



PANDION ENERGY

PANDION ENERGY

Code of Conduct
August 2019



Code of Conduct

Letter from CEO



Dear colleagues,

Welcome to the Pandion Energy Code of Conduct. The Code of Conduct is your guide to ethical business practice and represents our core values to act at all times with integrity. I strongly believe that an ethical business culture is the cornerstone of a sustainable company. The Code of Conduct includes mandatory requirements for everyone who works for and on behalf of Pandion Energy. It is fundamental for our company to maintain our reputation as a company with strong ethics and with zero tolerance of bribery and corruption.

I ask you to do three things:

- I expect that you carefully read the Code of Conduct. When considering your business decisions you must ensure that they are in line with the Code of Conduct.
- You must exercise good business judgement. If you are uncertain of what is the right action to take, seek help or advice either from your line manager or from any other senior manager.
- If you have any concerns about business practice associated with Pandion Energy or if you become aware of a breach of the Code of Conduct, please speak up. You can do this either by raising the issue with your line manager or any other senior manager member, or alternatively, by using our independent whistleblowing service.

Jan Christian Ellefsen
CEO
November 2018

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Code of Conduct Introduction



OUR CODE OF CONDUCT

The Code of Conduct sets out our expectations, commitments and requirements for ethical conduct in our business. The Code of Conduct includes our most important requirements, provides references to more detailed requirements and refers to other helpful resources. However, the Code of Conduct does not remove the need for you to exercise good business judgement.

The Code of Conduct has been approved by the Pandion Energy Board of Directors. The Code of Conduct will be evaluated from time to time to reflect our activities as we develop as a company and as laws and regulations may change.

WHO DOES THE CODE APPLY TO?

The Code of Conduct applies to the Board of Directors, our senior management, and all our employees and consultants. We also expect all our business partners and suppliers to act in a manner that is consistent with the principles of the Code of Conduct.

RESPONSIBILITIES

You have a personal responsibility to comply with the requirements set out in the Code of Conduct, applicable laws and other regulations relevant to your work.

Leaders have an additional responsibility in supporting and promoting compliance with the Code of Conduct and related policies, standards and procedures. As a leader you must ensure that activities within your area of responsibility are carried out in accordance with the Code of Conduct, other governing documents and applicable laws.

CONSEQUENCES OF BREACHES

We will not tolerate any breaches of the Code of Conduct.

If there is any suspected misconduct, an investigation may be initiated internally or be carried out by external advisors. Failure to comply with the Code of Conduct may lead to disciplinary consequences, up to, and including, dismissal or termination.

WHAT THIS MEANS TO YOU:

- Familiarise yourself with the Code of Conduct as well as other governing documents relevant to your work.
- Act comfortably within our ethical standards, and avoid wandering into grey zones, which would increase the risk of things going wrong.
- When in doubt, or uncertain about the right action to take, always seek advice from your leader or any other senior management member.
- As a leader - be a role model for ethical leadership through promotion of compliance and ethics.
- Create an environment where people feel comfortable seeking advice, speaking up and asking questions without risk of retaliation.

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HSE Policy and Commitment

We believe that our ability to create long-term, lasting value rests on maintaining high standards of governance, sustainable business practices and operations.

HSE management is critical in the oil and gas industry where operations can impact the environment, communities and workforce. The consideration of HSE and governance issues is of strategic importance. We integrate technical, economic and HSE considerations into our decision making and operational processes to achieve long-term sustainability of the business and to reduce risk.

We place great importance on ensuring that operations we take part in are safe for the people involved and aim to minimise the impact on the environment. We constantly strive to manage HSE risk by understanding what can go wrong, minimising the possibility of it occurring and reducing and mitigating potential consequences. Effective management of HSE risk is about embedding HSE practices into our culture and operating procedures.

Our HSE Policy is presented to the right.

WHAT THIS MEANS TO YOU:

- Speak up and stop any work if you feel it is unsafe
- Report any instances of unsafe practices and/or any dangerous working situation



Health, Safety and Environment Policy

It is our policy to manage all activities in a responsible manner, without harm to the people involved and in accordance with the principles of sustainable development.

At Pandion Energy, we expect all personnel, whether employees or contractors, to be aware of their role in managing HSE risks subject to our business and, in particular, within their own area of responsibility and influence.

To support this we will:

- Recognize that health and safety are paramount and that no task is so important that it shall be performed at the expense of unacceptable risk to health and safety.
- Ensure that HSE considerations command equal prominence with other business considerations in the decision making process.
- Comply with applicable laws, regulations and other requirements as a minimum, and take the initiative to provide appropriate guidance on HSE issues or implement best practice, where controlling laws or regulations do not exist.
- Consider HSE performance objectives in employee and contractor evaluations, rewards and recognition.
- Work together across functions, and with our partners, contractors and other stakeholders to achieve HSE efficient performance.
- Stop unsafe work and report any instances of unsafe practices and/or any dangerous working situation(s).
- Have an analytical and fact-based approach to HSE risk and strive to utilize available information and data in a systematic matter in order to make risk informed decisions.

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Equality and Anti-Harassment



EQUALITY AND DIVERSITY

We value each member of the Pandion team and are committed to providing an environment recognised for its positive energy, equality and professionalism, and we will treat everyone with fairness, respect and dignity.

Pandion aims to maintain a working environment with equal opportunities for all based on performance and irrespective of gender, age, religion, ethnicity, sexual orientation, disability, or any other protected status.

We do not tolerate any discrimination of colleagues or others affected by our business.

HARASSMENT AND INTIMIDATION

Courtesy and respect are important aspects of a sound working environment and business dealings. We expect you to treat everyone you come into contact with through work or work-related activities in a respectful manner.

We will not tolerate any verbal or physical conduct that harasses others, disrupts others work performance or creates a hostile work environment.

WHAT THIS MEANS TO YOU:

- Treat everyone with fairness, respect and dignity.
- Base your work-related decisions on merit and not on other characteristics that result in compromising the principle of equality
- Take steps to create and maintain a good working environment.
- Refrain from engaging in harassment, bullying, workplace violence or other behaviour that colleagues or business partners may regard as threatening or degrading.

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Anti-Corruption



It is strictly illegal to engage in any activity considered as corruption. Corruption exposes not only the individual but also the company to penal liability. In addition, corruption may cause significant losses, irreparable and long term harm to the company and its business.

Corruption undermines legitimate business activities, distorts competition, ruins reputations and exposes companies and individuals.

Pandion Energy has zero tolerance for any form of bribery, corruption, fraud, dishonesty or deception and this stance is endorsed by our Board of Directors. This means that we have no tolerance for paying, facilitating or receiving any bribes or facilitation payments, or using undue influence. We conduct our business honestly, fairly and transparently.

We will comply with all applicable anti-corruption laws and regulations. Our company is backed by Kerogen Capital, an independent private equity fund manager and we are required to comply with the UK Bribery Act and the US FCPA.

You must not offer, promise or give nor should you request, agree to receive or accept, any bribe of any description or value to reward the improper performance of someone's duties, including public officials.

Bribes could be money, but equally can be found in other forms such as the offer of a job, a travel, accommodation, use of assets, service or loan etc.

WHAT THIS MEANS TO YOU:

- Never engage in, authorize or tolerate corruption at any time for any reason.
- Never offer or accept an improper advantage, that has no legitimate business purpose and is given to influence the recipient's decision making.
- Report to your line manager or other senior manager if you see a bribe, or if you are ever offered or requested to pay a bribe.
- Payment extorted from you under threat of life, health, safety or illegal detention is allowed and will not result in any form of retaliation, but you must report the payment immediately.

REGULATORY FRAMEWORK FOR REFERENCE

- Norwegian anti bribery laws; the Norwegian penal code, sections 30
- UK Bribery Act
- US Foreign Corrupt Practices Act (FCPA)

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Working Conditions, Modern Slavery and Child Labour



Pandion Energy is committed to the protection of internationally recognized human rights and to fair and ethical work practices. We have a zero-tolerance approach to modern slavery and child labour in any part of the organization and our supply chains. All workers shall be ensured safe, secure and healthy working conditions, including working hours, as well as wages and benefits that meet or exceed the national legal standards. The workplace shall be free from any form of harsh or inhumane treatment. All applicable laws and regulations on the abovementioned issues shall be complied with.

Pandion Energy's customers, contractors, subcontractors and suppliers shall not engage in or use child labour. Applicable national laws shall be complied with, and only workers who meet the applicable minimum legal age requirement shall be employed.

Pandion Energy's customers, contractors, subcontractors and suppliers shall not participate in, engage in or promote the use of forced, prisoned, bonded or compulsory labour, or the trafficking of any person. All workers employed in the organization and our supply chains shall choose their employment freely and shall not be coerced (mentally or physically) to provide their labour. All workers shall have the freedom to terminate their employment at any time on reasonable notice without penalty.

WHAT THIS MEANS TO YOU:

- Never engage in, facilitate, authorize or tolerate any activity that may involve or lead to the use of forced, prison, bonded, compulsory or child labour, or any breach of the policy on safe, secure and healthy working conditions for any worker in the organization or our supply chains.
- Report to your line manager or other senior manager if you become aware of or suspect any use of forced, prison, bonded, compulsory or child labour, or any breach of the policy on safe, secure and healthy working conditions, within the organization or our supply chains.

REGULATORY FRAMEWORK FOR REFERENCE

- Norwegian Working Environment Act, Norwegian Penal Act Sections 257-260
- UK Modern Slavery Act

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Confidentiality & Inside Information



CONFIDENTIALITY

Ensure that you keep confidential information secure, and be aware of your responsibility to not talk about confidential and sensitive information regarding Pandion Energy with outside persons, including family and friends.

In addition to confidentiality agreements with partners, counterparties and other stakeholders, we have a general obligation to maintain confidentiality and protect the business.

Encourage others to adopt good information security practice and report breaches of which you become aware.

INSIDE INFORMATION

Inside information is information about a listed company that is not publicly available and is information that is likely to impact the price of securities noticeably.

Pandion Energy is not itself a listed company. However, the company has listed its bond loan on Nordic ABM with effect from October 2018. Nordic ABM is an alternative bond market place regulated by Oslo Børs ASA. The listing implies that the bonds are subject to market surveillance by Oslo Børs ASA, which carries out identical market surveillance for both Oslo Børs and Nordic ABM.

We may as well - through our work - become exposed to inside information concerning our vendors, business partners and notably our license partners.

WHAT THIS MEANS TO YOU:

Never sell or buy Pandion's bonds or other companies' securities, or provide advice to other people's investment decisions, if you have inside information. Furthermore, all purchases or sales of Pandion's bonds have to be cleared by the CEO (in writing) before the employee carries out any trade.

Make sure you treat inside information confidentially and in accordance with Pandion's guidelines for such handling.

Information regarding specific licenses may, until such information is announced and disclosed to the public, represent inside information. In general we have an obligation towards our license partners to keep and maintain confidentiality of all information related to the licenses.

More specifically, our employees may not for their own benefit, or for the benefit of family members or affiliates misuse inside information. Trading in securities while having inside information is according to the Norwegian Securities Trading Act subject to strict liability. We will not tolerate any breach of confidentiality in general, nor will we tolerate any misuse of inside information.

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Conflict of Interest



We respect the privacy of our people and their right to manage their personal affairs, activities and investments.

However, conflicts of interest may occur if personal, social, financial or political activities could influence, or appear to influence, your ability to make the right decision for Pandion Energy.

We expect you to always act in the best interest of Pandion Energy.

WHAT THIS MEANS TO YOU:

- Do not work in connection with any Pandion Energy transaction in which you, your partner, close relative, or any other person with whom you or they have close relations or has a financial interest.
- Avoid a situation where you can influence the award of a contract to a third party where such third party is either your partner, close relative or friend.
- Be open, disclose and discuss with your leaders any situation that might lead to an actual perceived conflict of interest. You should make your leaders aware of the possibility of a conflict of interest as soon as possible.

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Suppliers & Business Partners



Pandion Energy believes in the benefits of competition and will always compete in a fair and ethical manner. We will comply with competition laws, including laws against price-fixing, market sharing or abuse of market power.

Our business partners and suppliers are essential to our ability to do business, but can also expose us to reputational, operational and legal risk.

We expect our business partners and suppliers to comply with applicable laws, respect internationally recognised human rights and adhere to our ethical standards when conducting business with or on behalf of Pandion Energy.

We manage risk through in-depth knowledge of our business partners, suppliers and markets, and we seek to monitor the activities and performance of our business partners in line with the assessed risk to secure compliance with this Code.

Where appropriate and, taking a risk based approach, we perform third party due diligence on suppliers as part of our procurement due diligence.

WHAT THIS MEANS TO YOU:

- Do not engage in anti-competitive conduct, such as agreeing with competitors to fix prices or to allocate markets by territory, buy products or by customers or suppliers.
- Never share non-public commercially sensitive information with competitors.
- Report to your leader or other senior management member if you hear about anti-competitive conduct in Pandion Energy or from suppliers and business partners.
- Communicate regularly and clearly our expectations to our business partners and suppliers. To comply with this Code of Conduct should always be clearly expressed, as part of the agreement with us.
- Immediately report any activity or behaviour from our business partners or suppliers that breaches the law or the Code of Conduct.

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Gifts, Hospitality and Expenses



To build good relationships with our business partners and suppliers is important.

Relationships can be built and strengthened through legitimate networking and social interaction. Reasonable and proportionate hospitality intended for such purposes is permitted. The giving or accepting gifts and hospitality may, however, be regarded as inappropriate in certain situations because it can result in a conflict of interest or it can create a sense of obligation on the part of the recipient. If unreasonable or disproportionate, gifts or hospitality may be considered as bribery or as corruption.

As a general rule, we do not offer or accept gifts, except for promotional items and gifts of minimal value (flowers, reasonable wine, chocolate etc.)

We only offer or accept hospitality where there is a clear business reason for Pandion Energy to participate and the costs involved are reasonable and proportionate.

As a general rule we will always pay for our own costs related to travel, accommodation and other related expenses. Likewise we do not pay travel, accommodation and other related expenses for others.

WHAT THIS MEANS TO YOU:

- Never offer or accept gifts that are of more than minimal value. To offer, give or receive cash or cash equivalent (e.g. gift vouchers or loans) is never allowed.
- Never exchange gifts or hospitality while engaged in a tender process, business negotiation or litigation.
- Ensure that all gifts and hospitality are reasonable, transparent and for a genuine business purpose.
- In a situation where it would clearly give offence to refuse, the gift may be accepted if it is of reasonable value and handed over to Pandion Energy immediately.

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Employee concerns and disclosure



"WHISTLEBLOWING"

Pandion Energy believes in openness and transparency. Illegal or unethical matters may negatively impact the working environment and our business in general. It is important that we deal with such matters properly.

We encourage employees, contractors and any of our affiliates, current and former, who have concerns about any aspect of our business to raise them and to disclose any information which relates to improper, unethical or illegal conduct in the work place.

Our employee has a **right and obligation** to raise their concerns about our business including matters such as:

- illegal conditions and breaches of law
- breach of ethical norms and internal guidelines
- harassment or discrimination at the workplace
- conditions that may endanger life or health

DISCLOSURE ROUTINES

Disclosure should primarily be made to your line manager. Pandion Energy has also established an independent disclosure service at:

Kvale Advokatfirma DA

v/advokat Jan-Erik Sverre

Postboks 1752 Vika, 0122 Oslo

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