



Business Conduct and Ethics Code

Approved by KMG International Board of Directors

Table of Contents:

- LETTER FROM THE CEO..... 3**
- 1. GENERAL PROVISIONS 5**
- 1.1. PURPOSE AND SCOPE..... 5**
- 1.2. APPLICABILITY..... 5**
- 2. CORE VALUES OF KMG INTERNATIONAL 6**
- 3. OUR ORGANIZATIONAL AND BEHAVIOR RULES 6**
- 3.1. WE HAVE A CUSTOMER-ORIENTED BUSINESS..... 6**
- 3.2. OUR PLEDGE TO OUR EMPLOYEES..... 7**
- 3.3. OUR PLEDGE TO OUR SHAREHOLDER 10**
- 3.4. OUR PLEDGE TO ALL OUR STAKEHOLDERS 15**
- 4. RAISING CONCERNS AND REPORTING ETHICAL ISSUES..... 19**
- 5. FINAL PROVISIONS 21**

Letter from the CEO

Dear Colleagues,

KMG International have grown rapidly into a multinational enterprise engaged in a variety of activities pertaining to the Oil & Gas Industry: drilling, EPCM (Engineering, Procurement, Construction Management), exploration and production, marketing and trading, refining, and transportation. We are as ambitious and hard-working as ever, and our aim is to become one of the largest independent oil companies in Europe and obtain a strong position in the Black Sea and Mediterranean areas.

However, our long-term success cannot be possible if it does not have, at its foundation, a clear and strategic dedication to **INTEGRITY, HONESTY, and RESPONSIBILITY.**

Through responsibility we understand accountability, transparency, ethical behavior, respect of stakeholder interests, respect for the rule of law, respect for International norms of behavior, respect for human rights, Social involvement.

Integrity and honesty are a part of our credo. We are honest with others and ourselves. We meet the highest ethical standards in all business dealings. We do what we say we will do. We accept responsibility and hold ourselves accountable for our work and our actions.

Therefore, this Code sets up the basic rules outlining our approach to the business ethics. You will find that our approach is consistent with the other structural policies of the Group and that it is built upon the following principles:

- **Respect for our employees:** we respect our employees and provide support for their continuous improving;
- **Continuous involvement:** we are always in contact with and involved in the development of all our stakeholders;
- **Health, safety and security:** we take good care of the health, safety and security of our employees, suppliers and communities where we undertake our activities;
- **Risk management:** we strive to identify, evaluate and manage the risks upon the communities that host us, our employees, our contractors, the environment and our business;
- **Education and leadership:** we promote leadership among the youth, especially through activities that encourage social responsibility and entrepreneurship;
- **Respect for the local community:** we respect, protect and promote the human rights, the culture, contribute to the improvement of social involvement, the traditions and the values of the local communities where we undertake our activities;
- **Best practices:** we adhere to the best global practices. The principles in the United Nations Global Compact and the OECD guidelines for multinational enterprises guide all our activities.

Within the following pages, you will find more information on this Code and the rules that apply throughout the Group. Also, you will find information on the measures you should take in case you notice any breach of these guidelines and principles.

In the end, I would like to stress that business ethics is a common effort that requires dedication from all of us and that the kind of Group that we will have depends on each and every one of us.

Thank you for your support in developing and maintaining an integrity and responsibility culture within KMG International!

1. GENERAL PROVISIONS

The KMG International Business Conduct and Ethics Code (the "Code") take roots in our core values and draws special attention to our approach to business ethics.

More than a simple set of rules, the Code is a tool which provides guidance to situations that you may encounter while performing your job. However, you should keep in mind that the Code cannot address all workplace situations. In such cases, you should seek guidance from your direct line manager and Compliance Department. As we are a multinational company operating in different countries, this Code cannot reflect the entire complexity of all applicable laws. Please note that the most restrictive requirements take precedence.

1.1. Purpose and Scope

The Business Conduct and Ethics Code aim to promote ethical values and principles within KMG International and affiliated companies (hereinafter referred to as "Company" or "the Group") in order to support and protect the Company's reputation.

1.2. Applicability

This Code is mandatory for all Group employees as well as its internal advisers and collaborators, irrespective of their location, position, full-time or part-time work status. The Code also applies to the Board of Directors with respect to any activities they may engage on behalf of the Group. Besides, any third-party entering a contractual relationship with the Company should be made aware of this Code and requested to follow it until the contract termination or a different date, if the contract imposes any special provisions.

All principles and rules contained in the Code are of equal importance regardless of the order of their appearance.

Using the Code:

- Read the entire Code
- Managers should use all their efforts to ensure the Code is known and its requirements are fully understood
- Think about how the Code applies to your job, and consider how you should handle situations to avoid improper, illegal or unethical actions
- Use the questions and answers for each chapter to help to clarify situations that you may encounter. If you have questions, ask your supervisor or contact the Compliance Department
- Report any concerns/circumstance regarding the infringement of the Code provisions according to Chapter 4.

2. CORE VALUES OF KMG INTERNATIONAL

We live in a fast-paced world where business is almost constantly experiencing far-reaching structural changes and companies are under public scrutiny to become good corporate citizens. We, the KMG International community, believe that respect of high standards of business ethics does not only creates growth, but also is fundamental in shaping the relationship with all our stakeholders.

We are a dynamic leader in the regional oil field and believe that our success is possible because it stems from and is shaped by a well-defined set of values:

- Our **PEOPLE**: We place the highest priority on the needs of our employees. Our actions are always determined by their dynamism, contemporary spirit, creativity and experience.
- **CARE, INTEGRITY** and **RESPONSIBILITY**: We are a trustworthy worldwide partner and a valued corporate citizen. We are honest with all our stakeholders and take responsibility for our actions.
- **DETERMINATION**: The strength of our business stems from our firmness of will and our determination to succeed and deliver excellence in everything we do.
- **ENVIRONMENTAL PROTECTION**: Both ourselves and our suppliers adhere to all the national laws and regulations governing the environment and proper management of resources, wherever we or they operate.
- **SUSTAINABILITY**: We support the principles set forth in the Universal Declaration of Human Rights and maintain the high standards of integrity. Also, through developing profitable business and active engagement with the local communities, we aim to ensure that our business practices contribute to long-term economic and social development.
- **HIGH QUALITY** – we are committed to quality in everything we do and we strive to continuous improvement. We are passionate about achieving quality results which exceed expectations – our own and those of the stakeholders.
- **COMMITMENT TO LEADERSHIP** – we use our experience, our technology and perseverance to offer products and services of the high standards and are committed to leadership in all our actions, which directly or indirectly impact all our stakeholders.

3. OUR ORGANIZATIONAL AND BEHAVIOR RULES

3.1. We have a customer-oriented business

We place the customer at the center of our business and we are committed to:

- Cooperate with the public authorities and NGO's for the fulfillment of the customers' and the local communities best interest;
- Enable our customers to make informed decisions using provided data about our goods and services;
- Engage into open and transparent communication practices, including marketing and advertising;

- Ensure our products and services are up to the applicable health and safety standards;
- Provide only sound and scientific data-backed information in our promotional materials;
- Respect our customers' privacy and protect their personal data, in conformity with the local applicable regulations.

Employees who enter into direct contact with our customers are our true "ambassadors" who, by means of their speech and professional demeanor, communicate our devotion and commitment to the customers. Therefore, such employees will follow the highest behavioral standards in relation with our customers and must communicate in a professional and polite manner, understand customers' needs, present them with the best solutions and provide the Company's products and services' that are faithful to the reality. It is strictly forbidden, when dealing with our customers, to raise voice or use inappropriate language or gestures.

3.2. Our Pledge to our Employees

We commit to nurturing a fair working environment based on mutual respect and dignity.

3.2.1. We are an equal opportunity employer

Recruitment of new employees shall be performed in an open and transparent manner. Our employees' selection shall be made based exclusively on their qualifications, suitability and performance. Should non-merits related selectivity be needed for certain positions, the criteria shall be clearly stated in the recruitment advertisement. This situation may occur, for example, in case where female candidates are preferred so as to further promotion of gender equality. Likewise, such situations may occur in cases related to certain inherent requirements of a job.

The Company does not tolerate any form of **discrimination**. "*Discrimination*" shall be understood as any form of conduct targeting an individual or a group on grounds of:

- Color of the skin;
- Sexual orientation;
- Gender identity;
- Social status;
- Disability;
- Age;
- Race;
- Marital status;
- Nationality;
- Political opinion;

- Religious beliefs.

For this purpose, the Group forbids dissemination of any discriminatory material at the workplace and does not tolerate any involvement of the Group personnel or collaborators with any kind of discriminatory practices.

The Company commits to ensuring an equity environment for training, promotion and rewards programs to all its employees. Any such activity will be based on thorough assessment of the employees' professional needs and fair and regular performance evaluations.

Any act of violence is prohibited whether against colleagues or visitors, or anyone else who is either within our premises or in contact with the employees while in the course of their duties.

KMG International does not tolerate any form of abuse, harassment or discrimination, either sexual or non-sexual, in any company workplace, irrespective of the person initiating such a behavior, towards employees, contractors, suppliers, customers or other stakeholders.

"*Harassment*" is commonly understood as a behavior towards an employee or a group of employees intended to disturb or upset, and is characteristically repetitive. It is an intentional behavior which is found threatening or disturbing.

Any of the following actions, perpetrated in a verbal, physical or electronic form, shall be considered harassment:

- Credit for the work is attributed to others;
- Groundless and regular threats of dismissal;
- Initiating and/or spreading malicious rumors;
- Physical assault;
- Public humiliation;
- Social ostracism;
- Undermining behavior;
- Unfair treatment.

Questions & Answers

Q: I am a manager supervising a fresh graduate employee who has performance problems and lacks interest in the office activities. I am afraid to give a negative review of his performance in fear of being accused of discrimination. What should I do?

A: Provide consistent feedback to all members of your group. Be fair in your evaluation and document your proofs with facts and examples. In case you need advice, consult the Compliance Department. The company will hear out both parties in a fair manner and support in resolving the problem.

3.2.2. We respect our employees' freedom to associate

The Company recognizes and respects the right of our employees to be represented by **trade unions** and other *bona fide* employees' representatives.

Also, the Company recognizes and respects the right of our employees to **bargain collectively** and upholds the principle of **open communication** between management and employees.

3.2.3. We protect our employees' personal information

The Company recognizes the importance of respecting the privacy and confidentiality of our employees. Any demand for provision of private information shall be in conformity with the applicable laws in the country of operation and must respect the following principles:

- Personal information should be used only for the stated **purpose**;
- Personal information should not be disclosed without a respective **employee's consent**;
- Only authorized personnel have an **access to employee private information**, provided the information is used for the smooth operation.

3.2.4. We do not tolerate negative working environment

The following is prohibited:

- Distribution
- Possession
- Purchase
- Sale
- Use

of any type of alcohol, illegal psychotropic drugs and guns within the Company premises, while conducting business on behalf of the Company, or when using the Company equipment.

Persons under the influence of alcohol or illegal psychotropic drugs may not enter the Company premises.

Also, employees should observe the internal rules of smoking restriction in the workplace.

An employee who attempts to break this rule will be strictly reprimanded. Any such attempt noticed by an employee must be immediately reported.

3.2.5. We do not employ child or forced labor

KMG International aligns its labor policy to the International Labor Organization standards and prohibits any use of forced or child labor.

For the purpose of this Code, a "child" is defined as any person younger than 15 years of age. However, in case of hazardous working environment, the Company prohibits the use of labor of any person younger than 18 years of age.

If the applicable laws in the operation country are more restrictive, the respective laws shall prevail.

The Company does not condone the use of forced or child labor. Therefore, we demand that our contractors and suppliers should contribute to abolition of the child labor and effective elimination of the forced labor.

3.3. Our Pledge to our Shareholder

In undertaking our business we commit to protecting our shareholder's investment and to advancing its strategic directions.

3.3.1. We keep accurate financial records

Accurate financial records are an essential part of our business. All the Group records must be kept with respect of the **record completeness and accuracy principles**. All our records are supported by the appropriate documentation in order to have a clear and truthful image of any Company deals.

All accounting information must reflect real transactions and must be in compliance with the acceptable accounting principles. Any attempt to falsify the Company financial records will be punished. Should an employee notice any such an attempt, he/she should contact the Compliance Department with no hesitation.

We ensure reliable financial reporting, effective and efficient operations, and compliance with the applicable laws and regulations throughout internal control and internal audit. We assess and continuously monitor our operational effectiveness to help to prevent fraud from occurring.

Fraudulent actions, including misuse or theft of the Company assets or forgery of travel expenses violate the Company policy and will enforce punitive actions.

Also, all the Group employees should collaborate with the internal and external auditors and provide them with accurate information and, upon request, grant them an access to the necessary documents and records.

3.3.2. We take good care of the Group's assets

All the Company **documents and records** are important assets which are instrumental in ensuring smooth operation of our business. The Group records include any of the following: paper documents, electronic documents stored on any Company computer or any other medium (e.g. CD, DVD, data storage devices), e-mail, intranet information, etc. The Company will not tolerate any falsification or intended alteration of the Group documents and records.

Tangible assets are also very important for smooth operation of our business. Therefore, all employees and third-parties, which are authorized to use the Group tangible assets, are responsible with ensuring proper use of such assets. Employees should avoid any form of the Group assets' misuse, waste and damage.

It is not allowed to use the Company assets for private or for any other purpose, other than their intended use.

Group resources can be used only for business purposes. If personal use of the Company resources is required, you should obtain authorization from your supervisor. **E-mail, intranet and internet** should be used only for business purposes. Limited and occasional use of internet for personal reasons may be allowed, provided it does not interfere with your job responsibilities. However, should you use internet for personal reasons, please note that, subject to the local legal provisions, the Group reserves the right to monitor the internet connection on the Company premises and block access to selected websites.

Upload, download, store or circulation of any of the following is forbidden:

- Discriminatory messages and/or materials (see 3.2.1. above);
- Hate-related or violent messages and/or materials;
- Messages and/or materials related to illegal activities;
- Sexual, pornographic or obscene messages and/or materials;
- Terrorism or intolerance of others messages and/or materials;

If employees receive such inappropriate material by e-mail, it must be reported to the Compliance Department.

Questions & Answers

Q: I am going on a business trip to one of our entities abroad this weekend, when flight tickets are cheaper. If I take my wife with me, the total price of the two discounted tickets would be the same as that of a single regular ticket. I would also like to ask the hotel to prepare the bill for single person only. At the end of the day, the Company will not suffer any loss, right?

A: Acting this way, you will manipulate the accounting process. Moreover, you would ask the Company supplier (i.e. partner) to issue a false invoice, thus damaging the reputation of the Company.

Q: I have received an email from someone outside the Company which contains racist jokes about generally to a group of individuals. I want to forward this email to all my colleagues from my department. What should I do? Is this action allowed according to our Business Conduct and Code of Ethics?

A: No, because the jokes might offend some of your colleagues and because the Company email should be used only for business purposes.

3.3.3. We handle the Company confidential information with care

Confidential information shall be treated with care and shall not be shared with third-parties, unless they are bound by confidential agreements with the Group. All personnel should take care not to discuss the Company business within the hearing distance of any third-parties.

Inside the Group, confidential information or any other sensitive information can be shared with other colleagues only on a **“need to know” basis**, and upon prior consent of the respective supervisor.

The employees and/or internal advisers of the Company must never use non-public information about the Group or the companies’ partners of the Group for personal and/or any third party gain, irrespective of its nature. In addition, non-public information must not be passed on to others.

Some examples of non-public information could be:

- Financial forecasts;
- Changes in sales market share or production;
- Earnings, dividends or stock splits;
- Market plans;
- Strategic plans;
- New product information.

If you have any doubts on information that can be shared with others, you should consult your direct supervisor and the Compliance Department.

Questions & Answers

Q: I accidentally received an email with confidential figures describing the business plan for the year to come. What should I do? May I pass on the email to my colleagues to ask for their opinions?

A: No. Financial information is considered material of non-public information and may have a negative effect if disclosed to other parties. The best thing is to inform your supervisor and the Compliance Department about this misuse of information and delete the email immediately.

3.3.4. We protect intellectual property

Intellectual property of the Group covers various assets such as abstract concepts, designs, discoveries, inventions, know-hows, symbols, internal regulations, etc. Intellectual property includes copyrights, trademarks, patents, industrial design rights, and trade secrets.

KMG International commits to protect both, the Group’s own intellectual property and such of others. Therefore, you must observe a series of rules when performing your job:

- Do not disclose proprietary information to third parties, unless they are bound by a confidentiality agreement and there is a documented necessity for such a disclosure (you may use the same principles as those listed above under point 3.3.3.);
- Do not make unauthorized copies of software and do not download or install unlicensed or fake software on your computer;
- Do not solicit proprietary information from others;

- Use appropriate trademarks on all company documents and records;
- Use in the materials you produce copyrighted material belonging to others only after obtaining their permission;
- Do not use the company logos and signs for personal gain or the name of the Company in personal business.

Questions & Answers

Q: Occasionally, I work at home on my own computer. I take paper and electronic files containing customer information home and return the updated electronic files back to the office. Does this practice comply with the Company laws and procedures?

A: No. If you have to work at home you should be assigned a company-issued laptop and follow appropriate security measures. Your personal computer should not be used for work on the customer information.

Q: My work involves confidential information. I use a company laptop computer when traveling on business. What precautions should I take?

A: Keep your laptop computer secure at all times. Do not check it with the airline or leave it in any unsecured place (including ground transport). If you travel with confidential information, be careful where you work with sensitive documents. Avoid public places where your information might be seen, such as planes, airports or restaurants. If traveling abroad, check the local laws to ensure that countries you are planning to visit have no technology restrictions that could result in confiscation of your laptop by the customs officials.

3.3.5. We do not tolerate conflicts of interests

All our activities must be undertaken for the **best interest of the Company, free of any outside influence**. Therefore, the Company does not tolerate any type of conflicts of interests. Any such occurrence must be immediately reported to the Compliance Department, in accordance with the Conflicts of Interest Procedure.

The following shall be considered examples of conflicts of interests:

- **Family interests:** employees can be relatives; it is forbidden for an employee to influence the recruitment process if the potential future employee is his/her relative. Likewise, an employee may not supervise a family member directly;
- **Outside employment:** if such employment goes against the overall interests of the Company;
- **Self-dealing:** employees may not cause the Company to enter into any type of transaction that is beneficial to that individual (directly or indirectly, through family members or associates).

Questions & Answers

Q: My family owns a controlling interest in a company that supply materials to a company within the Group. I was recently hired and, in my new position, I am authorized to contract with that same supplier. Am I faced with a potential conflict of interest?

A: Yes. An appearance of a conflict has been created because you are involved in the decision making process regarding the selection of the supplier. In such a case, the problem can be resolved if an independent decision maker, such as your direct supervisor, acts instead of you. The important action for you to take is to disclose the potential conflict to your line manager and the Compliance Department.

Q: I am managing a tender process for an outsourcing project. A family member of mine has heard about the project and asked me if his company should participate in the tender. Do I need to disclose this?

A: In order to avoid a potential conflict of interest, you must not take part in the awarding of business to a company in which you or your family member(s) have an interest, prior to informing your line manager and the Compliance Department.

Gifts and entertainment may also lead to conflicts of interests. Therefore, the Group employees and collaborators should not offer or receive gifts or entertainment to/from individuals or companies doing business with. Generally, this rule may be waived in case the gifts or entertainment priced/estimated at less than 130 USD or its equivalent in the operation countries. If you receive gifts or entertainment (tickets to cultural or sports events) that exceed 130 USD or equivalent in your country, you must report the matter to the Compliance Department and your line manager. As a general rule, such gifts will be kept at the Company premises and may be donated in Group-organized events such as Christmas raffles, etc.

Occasionally, you may be invited to participate in business meals. Such occurrences are acceptable and are not considered as a potential conflict of interest as long as the cost is reasonable, their frequency is acceptable and the provider (the payer) is present.

There are situations when, irrespective of its value, certain gifts neither can be offered, nor accepted: cash or cash equivalents (bonds, loans etc.), gifts to civil servants, travel and lodging offers from/to third-parties, illegal gifts, and sexual gifts. Likewise, the Group employees or directors must not receive or offer illegal, sexual or inappropriate entertainment, where "inappropriate entertainment" means any form of entertainment that has the potential to tarnish the Company reputation.

Questions & Answers

Q: I have received an invitation from one of our consulting partners to its Christmas party. Taking in consideration that we have a business relationship with this partner can I attend the party?

A: Yes. Attending that party, you will not create an obligation which could affect your integrity. Also, meeting employees from other companies may be a good networking.

Q: I am managing a tender process for an outsourcing project. A manager of the company which is participating in the tender invited me for lunch. Shall I accept the invitation?

A: No. You should decline the invitation to lunch. Even if the company manager is not involved in the negotiations, it would appear that the purpose of the invitation is to influence your decision and the results of the tender.

Q: I have received a gift basket from one of our suppliers. The value of the gift is approximately € 150. What should I do?

A: Due to the value of the gift you should report this situation to your line manager and Compliance Department who will decide whether the gift may be kept or not.

3.4. Our Pledge to all our Stakeholders

We commit to acting responsibly and to fostering a safe and healthy environment for all our stakeholders.

3.4.1. We do business in a transparent manner

We conduct business in a transparent manner and ensure **timely, reliable and relevant information disclosure**. Information disclosure shall be made only by the authorized personnel. Other employees and collaborators are not allowed to comment on behalf of the Group on any related aspect with the mass media or other third parties. This rule applies to both, verbal and written communication, including electronic communication (social media, E-mail, chats, etc.).

In relation to the media or other third parties, the Company personnel responsible for communication, will always present the Company point of view and never their personal opinion.

In situations, where employees participate in conferences/professional committees independently, any opinion expressed by them will be their personal point of view and not associated with the Company.

Besides the basic information, we strive to communicate with our customers and the community continuously and sincerely, and to share information on the following:

- Members of the board and key executives;
- Our corporate policies;
- Our financial and operating results;

- Our involvement as a corporate citizen;
- Our objectives;
- Our relationship with our stakeholders;
- Our strategic directions.

3.4.2. We provide excellence through our QHSE strategy

At KMG International, we know that a clear and rigorous **Quality Health Safety Environment (QHSE) Strategy** is a fundamental condition for our business excellence. Therefore, we are dedicated to maintain safety and health of everyone involved in our activities, i.e. the employees of the Company its partners, clients and suppliers, the communities located near our work places and the public, influenced by our work environment.

The Company has a comprehensive QHSE Management system built upon the following objectives:

- To communicate with all our employees and other interested parties on matters that may affect their HSE;
- To comply with and fulfill the QHSE legal requirements on all our working environment;
- To conserve natural resources through saving energy and minimization of waste and emissions generation;
- To demonstrate, through our Managers and Group Leaders, our strong and vivid leadership towards QHSE;
- To determine that all our employees and contractors are familiar with the QHSE requirements and processes, are actively concerned, committed and involved in QHSE activities;
- To ensure that appropriate training, supervision, information and resources are provided to all the employees and contractors to enable our QHSE objectives to be achieved;
- To establish a strong and clear QHSE Management Organization as well as effective, efficient, transparent and integrated QHSE Processes;
- To establish methods for identifying and assessing hazards and eliminating quality non-conformance and HSE incidents;
- To foster positive health & safety culture throughout the organization;
- To monitor the Group's performance with reviews and audits to ensure that our controls are effective and objectives are being achieved;
- To set clear objectives and responsibilities for the QHSE performance across all the levels of the business units companies;
- To consider all the QHSE aspects when taking each decision.

The Company is committed to a program of ongoing improvement in our performance towards the QHSE objectives.

3.4.3. We are politically-neutral

The Company does not engage in any political activities in the countries it operates. The Company may engage in lobbying activities in countries where the local legal provisions are favorable to such endeavors.

In order to pursue its interests, the Company may submit its points of view, analysis, statements or any other similar materials to government officials.

It is not forbidden for the Group employees to participate in political activities.

However, if doing so, they must observe the following rules:

- Participation in any type of political activity is undertaken as an individual political act, not on behalf of the Company. Therefore, use of any tangible or intangible assets belonging or related to the Company (e.g. E-mail, writing paper containing elements of the Group visual brand, computers, internet, telephones, copiers, scanners, or other equipment) is strictly forbidden in such activities.
- Any political views expressed by employees to third parties are purely personal and do not express such of the Company; Employees and collaborators are forbidden to undertake political activities at their workplaces;
- When undertaking any political activity, employees should apply utmost care to ensure such activity does not conflict, influence or interfere with their job responsibilities.

Questions & Answers

Q: A colleague of mine uses company e-mail to solicit votes and financial support for one of his relatives, who is running for a local political office. Is this acceptable?

A: No. Company resources may not be used for political purposes.

3.4.4. We are a law-obedient corporate citizen

Wherever we operate, we are a law-obedient corporate citizen who complies with applicable regulations, pays liable taxes, and uses strictly legal methods in business. All individuals affiliated with the Company should be particularly knowledgeable of the following:

- **Bribery** of any government official is strictly forbidden in any country where the Company operates. The Group employees and collaborators should strictly observe this rule even if a refusal to offer such financial advantages to a government official may affect the Group interests;
- **Insider trading:** Group employees or collaborators may not enter illegal insider trading practices, as defined by the applicable laws. More specifically, he/she may not buy or sell the Company securities if in possession of non-public information about that security. Furthermore, utmost attention should be applied to both, tipping such information and trading securities by the tipped person;

- **Competition:** We engage only in fair competition and seek no advantage that contravenes laws applicable in the country of operation. We shall not undertake any action aiming at restraining, preventing or distorting the competition; we collect information about competitors and their products only from public independent sources in a strictly legal manner and never from a representative of competitors (sales agent, distributor or their employees).
The Group and its companies should not conclude any kind of cartel agreement or other agreements, directly or indirectly with competitors, which might be construed as restricting the fair competition;
- **International business:** When doing international business, the Group employees and collaborators abide by all the applicable laws governing the international business, applicable domestic laws in all countries involved, and, recommendations of relevant international organizations, when and where applicable.

In undertaking its operations, the Company may occasionally need to contract consultants or other third parties. It should be noted that the aforementioned rules fully apply to all such parties entering into a contractual relationship with the Group.

Questions & Answers

Q: I recently learned that our Company will announce disappointing financial results for this quarter. Is this inside information?

A: Yes. This kind of information can have a negative effect on a company's stock price and would certainly be considered inside information because is nonpublic. If you sell the company securities on the basis of this information before it becomes public, you are engaging in insider trading.

Q: I have accidentally received a confidential memo describing a contract that one of our companies will soon sign with another company. Based on this information, if I buy some of the other company's stock before the news of the contract is made public, am I engaging in insider trading?

A: Yes. Assuming that the news of this contract is nonpublic information, if you purchase securities of the other company on the basis of this information before it becomes public, you are engaging in insider trading.

Q: I was invited to a conference where I met some former colleagues who now work for one of our competitors. During the break, one of them proposed sharing product and price information to help each other. What should I do?

A: You have to reject such a proposal. Practices, agreed in concert with competitors, represent not only a breach of the Code, but also of the competition law. You should report this situation to your line manager and the Compliance Department.

3.4.5. We are a socially responsible member of the local community

Wherever we operate, we fully understand that sustaining the local community goes far beyond a job creation. That is why we are committed to:

- Dedicating our time and energy to promoting leadership;
- Displaying best corporate governance practices, especially so, as our actions have an impact on all our stakeholders: employees, local and regional communities, suppliers, investors and partners;
- Ensuring a sustainable and responsible development going beyond our operations;
- Promoting an ethical and responsible approach to the safety, health and wellbeing of our employees and our partners in the industry.

Our approach to corporate social responsibility (CSR) strategy is best represented by our motto, „Energy for life“, a call for a continuous and active involvement in projects benefitting the local community:

- Entrepreneurship, dynamism, modernity, creativity and experience have always been the fuel for our evolution. Therefore, we believe that the community development is possible through social entrepreneurship. To this end, KMG International devises programs that aim to identify social problems and solve them by involving all the relevant stakeholders. In implementing our programs in environment, health or culture, for the benefit of the local communities, we embrace open communication and welcome free flow of information. When fellow community members turn to us for help channeled through our programs, we help them find solutions and implement them.
- Even if we have operations in different countries, we employ **local personnel**, where and when possible, and provide necessary training in order to improve their working skills. We export good practices and are always open to local inputs that can improve our business operation.

In order to nurture local leadership and professionalism, we offer a chance of a bright career start by providing, wherever and whenever possible, internship programs. We believe that an internship program is a mutually beneficial arrangement that allows the final year students and fresh graduates to experience work environment and get exposed to the values of a multinational company; to earn a first-hand practical understanding of our operations, while giving us an opportunity to select the most talented ones who will join our family.

4. RAISING CONCERNS AND REPORTING ETHICAL ISSUES

This Code attempts to cover a large range of situations. However, all the issues that might occur cannot be anticipated. If someone does not know for sure how to handle a certain situation, he/she should seek advice and ask for additional information before making a decision.

We encourage our employees and collaborators to report any breaches of this Code and possible ethical problems – whether these relate to them, their direct reports, line managers or others.

As a basic rule, your supervisor is the most suitable for a rapid ethical problem solving. Also, you should contact the Compliance Department by email at compliance@rompetrol.com. The Compliance Department may be contacted for any ethical problems or concerns that employees may have.

The investigations performed by the Compliance Department are more effective if you provide us details about the issue and include your name.

Any repressive action against an employee for addressing a problem or raising a pertinent ethical question is forbidden or possible infringements of this Code is forbidden. If you find yourself or suspect that someone you know are being retaliated against for raising an ethical issue, you should contact the Compliance Department immediately.

If our employees wish to keep their identity confidential, they may use the provisions of the Whistleblower Policy to report any breaches of this Code or ethical issues using the email speakup.rompetrol@gmail.com

The Compliance Department manages implementation of this Code within the Group by:

- Analyzing reports of non-compliance received from the Company employees;
- Providing support and consultancy to the managers and employees to comply with the provisions of the Code;
- Conducting ethical investigations;
- Assessing and analyzing the risks of non – compliance within the Code provisions;
- Promptly informing the Ethics Commission about ethical issues, where appropriate;
- Periodical reporting of the implementation and administration of the Code to the Group Management Committee.

Questions & Answers

Q: I have witnessed a situation that I suspect to be a violation of the Code guidelines. Should I report this situation even though I am not completely certain there is a problem?

A: All employees are responsible for immediately reporting of possible Code violations to their line manager and the Compliance Department. Your report will be carefully reviewed and investigated in due manner. It is better to report a suspicion which turns out to be of no issue than to ignore a possible violation of the law or Company Policy. If you wish to keep your identity confidential, you can use the whistleblower tool for reporting.

5. FINAL PROVISIONS

The Group's legal and ethical obligations go far beyond what is included in this Business Conduct and Code of Ethics.

We must comply with both, the letter and the spirit of the numerous laws and regulations that affect the way we do business.

The responsibility for meeting our legal and ethical obligations cannot, however, be fully defined or guaranteed by any set of written rules. There will almost certainly be times when the best course of action can only be recognized by ensuring our actions are consistent with the Company values and ethics. Driven by a passion for excellence in everything we do, we strive to achieve **High Performance** and **Results** in the right way — according to the ethical principles of our Code, and in a manner consistent with our values.