



# Group Code of Conduct

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# Message from the Managing Director

## **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 document sets out to introduce the interface between these two worlds and show what principles guide Tethys Oil in its activities and interactions with the World we all share.

Our Corporate Culture emanates from our Scandinavian Roots.

We, as Tethys Oil are convinced that an ethical, sustainable and socially responsible manner of conducting its operations is necessary for generating consistently good returns.

A Code of Conduct is a “set of rules about how to behave and do business with other people”. In more generic terms a Code of Conduct clearly sets out the way a company conducts itself to be successful and what is and is not acceptable or expected behaviour within different groups and our business.

Our Code aims to support Tethys co-workers in conducting business honestly and with integrity. The Code of Conduct clearly sets out our company expectations and provides a unified approach for our business. We all need to work hard to keep this code in action and it must be practiced by everyone in the business in order to be effective; it requires regular repetition, training and monitoring by us all, with a goal of continuous evolution. As a company we are committed to the high standards of business conduct as set out in our Code of Conduct.

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, may they be shareholders, employees, contractors, partners or someone else.

We firmly believe that our business activities should create value for all stakeholders and 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.

Our long-term success depends upon all people associated with Tethys Oil following this Code of Conduct and in all respects implements its spirit. If anyone is unsure about what it means, or there is something that raises concern, never hesitate to seek advice and clarification. At Tethys Oil, we have a culture of curiosity, creativity and open debate. We constantly seek to improve our ways and seek new inspiration. Anyone who raises issues in good faith is doing the right thing and working in the spirit of making our Tethys Oil an even better company.

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 this Code of Conduct. And if you have any thoughts or ideas about this Code or about the Tethys Philosophy as presented here please do not hesitate to contact me directly at [codeofconduct@tethysoil.com](mailto:codeofconduct@tethysoil.com).

**Act with integrity. Be honest. Be curious. Follow the law. Be accountable. Be inspired. When in doubt, ask!**

Sincerely yours

Magnus Nordin  
*Managing Director*

# 1. Our Code of Conduct

## 1.1. Introduction to the Code

The Tethys Oil (“Tethys Oil”, “Tethys” or “the Group”) Group Code of Conduct (“Code of Conduct” or “Code”) is the foundation and guiding light for all of us who work within Tethys Oil. It is a source of inspiration as well as an instruction for us all to follow. Our performance is underpinned by upholding high standards for ethical conduct and social responsibility and by fostering a culture that constantly drives towards excellence in relation to health, safety and the environment. These pillars are the foundation upon which our reputation and our future depend. The Code covers standards, laws and regulations that govern our business and are summarised in one common document to which we can refer for guidance and inspiration, for answering questions, and seeking clarity. The Code of Conduct cannot cover every scenario or question that may arise however, so when more information is needed ASK QUESTIONS. All of us are passionate about the Group’s success and are working for our future, so be inspired and curious and take the code seriously.

Everyone within the Group whatever their role, geoscientists, finance team, directors, vice president or assistants or consultants, and any and every member of Tethys is expected to be inspired by and uphold our values and follow this Code. The same goes for our interaction with third parties, such as, suppliers, customers, shareholders and joint venture partners: to them we wish to share our values and beliefs, our inspiration and creativity and our standards of ethical conduct and our strive for excellence in health, safety and environment. We expect these business partners to review, understand and act consistently with our Code of Conduct. And we expect any Tethys person to bring the values of the Code to them.

## 1.2. 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 shall 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.

## 1.3. 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.

## 1.4. Governance

The Annual General Meeting is Tethys Oil’s highest decision-making body. The governance of the Group 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, 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.

## 1.5. 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 way the Group wishes to conduct its business. This code constitutes the commitment of the 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.

## 1.6. Administration of the Code

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.

## 2. Our People

### 2.1. Acting with Integrity

Tethys Oil recognises that its performance as an organisation is dependent upon the performance of its employees as individuals. The Group's employees are the principle asset of Tethys Oil and therefore the aim is 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's culture is a culture of responsibility, curiosity, creativity and open debate. Tethys Oil shall offer rewarding working conditions and realise each employee's individual potential through training and job promotion. The use of under aged bonded or forced labour, direct or indirect shall 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 based on age, culture disability, gender, race and religion.

Tethys fosters a culture of personal and corporate responsibility but also of personal fulfilment, the pursuit of knowledge, open debate and free thinking. All Tethys people are responsible for their actions and are expected to speak their thoughts and views. Everyone involved in Tethys work has a responsibility for their safety and for the safety of their colleagues.

All Tethys people shall always act with the utmost integrity and respect when dealing with colleagues, partners and society. We all are all motivated and committed with implementing the code and demonstrating this commitment in our actions. Not just in certain situations, or when with other people — every action we take must be in accordance with the code and showing our values.

#### WE WISH TO MAKE A DIFFERENCE BY:

- Considering the appearance of our actions and always acting with integrity;
- Displaying and supporting the values of the Code;
- Accepting responsibility for our choices and actions and being accountable for our conduct;
- Conducting ourselves according to the standards of the Code and following all policies, laws and regulations;
- Completing all required training in a timely manner – Raise a concern whenever we have questions about our Code, policy or law.
- Being a role model to colleagues;
- Promoting honest and two-way communication;
- Being aware of actions and behaviours that may be unethical and working with the appropriate department to resolve any issue;
- Never leaving the impression that it is acceptable to compromise our Code and values;
- Promoting a culture where colleagues feel comfortable and encouraged to be curious and creative and always raise questions and concerns when they arise.

#### WHEN WE LEAD, WE LEAD BY EXAMPLE!

### 2.2. Raising Concerns

In particular, employees must 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 and reward 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.

### 2.3. 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.

## 3. Our Group

### 3.1. 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-Corruption and an Anti-Fraud policy, that are established to raise awareness on fraudulent and dishonest behaviour aimed at or within Tethys Oil and its subsidiaries as well as providing instruction of how to act to prevent 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 Authorisation policy, to clarify the routines, assign responsibilities and minimise errors as well as securing that transactions are correctly booked.

### 3.2. 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.

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.

### 3.3. Use of Information

Safeguard the Groups' non-public information, which includes everything from drilling and contracts to plans, technical specifications and employee information.

#### 3.3.1 Non-public information

No employee should disclose non-public information to anyone outside the Group, including to family and friends, except when disclosure is required for business purposes. Even then, appropriate steps should be taken, such as execution of a confidentiality agreement, to prevent misuse of the information. Do not disclose non-public information to others inside the Group, unless they have a business reason to know. Employees and management are always obligated to protect Tethys Oil's non-public information, including outside of the workplace and working hours, and even after employment ends.

Retain or discard Group records in accordance with Tethys Oil's policies. The Group legal counsel may occasionally issue notices regarding retention of records in the case of actual or threatened litigation or government investigation. Employees must abide by the directions contained in these notices, as failure to do so could subject the Group and employees to serious legal risks. Refer to the IT Policy and Information and Insider Policy for additional instructions and tips for safeguarding information.

#### 3.3.2 Insider Trading

Trading in stocks or securities based on material non-public information or providing material non-public information to others so that they may trade, is illegal and may result in criminal prosecution. Refer to the Information and Insider policy for additional information.

#### 3.3.3 Privacy

The Group respects the privacy of all its employees and business partners. We must handle personal data responsibly and in compliance with all applicable privacy laws. Employees who handle the personal data of others must:

- Act in accordance with applicable law
- Act in accordance with any relevant contractual obligations
- Collect, use and process such information only for legitimate business purposes;
- Limit access to the information to those who have a legitimate business purpose for seeing the information;
- Take care to prevent unauthorised disclosure. Refer to the Data Protection Policy and external Privacy Policy for additional instruction on the handling of personal data and a description of protected information.

## 4. Our Business

### 4.1. 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 has 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 of 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.

### 4.2. 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.

### 4.3. 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.

### 4.4. Anti-corruption

Tethys Oil has zero tolerance for corruption. It is strictly prohibited to give, authorise, 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 recognises 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 and an Anti-fraud 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 policies. You should not let yourself be forced into doing something that is known or suspected to be wrong. Everyone in the Group is responsible for their own actions.

### 4.5. Political and Trade Union Activity

We recognise our employee's rights to join trade unions, and political involvement without fear of reprisal, intimidation or harassment with legally recognised union and parties.

The Group does not partake in any political activity and only encourages personal participation in the political process in a manner consistent with all relevant laws and Group policies. The Group will not reimburse employees for personal political activity.

- Your job will not be affected by your personal political views or your choice in political contributions.
- Do not use the Group's reputation or assets, including your time at work, to further your own political activities or interests.

### 4.6. Trade Restrictions

Tethys Oil must comply with all applicable trade restrictions and boycotts as defined by Swedish and EU laws and regulations. Such restrictions prohibit the Group from engaging in certain business activities in specified countries, and with specified individuals and entities. Sanctions for non-compliance can be severe, including fines and imprisonment for responsible individuals, and the Group may be prohibited from further participation in certain business activities.

# 5. 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 Group 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.

# 6. Overview of Tethys Group Policy Framework

