

# **Delonex Energy Limited**



## **Code of Business Conduct**

**Effective as of August 1, 2013**

## Message from our Management Director

Dear Colleagues

One of Delonex's most valuable assets is our reputation for integrity, professionalism and fairness. We must recognize that our actions, values and standards of behavior are the foundation of our reputation and play an important role in making Delonex a trusted and respected global organization.

The Code of Business Conduct is designed to support the Delonex Values and to help each of us live those values at work. It is a practical and clear guide to behaviors that are expected from every one of our directors, officers, employees, consultants and partners. The Code sets consistent and high standards for us to be followed equally, irrespective of our positions or where we work. It should guide our everyday business conduct as we work together towards building a world class E&P Company.

Being accountable to this Code means we each must also take a proactive approach to ethical, compliance and legal concerns by identifying, reporting, and addressing them, as necessary. I would like to personally assure you that there would not be any retaliation against employees who raise concerns in good faith.

Each one of us should carefully read and understand the Code, recognize that we are all individually responsible for complying both with it and Delonex policies and also be aware of the negative consequences for violating the same. I encourage you to reach out to our Chief Compliance Officer or directly to me, should you have any questions or concerns regarding the Code.



Rahul Dhir  
Management Director

Delonex Energy Limited  
August 2013

## **Table of Contents**

1. Introduction
2. Compliance with Laws, Rules and Regulations
3. Trading on Inside Information
4. Conflict of Interest
5. Health, Safety and Environment
6. Record Keeping and Public Reporting
7. Corporate Opportunities
8. Competition
9. Fair Dealing
10. Equal Opportunity, Non-Discrimination & Fair Employment
11. Protection and Proper Use of Group Assets
12. Dealing with Government Personnel
13. Compliance with Code and Reporting Violations
14. Waivers and Amendments

Exhibit A: Acknowledgment of Receipt and Compliance with Code of Conduct

Exhibit B: Annual Certification of Compliance with Code of Conduct

Exhibit C: Acknowledgment Exceptions

## 1. Introduction

This Code of Business Conduct (the “**Code**”), which has been adopted by the Board of Directors, describe the basic principles of conduct that we share as directors, officers, contractors and employees of Delonex Energy Limited (“**Delonex**”) and its subsidiaries (collectively, the “**Group**”) and provides guidance on how to identify and report concerns regarding possible violations of the Code. All references to “**Employees**” in this Code include all employees, consultants, directors and officers of the Group.

While covering a wide range of business practices and procedures, the code does not cover every issue that may arise, or every situation where ethical decisions must be made, but rather sets forth key guiding principles that represent Group policies and establish conditions for employment/service agreement with the Group.

This Code is designed to promote:

- Honest and ethical conduct
- Compliance with applicable government laws and regulations
- Avoidance of conflicts of interest
- Fair work and employment practices
- Individual accountability for adherence to this code
- Accurate & timely internal reporting for violation of code

Our commitment to this Code should reflect in all of our activities including, but not limited to, relationships with employees, customers, suppliers, competitors, industry partners, governments and the community. Every employee has the individual responsibility and accountability for maintaining an ethical workplace and the leadership team is committed to fostering an environment that encourages fair practices.

All employees and representatives acting on behalf of the Group (including contractors and suppliers) must conduct themselves in accordance with the spirit of this code – violations to which may result in negative consequences for the Group and the individuals involved.

One of our Group’s most valuable assets is our reputation for integrity, professionalism and fairness. We should all recognize that our actions are the foundation of our Group’s reputation and adhering to this Code and applicable law is imperative.

In some circumstances, we maintain more specific policies on the topics referred to in this Code. Employees are also required to have a basic understanding of issues covered by the other policies relating to this Code. This Code is a living document, meaning that it may change from time to time and is not an employment contract between the employee and the Group.

## **2. Compliance with Laws, Rules and Regulations**

The Group is strongly committed to conducting business with honesty and integrity and in full compliance with all laws, rules and regulations applicable to the countries in which it operates. These laws include, among many others, those related to anti-corruption, anti-bribery, anti-money laundering, insider trading, export and import controls and environmental protection.

Each Employee must at all times respect and obey such laws, rules and regulations and should avoid any situation that could be perceived as improper, unethical or indicate a casual attitude towards compliance with the same.

In case the employee believes there to be a conflict or lack of clarity with a provision of this code or some other applicable law, rule or regulation – the employee should seek advice from a supervisor, member of the senior management team or the Chief Compliance Officer.

## **3. Trading on Inside Information**

Employees and external consultants who have access to confidential information are not permitted to use or share that information for stock trading purposes or for any other purpose except the conduct of our business. All non-public information about the group and its partners should be considered confidential information. To use non-public information for personal financial benefit or to tip others who might make an investment decision on the basis of this information is unethical and also illegal. Employees should contact the Chief Compliance Officer with regard to any clarifications on their ability to buy/sell securities.

## **4. Conflict of Interest**

Employees are expected to perform the responsibilities of their positions on the basis of what is in the best interests of the Group and free from the influence of personal considerations and relationships. All employees should endeavor to avoid situations that present a potential or actual conflict between their personal interest and the interest of the Group.

Conflicts of interest can arise when an employee takes an action or has an interest that may make it difficult for the employee to render objective decisions on behalf of the Group or to perform his or her duties effectively. Conflicts of interest also arise when an employee, or a member of his or her family, receives improper personal benefits (including loans, guarantees of obligations or acquisitions of interests in transactions involving the Group or its clients or suppliers) as a result of his or her position with the Group.

In case any employee has a material interest in an entity whose assets are being targeted for evaluation or with whom a supplier relationship is being

contemplated and such employee becomes aware of confidential information, they are obligated to disclose such interest to the Chief Compliance Officer.

Situations involving a conflict of interest may not always be obvious or easy to resolve. The employee should promptly report to the Chief Compliance Officer, any transaction, relationship or other circumstance, which creates or may create a conflict of interest. While it is not possible to describe every situation where a conflict of interest may arise, the following are some suggestive examples, which may represent a conflict of interest:

- Activities that compete against the Group in any business activity
- Working, in any capacity, for a customer or supplier while employed by the Group
- Directing business to a supplier owned or managed by, or which employs, a relative or friend
- Accepting discounts or other benefits as a result of your position in the Group from a competitor, customer or supplier
- Being in a position to influence recruitment of a family member or a close personal relationship.

## **5. Health, Safety and Environment**

The health and safety of our people, partners and communities and respect for the environment is core to every aspect of our business. We place a strong emphasis on establishing a proactive safety culture, focused on continuous improvement and the best-in-class processes and procedures.

The Group complies with all applicable Health & Safety Laws and implements industry best practices to ensure a safe and healthy work environment. We foster a culture where accidents, incidents and near misses are promptly reported and investigated and the lessons learned shared throughout the organization. The Group is also committed to protecting and minimizing the impact of our operations on the environment.

## **6. Record Keeping & Public Reporting**

The Group is committed to honest, complete and accurate recording and reporting of information (both financial and non-financial in nature), in order to make responsible business decisions and also to comply with regulatory, tax and other legal requirements.

We maintain internal accounting controls and ensure that books, records and accounts reflect accurately, transparently and in sufficient detail, all transactions in connection with our business. The Group maintains all records in accordance with laws and regulations regarding retention of business records.

Employees involved in record keeping are accountable for ensuring that transactions are honestly and accurately recorded, and must also fully cooperate with our internal and external auditors when requested for information. We strongly condemn transaction mischaracterization, 'off book' accounting,

unrecorded bank accounts or any other device that could be utilized to distort the Group's true operating results and financial condition.

We endeavor to make full, fair, accurate and understandable disclosure in reports and documents we provide to our investors and any regulatory agency and in our press releases and public communications.

## **7. Corporate Opportunities**

Employees owe a duty to the Group to advance its legitimate interests when the opportunity to do so arises. Employees are prohibited from

- Taking for themselves personally opportunities that are discovered through the use of Group's property, information or position
- Using Group's property, information, or position for personal gain
- Competing with the Group. (For e.g. engaging in the same line of business as the Group, or any situation where the employee takes away from the Group opportunities for sales or purchases of products, services or interests)

## **8. Competition**

The Group competes fairly and honestly and acquires information about our competitors by legal and ethical means. We do not engage in unethical business practices such as stealing proprietary information, misrepresenting facts, possessing or using confidential information of another party that was obtained improperly, or inducing disclosure of this type of information by past or present employees of other companies.

Competition laws (also known as anti-trust laws in some countries) regulate anti-competitive conduct and prohibit agreements or practices that restrict free trade and competition. Examples include price fixing, market sharing, limiting production or capacity or abuse by monopolising a market. The penalties for anti-competitive behaviour are severe and the Group complies with all such applicable laws.

## **9. Fair Dealing**

Each employee of the Group should deal fairly with customers, suppliers, competitors, the public and one another at all times and in accordance with ethical business practices. Taking unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing practice is strongly condemned by the Group.

Delonex conducts its business honestly and transparently and does not seek to exercise improper influence on any individual or entity. The Group complies with both domestic and international anti-bribery and corruption laws - with particular emphasis to guidelines laid down by the US Foreign Corrupt Practices Act and the UK Bribery Act 2010, which regulate corrupt practices in relation to

both commercial entities and public officials.

We do not offer or give, nor request or receive, any bribe of any description or value for the purpose of obtaining or retaining business or any other favourable action. Although bribes are usually associated with money, they can also be disguised in other forms such as travel, accommodation, use of assets or preferential terms on a product or service. Exercising poor judgment with respect to giving or receiving gifts and hospitality could also result in a breach of the law with serious consequences for individuals and the Group. The Group and the employee may be subject to disciplinary action as well as potential civil or criminal liability for violation of these laws. In case of any doubt with regard to dealing with such situations, one must refer to the more detailed Anti-Corruption policy and/or reach out to the Chief Compliance Officer.

## **10. Equal Opportunity, Non Discrimination and Fair Employment**

The Group is committed to ensuring that our diverse set of employees is treated fairly and with respect and dignity. Decisions related to recruitment, development and promotion of employees are based purely upon merit and not influenced by factors such as gender, marital status, race, ethnic origin, colour, nationality, disability, religion, sexual orientation or age.

The Group will not tolerate abuse or harassment of any kind whether directed at Employees, Contract Staff, Industry Partners or others. This includes any unwanted conduct that has the effect of violating dignity or creating an intimidating, hostile, degrading, humiliating or offensive environment.

## **11. Protection and Proper Use of Group's Assets**

All Employees should endeavor to protect the Group's assets and ensure its efficient use. Theft, carelessness and waste of these assets have a direct, negative impact on the Group's image and profitability. All of the Group's assets should only be used for legitimate business purposes. Any suspected incident of abuse of Group's assets, waste, fraud or theft should be immediately reported to a supervisor or directly to the Chief Compliance Officer, if deemed necessary.

Confidential proprietary information generated and gathered in our business is a particularly valuable Group asset. Protecting this information plays a vital role in our continued growth and ability to compete, and all such information should be maintained in strict confidence, except when disclosure is authorized by the Group or required by law. Confidential information includes:

- Proprietary information such as our trade secrets, exploration and development plans, geological data, interpretation reports, engineering designs, innovations, databases, records, salary information, and unpublished financial data and reports
- Non-public information that might be of use to competitors or harmful to our Group or our customers if disclosed
- Information that suppliers and clients have entrusted to us on a



confidential basis

Protection of confidentiality extends to physical documents, information stored electronically and information that are verbally transmitted. Our commitment not to disclose confidential information continues even after employment/service agreement ends and employee must surrender all confidential information in his or her possession upon leaving the Group.

Unauthorized use or distribution of confidential information is prohibited and could result in negative consequences for both the Group and the employees involved, including potential legal and disciplinary actions.

## **12. Dealing with Government Personnel**

Employees should never unlawfully give anything of value, directly or indirectly, to government officials or political candidates in order to obtain or retain business or for any other unethical purpose. We strongly condemn promising, offering, or delivering to any government official any gift, favor, gratuity or anything else of value for any purpose that would be improper or that would otherwise be illegal. Our Anti-Corruption Policy and Chief Compliance Officer can provide further guidance in this area.

We prohibit facilitation payments, which are small value payments to a government official for expediting a routine administrative process to which the Group/employee are anyway entitled. An employee on being confronted with a demand for a bribe from anyone should immediately report the matter to his or her supervisor and also to the Chief Compliance Officer.

Payments made under emergency circumstances (imminent threat to the health, safety or welfare of any employee or a member of his or her family or a co-worker) will generally not violate this Code, but must be accurately recorded in the Group's records, and immediately reported to the employee's supervisor and the Chief Compliance Officer.

## **13. Compliance with the Code and Reporting Violations**

All employees, consultants, and representatives acting on behalf of the Group (including contractors and suppliers) are expected to comply with all of the provisions of this Code. The Code will be strictly enforced throughout the Group and violations will be dealt with immediately, including corrective and/or disciplinary action such as dismissal or termination of employment/service agreement. Violations of the Code that involve illegal behavior will also be reported to the appropriate authorities.

Employees are encouraged to report any concerns about actual or potential violations of laws, rules, regulations or this Code to the Chief Compliance Officer and also fully cooperate with any internal investigation relating to misconduct and unethical behaviour. Any concerns involving the Chief Compliance Officer

should be reported directly to the Management Director.

If concerns or complaints require confidentiality, including keeping an identity anonymous, the Group will endeavor to protect this confidentiality, subject to applicable law, regulation or legal proceedings.

This Code is designed to provide an atmosphere of open communication for compliance issues and to ensure that employees acting in good faith have the means to report actual or potential violations. The Group does not allow retaliation or reprisals against employees for good faith reports of possible misconduct by others.

Examples of conduct that will be considered a violation of this Code include:

- Violations of a Group policy relating to this Code
- Requesting or influencing another person to violate this Code
- Failure to use reasonable care to prevent a violation of this Code
- Failure to report a known or suspected violation of this Code
- Failure to cooperate in an investigation of a possible violation of this Code
- Retaliation against another person for reporting a concern about a violation of this Code
- For supervisors, failure to demonstrate the leadership necessary to ensure compliance with this Code.

The Group recognizes this Code as an integral part of our business principles and full compliance towards the code upholds one of our Group's most valuable assets – our reputation for integrity and professionalism.

The Chief Compliance Officer will have primary authority and responsibility for the enforcement of this Code, subject to the supervision of the Board of Directors or, in the case of accounting, internal accounting controls or auditing matters, the Audit Committee of the Board of Directors, and the Group will devote the necessary resources to enable the Chief Compliance Officer to establish such procedures as may be reasonably necessary to create a culture of accountability and facilitate compliance with the Code. Any questions concerning this Code should be directed to the Chief Compliance Officer.

#### **14. Waivers and Amendments**

Only the Board of Directors may waive a provision of this Code for the executive officers or directors of the Group. Waivers of this Code for any other employee may be made only by the Chief Compliance Officer, after approval from the Management Director. Amendments to this Code must be approved by the Board of Directors.

**Exhibit A**

**DELONEX ENERGY LIMITED**

**ACKNOWLEDGEMENT OF RECEIPT AND  
COMPLIANCE WITH THE CODE OF BUSINESS CONDUCT**

I have received, read, understand and agree to the terms and conditions set forth in the Delonex Energy Limited: Code of Business Conduct.

I understand that strict adherence to these policies and guidelines is required and that violation of the same is grounds for disciplinary action, including termination of employment or service agreement

I further understand that these policies and guidelines in no way affect the applicability of other Delonex policies appearing in manuals, bulletins, handbooks etc.

I affirm that I will not engage in any actions that could be considered as violating the Code of Business Conduct, and promptly report any violations of this Code, to which I become aware of in the future.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Location

**Exhibit B**

**DELONEX ENERGY LIMITED**

**ANNUAL CERTIFICATION OF COMPLIANCE WITH  
THE CODE OF BUSINESS CONDUCT**

I have received, read, understand and agree to the terms and conditions set forth in the Delonex Energy Limited: Code of Business Conduct.

I understand that strict adherence to these policies and guidelines is required and that violation of the same is grounds for disciplinary action, including termination of employment or service agreement.

I further understand that these policies and guidelines in no way affect the applicability of other Delonex policies appearing in manuals, bulletins, handbooks etc.

To the best of my knowledge, information and belief, I affirm that since my date of employment/contract with the Group or the date of execution of my last Annual Certification of Compliance, (whichever is most recent) - I have not engaged in any actions that could be considered as violating the Code of Business Conduct, and I am not aware of anyone who reports to me who has, and I do not have knowledge of any other person in the Group who has, engaged in any such conduct.

Furthermore, I affirm that I will promptly report any violations of this Code, to which I become aware of in the future.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Location

**Exhibit C**

**DELONEX ENERGY LIMITED**

**COMPLIANCE WITH CODE OF BUSINESS CONDUCT  
ACKNOWLEDGEMENT EXCEPTIONS**

---

---

---

---

---

---

---

---

---

---

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Location