

Tethys Oil Group

# CODE OF CONDUCT

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# THE TETHYS OIL VIEW ON SUSTAINABLE OPERATIONS

Dear Stakeholder,

Welcome to the world of Tethys Oil AB. We as an energy company are very much part of the world around us just as our internal world constantly interacts with the world outside. This documents sets out to introduce the interface between these two worlds and show what principles and procedures guide Tethys Oil in its activities and interactions with the World we all share. Let me first outline a few basic principles:

Our Corporate Culture emanates from our Scandinavian Roots.

Tethys Oil is convinced that an ethical, sustainable and socially responsible manner of conducting its operations is necessary for generating consistently good returns. It is the responsibility of the Tethys management to foster a corporate culture which promotes the values and principles outlined in this document.

We aim to act in all respects in a responsible, fair, accountable and ethical manner towards all aspects of the environment and to all individuals and entities that we encounter in our course of doing business.

Tethys Oil aims to apply the same standards to all its activities wherever they are carried out.

It is of vital importance to us that we maintain and further build on our reputation as a responsible and forward looking corporate citizen in all countries where we have a presence and in relations to all stakeholders be they shareholders, employees, contractors, partners or someone else.

We firmly believe that our business activities should create value for all stakeholders and in particular we acknowledge our relationship to our host countries at all levels of interaction – at the national level, regional level and the local community level.

We aim to develop and maintain long term relationships based on common interests and built on mutual understanding and respect.

All our business activities shall be guided by an entrepreneurial spirit, curiosity, an open mind and fit for purpose solutions

I hope you have found this brief introduction ‘fit for purpose’. But there is more. So please take a few minutes to read and contemplate. And if you have any thoughts or ideas about this Code or about the Tethys Philosophy as presented here please to not hesitate to contact me directly at [codeofconduct@tethysoil.com](mailto:codeofconduct@tethysoil.com).

Once again Welcome to Tethys’ world I hope you feel comfortable to stay within it.

Sincerely yours

Mn MD

# 1 GOVERNANCE

The Annual General Meeting is Tethys Oil's highest decision making body. The governance of the Company is based upon an external framework for governance, including the Swedish Companies Act, Accounting legislation (e.g. Swedish accounting act, Swedish Annual Accounts Act and IFRS), Nasdaq Stockholm's rule book for issuers and Swedish Code of Corporate Governance. It is also based on an internal framework, including Tethys Oil's Articles of Association, Board instructions and this Code of Conduct.

Through its oil and gas exploration, production and investment activities, the Tethys Oil Group ("the Group" or "Tethys Oil") is active in diverse working environments. This code will govern the Group's approach to all its activities. The Code of Conduct sets out the principles by which the Group is guided and describes the responsibilities it has towards its shareholders, employees, host countries, local communities, and society at large. Furthermore, it sets out basic principles to guide all parties associated with the Group as to how to conduct Tethys Oil's business.

## 1.1 IMPLEMENTATION AND RESPONSIBILITY

The Board of Directors and the acting senior staff are responsible for the implementation of the Code of Conduct. The employees of the Group have an obligation to understand the manner in which the Group wishes to conduct its business. This code constitutes the commitment of the Tethys Oil Group and its board of directors and its employees to aspire to the highest standards of conduct. Any violation of this Code by anyone within the Group will be subject to an inquiry and appropriate remedial measures.

## 1.2 UPDATE

The Code of Conduct shall be reviewed and revised as necessary on an annual basis. The Board of Directors shall adopt the Code of Conduct at the constituting board meeting following the Annual General Meeting or as soon thereafter as is practically possible.

## 1.3 TERMS OF REFERENCE

References to the "*Company*" shall mean Tethys Oil AB.

References to the "*Group*" or "*Tethys Oil*" shall mean Tethys Oil AB and its subsidiaries.

References to the "*Managing director*" shall mean the managing director of Tethys Oil AB.

References to the "*managing directors*" shall mean the managing directors of the subsidiaries to Tethys Oil AB.

## **2 COMPLIANCE WITH LAWS, RULES AND REGULATIONS**

Compliance with laws, rules and regulations, set the minimum standards for the Group's activities. All laws, rules and regulations that regulate and apply to Tethys Oil's activities in all countries where Tethys Oil has a presence will be complied with by all employees and management, both in letter and in spirit.

Tethys shall actively co-operate with authorities and regulators to ensure compliance.

## **3 HEALTH, SAFETY AND ENVIRONMENT**

Tethys Oil's activities are subject to the health, safety and environmental (HSE) risks inherent in the oil industry. The Group recognises that the prevention of accidents and ill health is critical to the efficient operation of its business and therefore have established a Health, Safety and Environment policy as well as procedures.

Tethys Oil has a responsibility for all activities that are a consequence of the Group's operations.

At a minimum, it is Tethys Oil's duty to ensure compliance with all relevant laws and governmental instructions concerning HSE.

The genuine care for HSE is a core value for the whole Group, and shall be transparent through all Tethys Oil's plans and actions. It is the Group's objective to provide a healthy and safe working environment for employees, contract personnel and members of the general public who might be affected by the activities of its operations. The Group will have a systematic approach to HSE-management to achieve continuous improvement toward the goal of no harm to people, no accidents, no spills and strive for minimum impact on the environment, thereby contributing to sustainable development.

## **4 OUR PEOPLE**

Tethys Oil recognises that its performance as a company is dependent upon the performance of its employees as individuals. The Group's employees are the principle asset of the company and therefore aims to achieve high employee satisfaction and high standards of performance. Tethys Oil shall respect and promote employee's rights, including freedom of association and the right to collective bargaining. Tethys Oil shall further offer rewarding working conditions and realise each employee's individual potential through training and job promotion. The use of underaged bonded or forced labour, direct or indirect should never occur.

The cultural diversity of the Group's employees is an asset and shall be respected. Tethys Oil is firmly committed to providing equal opportunity in all aspects of employment without discrimination on the basis of age, culture disability, gender, race and religion.

Tethys employees shall always act with the utmost integrity and respect when dealing with colleagues, partners and society.

## **5 OIL AND GAS OPERATING PHILOSOPHY**

Tethys Oil's oil and gas operator philosophy is to be a flexible operator with a hydrocarbon resource management approach seeking to add value by investing wisely. Different options available should be

identified, planned and evaluated. Every action shall relate back to a resource category maturation movement. All operations shall follow and be in accordance with Tethys Oil's operating management system.

The Group should practice fair and free competition and maintain transparency in the way the business is conducted. Tethys Oil should seek similar standards from partners, contractors and suppliers.

## 6 OUR HOST COUNTRIES AND LOCAL COMMUNITIES

Tethys oil's activities shall strive to create shared prosperity between stakeholders. Tethys Oil seeks to respect and gain the respect of the people and governments of countries in which the Group operates. Good relations with host countries are prerequisites to Tethys Oil's business. Wherever the operations are conducted, the sovereignty of the state is respected and the rule of law, through Tethys Oil's example, should be observed and promoted.

Tethys Oil shall aim to optimise local content in all aspects of its business and to promote the creation of in-country value.

The Group has a commitment to have a beneficial impact on the community through engaging in a dialogue with the Group's stakeholders, whether these are local communities or relevant interest groups, such as local governments and civil society. The Group engages in an active relationship with the stakeholders in order to understand the concerns surrounding the Group's operations and jointly set goals. Local people and their traditions shall be respected. Tethys Oil strives to encourage local employment and, where appropriate, work with local communities to improve their health, skills and welfare. The Group shall further, where appropriate, engage in capacity building, through the transfer of skills and technologies. Tethys Oil shall refrain from any implications in tribal, internal, or other armed conflicts or acts of violence.

## 7 OUR BUSINESS PARTNERS

In all business co-operations, including joint ventures, the Group shall actively apply its ethical, financial, HSE and operating standards in all its projects and applying the same standards when screening new venture projects. Tethys Oil will closely monitor contractors and operators for compliance.

## 8 ANTI-CORRUPTION

Tethys Oil has zero tolerance for corruption. It is strictly prohibited to give, authorize, offer, promise, request, agree or receive gifts, hospitality and entertainment to improperly influence or reward acts or decisions, or as an actual or intended compensation for any improper benefit. However, Tethys Oil recognizes that accepting or offering gifts or hospitality of moderate value is customary and in accordance with local business practice.

In order to prevent the misuse of public office or company position or power for private gain, or the misuse of private power in relation to business, Tethys Oil has adopted an anti-corruption policy. If something is suspected to be wrong then it should be reported, if one is uncertain whether a payment or action constitutes a bribe or corruption, one should check according to the procedures outlined in the

anti-corruption policy. One should not let himself/herself to be forced into doing something that is known or suspected to be wrong. Everyone in the organization is responsible for their actions.

## **9 WHISTLEBLOWING**

Employees are encouraged to report suspected or known cases, which they believe may be illegal or a violation of this Code of Conduct or any Group policies. Tethys Oil has adopted a whistleblowing policy to provide an avenue for employees to raise concerns. The Group commits itself to protect any employee who has reported a genuine whistleblowing concern from repercussions resulting from reporting the concern and the employee's working conditions should not be affected by reporting the whistleblowing concern.

## **10 HUMAN RIGHTS**

The Group has committed firmly to the United Nations Global Compact, as well as following the United Nations Guiding Principles on Business and Human Rights.

## **11 CONFLICT OF INTEREST**

Tethys Oil employees will avoid any investment, interest or association which interferes, might interfere or may appear to interfere with the interest of the company or the independent exercise of judgement by the relevant employee.

Without permission, employees cannot perform services for other companies or be involved in other businesses operating in the same industry as Tethys Oil anywhere in the world whilst employed by Tethys Oil if a conflict of interest could be suspected to arise.

## **12 PROTECTION AND PROPER USE OF GROUP ASSETS**

All employees are entrusted with Tethys Oil's assets in order to perform their jobs. Therefore, all employees have a duty to protect the Group's assets and ensure their efficient use. Theft, or misuse of the Group's funds or other resources have a direct and negative impact on the Group's profitability. An employee who discovers or suspects an improper activity, or anything that seems odd and outside of good business, practise should immediately report the suspected fraud or wrongdoing.

To serve as Tethys Oil's primary barrier against fraud and dishonest behaviour, the Group has adopted an anti-fraud policy, that is established to raise awareness on fraudulent and dishonest behaviour aimed at or within Tethys Oil and its subsidiaries as well as providing guidelines of how to act to prevent fraudulent and dishonest behaviour and how to react if fraudulent and dishonest behaviour is encountered or suspected.

To further protect and secure proper use of Group Assets, Tethys Oil has adopted an administration policy, to clarify the routines, assign responsibilities and minimise errors as well as securing that transactions are correctly booked.

## 13 RECORD KEEPING

Employees are responsible for ensuring that records used for accounting, compliance with relevant legislation and other companies' activities do not contain any false or intentionally misleading entries. These records should be supported by accurate documentation and are to be retained (electronically or otherwise) for an appropriate period according to relevant policy.

In particular the amount and nature of all income and expenses must be accurately recorded and in no circumstances should any item income or expense be misclassified or aggregated with other items to disguise its true nature.

## FURTHER READING – GROUP POLICIES

The below is a list of the group policies, please contact [esg@tethysoil.com](mailto:esg@tethysoil.com) to request a copy.

- Anti-Corruption Policy
- Anti-Fraud Policy
- Diversity Policy
- HSE Framework
- Info and insider Policy
- IT Policy
- Whistleblower Policy