved vendors and in line with Petrofac’s Business Travel Policy

I. Petrofac must not pay for non-business travel expenses by the external party or the expenses of an individual accompanying such external party, including but not limited to, a spouse, partner, child or carer, or agree to any extension to the external party’s hotel stay to accommodate their personal/non-Petrofac business or any incremental expense incurred by any companion to the external party

J. Petrofac must not offer or agree to pay per-diems to any visiting external party, and any reimbursements due to the external party for expenses incurred in relation to the visit must be invoiced to Petrofac and supported by receipts

K. Petrofac must confirm that the visiting external party has the approval of his/her employer to accept the Petrofac invitation and that no restriction is being breached

Exceptions Procedure

Any exception to the above procedure must be pre-approved by the Group Head of Compliance.
Social Investments

Petrofac defines social investment as financial or in-kind contributions made by its businesses in the countries where it operates in support of a societal need and enhancement of Petrofac’s reputation. Social investment and charitable donations cover strategic corporate giving initiatives and community development projects.

Principle 9

Petrofac is committed to supporting the host communities and societies where it operates whilst ensuring that its social investments do not amount to, or are not perceived to be, bribery or corruption.

General Rules

The recipients and beneficiaries of social investments are typically not-for-profit organisations that either receive funding from Petrofac as a charitable donation or as part of a community and/or sustainable development initiative, or who partner with Petrofac to deliver a clearly defined community and/or sustainable development initiative. Such organisations may be charities, government or educational institutions, donor organisations or Non-Governmental Organisations.

Any social investment initiative must comply with the following rules:

A. The initiative must abide by the Social Performance Standard, which can be found on Petrofac.com, and the supplementary Guidance Notes

B. It must not financially benefit directly or indirectly any public official or private individual who is a decision maker in relation to the awarding of business to any member of the Petrofac Group
C. It must not financially benefit third parties who are directly or indirectly associated with a decision maker involved in the awarding of business to any member of the Petrofac Group

D. It must not financially benefit organisations or individuals directly or indirectly associated with a third party with the power to influence the awarding of business to any member of the Petrofac Group

E. It must not benefit directly or indirectly an individual who is a candidate for election or re-election to a political office

F. Due diligence must be conducted on all social investment recipients to identify any possible bribery and corruption risk that they may pose to Petrofac

G. Where the initiative involves the procurement of goods and services, standard Petrofac procurement procedures should apply (for example, tendering and conducting due diligence)

Exceptions Procedure

Any deviation to the above must have the prior written approval of the Group Head of Compliance and the Head of Social Performance.

Petrofac is committed to supporting the host communities and societies where it operates
Investigating and Reporting

Investigation and reporting of suspected instances of bribery and corruption - whether it involves a Petrofac employee or a third party in relation to any Petrofac business - is an essential element of Petrofac’s procedures to mitigate the risk of bribery and corruption.

Principle 10

Petrofac will investigate promptly and in confidence any actual or suspected instance of bribery or corruption related to any transaction that involves the company and/or those working with and for Petrofac of which we become aware. Petrofac will take appropriate disciplinary action against any employee and/or third party found to be engaged in bribery or corruption activities involving the company.

General Rules

A. All employees are responsible for immediately reporting any suspected instance of bribery and corruption, whether in relation to another employee of Petrofac, an agent or representative of Petrofac or a third party in relation to any Petrofac business.

B. Any suspected instance of bribery and corruption should be reported in the first instance either to a line manager, if the allegation does not directly or indirectly involve the line manager, or to the Group Head of Compliance or Group Head of Legal.

C. Alternatively, there is the Speak Up whistle blowing mechanism which can be used to report the matter in confidence and anonymously through an independent party. Or by email to petrofac@expolink.co.uk or SpeakUpPetrofac@expolink.co.uk, or through the internet at www.expolink.co.uk, password 'Petrofac'
Once the business becomes aware of a suspected instance of bribery or corruption:

D. The Group Head of Compliance and Group Head of Legal should be informed immediately and the nature of any investigation agreed before proceeding.

E. All investigations will be conducted in line with the approved Investigation Protocol, a copy of which can be found in Petronet or by contacting either Legal or Group Compliance.

**Under no circumstances should any suspicion of bribery or corruption be ignored.**

<table>
<thead>
<tr>
<th>Country</th>
<th>Phone Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Algeria</td>
<td>002139832002015</td>
</tr>
<tr>
<td>Azerbaijan</td>
<td>0044 1249 661 808*</td>
</tr>
<tr>
<td>Bahrain</td>
<td>80004475</td>
</tr>
<tr>
<td>India</td>
<td>000 800 440 1286*</td>
</tr>
<tr>
<td>Kuwait</td>
<td>22281044</td>
</tr>
<tr>
<td>Malaysia</td>
<td>1800 885 530*</td>
</tr>
<tr>
<td>Mexico</td>
<td>01800 123 0193</td>
</tr>
<tr>
<td>Netherlands</td>
<td>0800 022 9026</td>
</tr>
<tr>
<td>Nigeria</td>
<td>7080601033*</td>
</tr>
<tr>
<td>Oman</td>
<td>80077686</td>
</tr>
<tr>
<td>Russia</td>
<td>810 800 26081044</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>800 844 0172</td>
</tr>
<tr>
<td>Singapore</td>
<td>800 4411 140</td>
</tr>
<tr>
<td>Thailand</td>
<td>001 800 442 078</td>
</tr>
<tr>
<td>Tunisia</td>
<td>0044 1249 661 808*</td>
</tr>
<tr>
<td>United Arab Emirates</td>
<td>80004413873</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>08000 374199</td>
</tr>
<tr>
<td>USA</td>
<td>1877 533 5310</td>
</tr>
</tbody>
</table>

*International call rates apply*
Maintaining Records and Monitoring Implementation

Maintenance of proper records of transactions is an essential component of a compliance programme. Without this, it will not be possible to demonstrate that Petrofac’s processes and procedures are adequate and are being followed.

Principle 11

Petrofac will maintain accurate records and documentation to demonstrate the effectiveness of its compliance programme and monitor the implementation of this Standard.

General Rules

A. All financial transactions must be accurately recorded and maintained in the Company’s books and records.

B. Records of all due diligence conducted on third parties must be maintained by the Compliance function.

C. All gifts and entertainment given and received must be registered in the online Gifts & Entertainment register maintained by Group Compliance.

D. Records of all compliance related training either online or face-to-face must be maintained by Group Compliance and by the business as may be the case.

E. Records of the annual compliance attestation must be maintained by Group Compliance.

F. Records of any compliance related risk assessment of Petrofac’s business must be maintained by Group Compliance and the relevant business.

G. Records of any third party compliance audit, including, but not limited to, agents and administration service providers, must be maintained by Group Compliance.
Preventing Money Laundering

Identifying and stopping any transaction that may have elements of or the appearance of money laundering is an essential procedure to mitigate the risk of bribery and corruption.

Principle 12

Petrofac will only conduct business with third parties which it believes are not engaged in money laundering activities and will not knowingly facilitate any transaction that has elements of such practice.

General Rules

A. Risk based due diligence in accordance with Petrofac’s compliance process must be conducted on all clients to establish their beneficial owners and their sources of income.

B. Petrofac will not receive or make payments to third parties which are not the parties to the particular business transaction.

C. Petrofac must make payments to a third party only to the account contractually agreed between Petrofac and the third party.

D. Petrofac must not receive payments in cash from third parties for business transactions.

E. Petrofac will only receive or make payments from or to jurisdictions connected with the particular business transaction or as otherwise approved in the contract between Petrofac and the third party.

F. Petrofac will not accept over payments by a third party and any request for refunds of money to a third party which might have overpaid Petrofac must be approved by Group Compliance after an analysis of the transaction by the Petrofac Finance Department.

G. Any request from a third party for payments to be made to Petrofac through multiple forms must be approved by Petrofac’s Finance Department after careful review of the documented justification for such request.

H. Any change to previously agreed modes of payment or currency by Petrofac must be approved by the Finance Department.
Appendix 1

Template Compliance Clauses

The following standard compliance clauses are to be included in Petrofac’s Agent and Consultant contracts, as well as in the contracts with contractors and sub-contractors. Defined terms in square brackets may need to be amended to suit the definitions in the contract being drafted or reviewed (e.g. joint venture /consortium /client contract).

1. Petrofac has a zero tolerance policy towards bribery and corruption which extends to all companies and individuals who provide goods or services to the Petrofac group.
   [Contractor] warrants that, in connection with this Contract, [Contractor and its associated companies] has complied and will comply with all anti-bribery and corruption and anti-money laundering laws, rules, and regulations (including, but not limited to, Bribery Act 2010 of the United Kingdom, Foreign Corrupt Practices Act 1977 of the United States of America, and the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions) applicable to [Third Party] or Petrofac Group.

2. [Contractor] agrees that at all times in relation to the performance of the [Services] it shall and it shall procure that its directors, officers, employees, sub-contractors, agents and consultants observe and abide by the Petrofac Code of Conduct (the “Code”) and the Petrofac Standard for the Prevention of Bribery and Corruption (the “Standard”). [Contractor] hereby confirms that it has received a copy of the Code and the Standard and has understood, and has drawn the attention of its directors, officers, employees, sub-contractors, agents and consultants to its provisions. As and whenever requested by Petrofac (but at least on an annual basis), [Contractor] shall confirm its compliance with this provision in writing in a form to be provided by Petrofac and shall notify Petrofac immediately upon becoming aware of any breach of the Code or the Standard either by the Contractor or by any of its directors, officers, employees, sub-contractors, agents or consultants or any other person representing it or acting on its behalf.

3. [Contractor] hereby represents and warrants that under no circumstances has either [Contractor] or any Principal (as hereinafter defined) paid out monies, or will pay out monies, or furnish other consideration of any kind (monetary or not) to any [Third Party] to influence the award or renewal of any contract to Petrofac or provide an undue benefit to Petrofac on an ongoing contract. A breach by [Contractor] of this Clause 3 may cause the suspension of any payment due to [Contractor] pending the determination of any investigation and, if the allegations are proven to be true (either wholly or partly), Petrofac may in its sole discretion terminate this Agreement with immediate effect. [Contractor] shall reimburse Petrofac, upon the receipt of invoices, for any amount of money Petrofac spends in investigating and proving that [Contractor] has violated this Clause 3.
4. Petrofac expressly prohibits payment of bribes or any facilitation payments for the sole or predominant purpose of expediting an action in connection with its business operations by any party engaged to provide goods or services to Petrofac. Facilitation payments are defined as payments made to a public official which are above and beyond the legally established fee(s) for the particular service of that public official and/or his or her office, and which payments are intended to facilitate, prompt, encourage or motivate such public official to perform routine, non-discretionary governmental actions that: (i) the public official ordinarily performs and is required to perform without such payment; and (ii) the party requesting the service is entitled to under the laws of the relevant country. [Contractor] on its behalf and on behalf of its Principals (as defined in Clause 5) represents and warrants that it and each of the Principals and/or anyone performing duties for Contractor under this Agreement have complied and shall comply with all anti-corruption laws applicable to them as referred to in Clause 1 above and that it will comply with the principles of the Code and the Standard in connection with this [Agreement]. Petrofac shall have the right to terminate this Agreement with immediate effect and/or suspend any payment hereunder if Petrofac reasonably believes that any of the representations or requirements set forth in Clause 3 have not been complied with or fulfilled by [Contractor] or any of its Principals and/or anyone performing duties for Contractor under this Agreement.

5. [Contractor] on its behalf and on behalf of its actual owners in interest, beneficial owners, stockholders, employees, officers and directors, sub-contractors, if any, (in this Clause each referred to as “Principal” and collectively as “Principals”) represents, covenants, agrees and undertakes as follows: -

a. that neither the [Contractor] nor any of the Principals in the course of performing the [Services] under this [Agreement]:

   i. have directly or indirectly made, offered, promised, authorised or agreed to pay or will make, offer, promise or authorise any improper or illegal payment, gift or other advantage, be it monetary or otherwise, or to offer anything of value to any [Third Party], or any person in a private or public function, including any person holding a legislative, administrative, or judicial office including any person employed by or acting on behalf of a public agency, a government-controlled enterprise, or a public international organisation or any political party or political party official or candidate for office (“Government Official”), for purposes of influencing official actions or decisions or securing any improper advantage in order to influence or induce the award of any contract to Petrofac or where it would otherwise be improper for such advantage to be accepted;

   ii. have directly or indirectly made, offered, promised, authorised or agreed to pay or will make, offer, promise or authorise any improper or illegal payment, gift or other advantage, be it monetary or otherwise, to any Petrofac employee or Third Party representing Petrofac in order to influence the award of any contract from Petrofac;
iii. in any other way violate the laws, rules or regulations of any country having jurisdiction over the subject matter of this [Agreement] or over the [Services], including the country in which the Services are to be rendered or payments to [Contractor] are to be made;

b. have not and will not become a Government Official (such prohibition extending to any member of the immediate family of any Principal) during the term of this Agreement. For the purposes of this Clause, “Government Official” shall include (i) any minister, civil servant, director, officer or employee or other official of any government or any department, agency or body, and/or of any government-owned or controlled company, any company or enterprise in which a government owns an interest of more than thirty per cent, and/or of any public international organisation; (ii) any person acting in any official, legislative, administrative or judicial capacity for or on behalf of any government department, agency, body, or public international organisation, including without limitation any judges or other court officials, military personnel and customs, police, national security or other law enforcement personnel; and (iii) any close family member of any of the foregoing; or

c. that in connection with the performance of this [Agreement], will not purchase or sell (or agreed to purchase or sell) goods or services from any individual or entity, the payment for which will go, directly or indirectly, to a Government Official or any relative or designee of any such individual without previously disclosing and obtaining Petrofac’s written approval for such purchase or sale.

Immediately upon becoming aware of any breach or potential breach of this Clause, [Contractor] shall notify Petrofac in writing of all the facts giving rise to such breach or potential breach. Any breach by [Contractor] and/or any Principal of this Clause shall entitle Petrofac to terminate this [Agreement] with immediate effect. If Petrofac is investigated by any authority as a result of any allegation of improper practices involving [Contractor] or its Principals or this [Agreement], [Contractor] shall co-operate fully with such investigation even after termination of this [Agreement], howsoever arising. [Contractor] shall reimburse Petrofac, upon presentation of receipts, all expenses incurred by Petrofac in an investigation that leads to [Contractor] being found to have violated this Clause and being involved in improper practices.

6. Payments by Petrofac to [Contractor] shall only be made by wire transfer to a bank account of [Contractor], details of which shall be given by [Contractor] to Petrofac in writing. Such notification shall be deemed to constitute a representation and warranty that the bank account so notified is in the sole name of [Contractor] and that no person other than [Contractor] has any rights in or over or interest in such account.

7. [Contractor] further agrees and undertakes that with respect to (i) any member of [Contractor Group] (including any of their agents and other intermediaries) in connection with this Agreement and (ii) any other business transactions [Contractor] or its Affiliates may have involving Petrofac, that:
a. it shall conduct appropriate anti-corruption and other due diligence prior to appointing or engaging such third party providers to ensure that they are duly qualified to perform the tasks for which they have been engaged, that they are of good reputation, and that they would present no corruption-related or other compliance risk or liability to the Petrofac Group of companies;

b. it shall cause all such third party providers to agree in writing to compliance with laws and anti-corruption obligations sufficient to satisfy an adequate compliance programme; and

c. it shall, where consistent with a best practices compliance programme, audit and/or monitor such third party providers to confirm their compliance with their anti-corruption obligations.

8. [Contractor] acknowledges that some or all of the [Confidential Information] of Petrofac and its [Affiliates] that it either receives from Petrofac or obtains during the course of its appointment under this [Agreement] may, in whole or in part, constitute inside information for the purposes of Part V of the Criminal Justice Act 1993 and/or Part VIII of the Financial Services and Markets Act 2000 of the United Kingdom and [Contractor] agrees that it shall not (and agrees to procure that each of its directors, officers, employees, advisers and agents shall not) (i) deal in the shares or securities of Petrofac Limited during the term of this [Agreement], or (ii) at any time after the term of this [Agreement] deal or encourage another person to deal in Petrofac’s shares or securities or engage in behaviour amounting to market abuse in relation to such shares or securities while in possession of inside information. [Contractor] should consult Petrofac if it is in any doubt about its obligations under this [Clause].

9. In the event that [Contractor] is informed by Petrofac that it may be in possession of inside information, [Contractor] shall compile, maintain up to date and make available to Petrofac at its request, a list (the “Insider List”) comprising the name, complete job title and date of entry to such list, of each of [Contractor’s] actual owners in interest, beneficial owners, employees, officers, directors, advisers and agents who have, or could be expected to have access to such information. [Contractor] further agrees to immediately notify in writing (and request acknowledgement of the same in writing from each recipient), those persons who comprise such Insider List and make them aware of the obligations which possession of such information places on them and the sanctions associated with a breach of those obligations. An Insider List should be retained for a period of five years.

10. [Contractor] shall keep accurate, complete and full records of any accounting records related to the [Services] and any fees paid to the [Contractor] hereunder and Petrofac reserves the right to audit [Contractor] and gain access to its books, files and records relating to the [Services] provided to Petrofac under this [Agreement] upon reasonable notice and [Contractor] shall, and shall procure that its directors, representatives and employees shall, provide information and answer any reasonable questions that Petrofac, or its duly authorised representative may have relating to Contractor, its directors, representatives and employees or any third party under its supervision regarding performance of this [Agreement] in order to assess compliance with the terms of
this [Agreement]. [Contractor] shall co-operate fully and shall cause its Principals, directors and Third Parties under its supervision to cooperate fully with such audit even after termination of this [Agreement], howsoever arising.

11. [Contractor] shall immediately upon Petrofac’s written request and at [Contractor’s] cost, provide any and all information which Petrofac may request in connection with [Contractor’s] business and financial affairs which relate to the [Services] to Petrofac under this [Agreement] for the purpose of determining [Contractor’s] compliance with the terms of this [Agreement]. In the event that [Contractor] fails to comply with Petrofac’s request in accordance with the deadline for doing so specified in the request, Petrofac shall be entitled to terminate this [Agreement] by giving seven (7) day-written notice to the [Contractor].

12. [Contractor] confirms that this Agreement and payments to it pursuant to the same do not and will not conflict with or result in the breach of any law or regulation of any country or countries in general and with particular reference to taxation and exchange control laws and regulations, international treaties, sanctions, embargoes, export controls and anti-trust legislation and that no consent of, or notice to, any government, or agency thereof, is required, except as [Contractor] may otherwise advise Petrofac in writing as soon as [Contractor] becomes aware of the same.

13. Without prejudice to any other rights under this [Agreement] both Petrofac and [Contractor] shall have the right to terminate this [Agreement] at any time by giving written notice to the other in the event of a breach by the other (the “Defaulting Party”) of any term of this [Agreement] which, if capable of remedy, has not been remedied within seven (7) days of the Defaulting Party being given notice of such breach by the non-defaulting party.

14. [Contractor] represents that in performing the [Services], neither [Contractor] nor any Principal shall do or cause to be done by virtue of any act or omission anything to violate any applicable law, ordinance, regulation or decree and [Contractor] represents that it is qualified and entitled to perform the [Services].
Appendix 2

List of High Income Countries

For employees and representatives of companies from these countries, the limit for gifts and for entertainment per head is $300 and for all other countries it is $150 for gifts and $200 for entertainment per head. Above these limits exception procedures must be followed.

High income countries, as defined by The World Bank, can be found at The World Bank website: http://data.worldbank.org/about/country-classifications/country-and-lending-groups/highincome

<table>
<thead>
<tr>
<th>Andorra</th>
<th>Germany</th>
</tr>
</thead>
<tbody>
<tr>
<td>Antigua and Barbuda</td>
<td>Greece</td>
</tr>
<tr>
<td>Argentina</td>
<td>Greenland</td>
</tr>
<tr>
<td>Aruba</td>
<td>Guam</td>
</tr>
<tr>
<td>Australia</td>
<td>Hong Kong SAR, China</td>
</tr>
<tr>
<td>Austria</td>
<td>Hungary</td>
</tr>
<tr>
<td>Bahamas, The</td>
<td>Iceland</td>
</tr>
<tr>
<td>Bahrain</td>
<td>Ireland</td>
</tr>
<tr>
<td>Barbados</td>
<td>Isle of Man</td>
</tr>
<tr>
<td>Belgium</td>
<td>Israel</td>
</tr>
<tr>
<td>Bermuda</td>
<td>Italy</td>
</tr>
<tr>
<td>Brunei Darussalam</td>
<td>Japan</td>
</tr>
<tr>
<td>Canada</td>
<td>Korea, Rep.</td>
</tr>
<tr>
<td>Cayman Islands</td>
<td>Kuwait</td>
</tr>
<tr>
<td>Channel Islands</td>
<td>Latvia</td>
</tr>
<tr>
<td>Chile</td>
<td>Liechtenstein</td>
</tr>
<tr>
<td>Croatia</td>
<td>Lithuania</td>
</tr>
<tr>
<td>Curacao</td>
<td>Luxembourg</td>
</tr>
<tr>
<td>Cyprus</td>
<td>Macao SAR, China</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>Malta</td>
</tr>
<tr>
<td>Denmark</td>
<td>Monaco</td>
</tr>
<tr>
<td>Equatorial Guinea</td>
<td>Netherlands</td>
</tr>
<tr>
<td>Estonia</td>
<td>New Caledonia</td>
</tr>
<tr>
<td>Faeroe Islands</td>
<td>New Zealand</td>
</tr>
<tr>
<td>Finland</td>
<td>Northern Mariana Islands</td>
</tr>
<tr>
<td>France</td>
<td>Norway</td>
</tr>
<tr>
<td>French Polynesia</td>
<td>Oman</td>
</tr>
<tr>
<td>Poland</td>
<td>Portugal</td>
</tr>
<tr>
<td>Puerto Rico</td>
<td>Qatar</td>
</tr>
<tr>
<td>Qatar</td>
<td>Russian Federation</td>
</tr>
<tr>
<td>Russian Federation</td>
<td>San Marino</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>Seychelles</td>
</tr>
<tr>
<td>Singapore</td>
<td>Sint Maarten (Dutch part)</td>
</tr>
<tr>
<td>Slovak Republic</td>
<td>Slovenia</td>
</tr>
<tr>
<td>Slovenia</td>
<td>Spain</td>
</tr>
<tr>
<td>Spain</td>
<td>St. Kitts and Nevis</td>
</tr>
<tr>
<td>St. Kitts and Nevis</td>
<td>St. Martin (French part)</td>
</tr>
<tr>
<td>St. Martin (French part)</td>
<td>Sweden</td>
</tr>
<tr>
<td>Sweden</td>
<td>Switzerland</td>
</tr>
<tr>
<td>Switzerland</td>
<td>Taiwan, China</td>
</tr>
<tr>
<td>Taiwan, China</td>
<td>Trinidad and Tobago</td>
</tr>
<tr>
<td>Trinidad and Tobago</td>
<td>Turks and Caicos Islands</td>
</tr>
<tr>
<td>Turks and Caicos Islands</td>
<td>United Arab Emirates</td>
</tr>
<tr>
<td>United Arab Emirates</td>
<td>United Kingdom</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>Uruguay</td>
</tr>
<tr>
<td>Uruguay</td>
<td>USA</td>
</tr>
<tr>
<td>USA</td>
<td>Venezuela, RB</td>
</tr>
<tr>
<td>Venezuela, RB</td>
<td>Virgin Islands (U.S)</td>
</tr>
</tbody>
</table>
Appendix 3
Resources For Further Information

There are many sources of additional information that are helpful to understand and prevent bribery and corruption in our business practices. Of particular relevance are the following:

• The guidance and principles of the Partnering Against Corruption Initiative (PACI) of the World Economic Forum. (Petrofac is a signatory organisation to this initiative) http://www.weforum.org/en/initiatives/paci/index.htm


• The UN Convention Against Corruption http://www.unodc.org/unodc/en/treaties/CAC/index.html

• United Nations Global Compact of business principles (Petrofac is a signatory to these principles) http://www.unglobalcompact.org

• The publication of the not-for-profit organisation Transparency International http://www.transparency.org

• The work of the Global infrastructure Anti-Corruption Centre http://www.giaccentre.org/index.php
Appendix 4
Explanation of Terms and References

Agent
Any individual or organisation contractually appointed to represent Petrofac and to negotiate or to take action on behalf of the company.

Bribery and corruption
This is defined on page 3 and covers all transactions between Petrofac and all Third Parties with which/whom we engage. A transaction involves bribery or corruption essentially if it is an attempt to induce an unfair advantage either in the pursuit or the award of business.

Charitable donations
Donations to organisations that are registered charities, either in the form of cash or other benefits such as free services.

Code of conduct
Company policy statement on expected behaviour of employees, which also includes principles covering bribery and corruption.

Facilitation payment
An informal or unofficial payment to a government official in order to secure the receipt of a public service which we are legally entitled to receive without the need for such payment.

Government officials
An officer or employee of a government, department, agency or instrumentality of such government.

Social investment
Activities to support local communities that are impacted by our business, through investment or the giving of benefits.