

# CODE OF BUSINESS CONDUCT

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Approved: .....

  
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President & CEO

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IMPORTANT

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## INTRODUCTION

This Code specifies the principles of business conduct to be followed by the Directors, Officers and employees (together, “Group Personnel”) of Gulfsands Petroleum Plc and its subsidiaries (together, “Gulfsands” or the “Group”). We also seek to apply the principle of this Code by contractual provisions, to the extent possible and reasonable, to all agents, agency staff, casual workers, seconded staff, consultants, intermediaries, contractors, joint venture partners and others who act on behalf of, or are engaged by, any member of the Group (“Gulfsands associated persons”).

One of Gulfsands’ core values is to uphold responsible and fair business practices. We are committed to promoting and maintaining the highest level of conduct in relation to all of our business activities and in all our dealings with our stakeholders, including our employees, shareholders, host governments, business partners, contractors, suppliers and agents, and we expect these stakeholders to apply equivalent standards. The Group’s reputation for maintaining lawful business practices is of paramount importance to us and this Code is designed to help ensure our reputation.

Disciplinary action and/or contractual redress may be considered where we believe our standards of business conduct and/or contractual obligations with respect thereto have not been met.

This Code does not set out all the laws, rules and standards applying to the Group’s work, rather it sets out the overarching principles under which we work. Group policies including those listed in the Appendix to this Code further support and detail these principles.

Some key questions that should be considered by Group personnel and Gulfsands associated persons working on behalf of Gulfsands in respect of any action or line of conduct are:

- Does the action contravene host country law or convention?
- Does the action contravene any laws of England or the EU?
- Does the action contravene Gulfsands’ Code of Business Conduct or any other of the Group’s policies and procedures?
- Could the action be damaging to Gulfsands if it were publicly known in the locality, the host country, the UK or the wider business community?

If a proposed action appears to fail any of these tests, it should be referred to line management in the first instance. However, a whistleblowing policy exists for cases where the reporter is dissatisfied with the handling of his/her report.

## LEGAL COMPLIANCE

Gulfsands Petroleum Plc operates in a number of countries and is subject to the laws of those jurisdictions and is committed to compliance with those laws as they apply to our business activities.

The Group is responsible for understanding the laws applying to our business activities in the areas in which we work. Management should be consulted if clarification is required as to how these laws are applied. Where there is a difference between a legal requirement and our Code, the more exacting standard must be applied provided that this does not break the law.

## OPERATING SAFELY, RESPONSIBLY AND RELIABLY

### Health, Safety and Environment (HSE)

The protection of the health and safety of our staff and all persons involved in, and who come into contact with, our business operations is a priority of Gulfsands’ business.

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We consider all incidents of personal injury and industry-related diseases as preventable. Similarly, Gulfsands strives to minimise its footprint on the environment in which it conducts operations. Both are central to the Group's business strategy.

It is Gulfsands' policy that all Gulfsands associated persons conduct operations on behalf of the Group in a manner that:

- protects the health and welfare of people, be they employees, contractors or members of the public, preventing death and injury;
- protects the natural environment and promotes sustainable development;
- complies with all applicable laws, regulations and international standards and best practices

We endeavour to ensure there is full commitment throughout Gulfsands to take personal responsibility for the people and environment in our area of operation and for continuous improvements in HSE performance. In addition, we endeavour to ensure our employees and Gulfsands associated persons are trained to appropriate standards.

### **Alcohol and Substance Abuse**

Gulfsands is committed to maintaining a safe and healthy work environment free of alcohol or substance abuse. Employees are expected to perform their responsibilities in a professional manner. All staff are expected to be fit to carry out their duties safely without any limitations due to the use or after-effects of alcohol or substances.

## **OUR PEOPLE**

Gulfsands respects the rights of all its employees. We are committed to creating a motivating environment which promotes the development of all staff, helping to generate a common sense of purpose and pride in working for the Group.

We aim to create an environment to realise the potential of all our employees, both individually and collectively, and to appropriately recognise and reward all contributions to Gulfsands' success.

We provide a working environment in which employees are recruited and promoted fairly on the basis of their ability for their role. Gulfsands encourages all aspects of diversity. Furthermore, we will provide our employees with the training required to enable them to carry out their responsibilities and develop their careers.

## **OUR COMMUNITIES**

Gulfsands will operate as a responsible member of the communities of which we are a part, exercising care and sensitivity towards both the people and the environment of such communities. We will show respect for human dignity and internationally recognised human rights wherever we operate.

### **Charitable Donations**

Gulfsands is committed to supporting the well being of the communities in which we work and makes contributions to local charitable causes in line with this objective.

### **Political Contributions**

Gulfsands has a policy of not giving financial or other support to political parties or to political campaign efforts as this may be perceived as an attempt to gain an improper business advantage.

Group personnel may pursue political activity in their capacity as private citizens provided that they do so in a personal capacity outside of work time and they do not portray themselves in any way as representing the Group and do not bring the Group into disrepute.

## OUR BUSINESS PARTNERS AND GOVERNMENTS

We recognise that earning and maintaining the mutual trust of our business partners and host governments, creates a platform for success of our business. It is the individual responsibility of every Gulfsands Director and employee to exercise good judgment and to act in a manner that will reflect favourably upon both Gulfsands and the individual.

The Group's relations and contact with government officials, suppliers, co-venturers, consultants, agents, intermediaries and other third parties (including prospective parties) should at all times be such that Gulfsands' interests and reputation would not be damaged if details of the relationship or contact were to become public.

Gulfsands expects its business counterparties including Gulfsands associated persons to abide by standards of conduct commensurate with this Code. Accordingly, those employees charged with negotiating contracts with business counterparties, including Gulfsands associated persons, are obligated to establish, to the best of their ability, whether the counterparty in question has an equivalent Code of Conduct, and, if it does not, to require the party in question to agree to abide by the standards set out in this Code.

We will, where relevant, perform due diligence on the business conduct of potential suppliers, co-venturers, consultants, agents and other parties with whom the Group intends to enter into contractual arrangements, including through acquisition activity, and monitor such conduct as appropriate on an on-going basis.

### Conflicts of Interest

Group Personnel are required to act with honesty and integrity and to avoid any relationship or activity that might create, or appear to create, a conflict between their personal interests and the interests of the Group.

### Zero Tolerance to Bribery and Corruption

The Group has a zero tolerance towards bribery and corruption and is committed to acting fairly and with integrity in all of its business dealings and relationships and implementing and enforcing effective systems to counter bribery and corruption. All Group personnel and Gulfsands associated persons are required to:

- comply with any anti-bribery and anti-corruption legislation that applies in any jurisdiction in any part of the world in which they might be expected to conduct business
- act honestly, responsibly and with integrity
- safeguard and uphold the Group's core values by operating in an ethical, professional and lawful manner at all times

The Group recognises that industry practices may vary from country to country or from culture to culture. Nevertheless, a strict adherence to the guidelines set out in this Code, as a minimum, is expected of all Group personnel and Gulfsands associated persons at all times.

The direct or indirect offer or payment of bribes in any form is strictly prohibited, as is the solicitation or receipt of bribes from others. A bribe need not necessarily be a payment of cash; it can be a gift, kickback or charitable or political donation, or in fact anything which confers a financial or other advantage on the recipient sufficient to improperly influence his decision in deciding whether to award business to the Group, or to give us some other kind of business advantage.

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### **Gifts and Hospitality**

Gulfsands strictly forbids employees to solicit cash, gifts or hospitality from any business counterparty for their or their family's benefit. Non cash gifts or hospitality of low value may occasionally be given or accepted provided such benefits could not be considered to be sufficiently extravagant to influence the business relationship with, or create an obligation to, that business counterparty.

### **Public Officials**

Gulfsands' policy is to be open and transparent in its dealing with Public Officials and not to seek to influence their decision making process in favour of the Group by the payment of money, or the provision of gifts or services of any kind.

### **Fair Competition and Compliance with the Law**

Gulfsands is committed to the principle of free and fair competition in business. In general we support all laws which prohibit restraints of trade, unfair practices, or abuse of economic power. As a Group we will comply with national and local laws in the countries where we operate, and employees are expected to do likewise.

We will not enter into arrangements that unlawfully restrict our ability to compete with other businesses, or the ability of any other business organisation to compete freely with the Group. Group Personnel are prohibited from entering into or discussing any unlawful arrangement or understanding that may result in unfair business practices or anticompetitive behaviour.

## **OUR GROUP ASSETS AND FINANCIAL INTEGRITY**

Group Personnel share a responsibility to protect the Group's property, intellectual property and financial assets and to maintain the confidentiality of confidential Group business information entrusted to them.

The Group complies with all applicable laws and regulations in the way we record, retain and report information and seek to be transparent and accurate in the way we communicate.

The use of Group property for individual profit or any unlawful unauthorised personal or unethical purpose is prohibited.

All Group Personnel and connected persons are contractually bound to respect insider trading and other market abuse rules of the securities markets in which the Group is involved.

This means that:

- All Group Personnel are prohibited from directly or indirectly trading securities of Gulfsands or any other publicly traded company while having inside information.
- Group Personnel do not take part in market abuse, meaning the spreading of fake information or the engaging in other activities designed to manipulate the price of publicly traded securities.

## **RESPONSIBILITIES AND REPORTING PROCEDURE**

It is the duty and responsibility of all Group Personnel and Gulfsands associated persons to take whatever reasonable steps are necessary to ensure compliance with this Code and to prevent, detect and report any suspected bribery or corruption and any other breaches of the Code.

### **Violations of this Code**

All Group Personnel must comply and act in accordance, at all times, with this Code. A failure to comply with this Code by a Director, Officer or an employee will be treated as misconduct under the Group's Disciplinary

Procedure. In some cases it may amount to gross misconduct leading to summary dismissal including termination of any directorship.

The Group is committed to taking appropriate action against illegal business activity including bribery and corruption. This could include either reporting the matter to an appropriate regulatory authority and/or taking internal disciplinary action against relevant employees and/or contractual redress with associated persons.

### **Whistleblowing**

We operate a confidential and, where appropriate, anonymous process by which persons both within and outside the Group can report any matter relating to the Group which, in the view of the reporter, is contrary to this Code or otherwise not right or proper.

Any person wishing to make such a report is encouraged to contact a Group officer in the following order until they are satisfied that the matter has been satisfactorily dealt with:

- The local operation General Manager
- The Group Chief Executive
- The Chairman of the Group

All reports will be taken seriously and the Group assures that these can be made without fear of dismissal, discipline or retaliation of any kind provided they are made in good faith.

If you are in any doubt you can seek advice from Public Concern at Work, the independent whistleblowing charity, who offer a confidential helpline:

- ① [www.pcaw.org.uk](http://www.pcaw.org.uk)
- ② 020 7404 6609

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**APPENDIX A****Company Policies**

- Anti Bribery & Corruption
- Anti Harassment & Bullying
- Company Property
- Corporate Disclosure
- Disciplinary
- Equal Opportunities
- Grievance
- Health & Safety
- Information Technology
- Personal Data Protection
- Whistleblowing