

# ANTI-FRAUD POLICY

*Published date: May 2017*

*ID Number: IPC-LEG-POL-0005 / 052017*

*Document Owner: General Counsel*

## The Company will not tolerate fraudulent conduct. Prevention is endorsed and supported at the most senior level.

### 1. Objective

The objective of this Policy is to prevent fraud and enhance International Petroleum Corporation's (IPC) governance and internal control standards for its business activities to maintain integrity in all business dealings and consistent with IPC's Code of Ethics and Business Conduct.

### 2. Scope

- 2.1. Fraud may include theft, the misuse of funds or other resources, or more complicated crimes such as bribery and corruption, false accounting and the supply of false information.
- 2.2. Most fraudulent acts involve a) motivation to commit fraud, b) the perceived opportunity to carry out the fraudulent act and c) the ability to rationalise or justify the fraudulent behaviour by the individual/group of individuals.
- 2.3. Fraudulent actions or conduct is defined herein as:
  - Unauthorised acquisition, use or disposal of Company assets for personal gain.
  - The intentional distortion of financial statements or other records by persons carried out to conceal misappropriation of assets or personal gain.
  - The use of deception with the intention of obtaining professional recognition or pursuing personal interests causing loss to the Company.

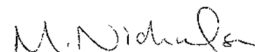
### 3. Internal Control Requirements

- 3.1. The establishment of clear lines of responsibility and accountability across the business is a key process in ensuring the effectiveness of the control environment. All entities shall have adequate processes and reviews in place to ensure separation of duties.

- 3.2. Compliance with IPC's Policies and Procedures, especially the Authorisation Policy and Anti-Corruption Policy.
- 3.3. Independent monitoring and checking of data and documentation to ensure appropriate system of checks and balances.

### 4. Local Requirements

- 4.1. It is the responsibility of the country General Manager to ensure adherence to all Policies and that high standards are applied to detect, deter and report fraudulent behaviour.
- 4.2. The following requirements should be applied at the local level:
  - a. Ensure that exposure to fraud is considered when introducing new, or when amending existing systems and processes.
  - b. Ensure that proper authorisation and approvals are in place to have adequate segregation of duties.
  - c. Promotion of the IPC's anti-fraud environment for all staff including awareness of the Company's Policies and Procedures.
  - d. Provision of appropriate mechanisms for employees to raise their genuine concerns to management.
  - e. Adoption of formal procedures to investigate fraud when it is suspected.
  - f. Referral of cases of suspected financial irregularity to the attention the corporate office.
  - g. Cooperation with Internal Audit during audits to flag any suspicions of fraud.



**Mike Nicholson**  
CEO  
International Petroleum Corporation