

Regal Petroleum plc
(the “Company” or “Group”)
Anti-Bribery and Corruption Policy

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It is important that you read, understand and act in accordance with this policy.

1. Purpose

1.1 The purpose of this policy is to:

- (a) set out the Group’s responsibilities, and the responsibilities of those working for us or associated with us, in observing and upholding our position on bribery and corruption; and
- (b) provide information and guidance to those working for us on how to recognise and deal with bribery and corruption issues.

2. To whom does this policy apply?

- 2.1 The Group acknowledges that it is bound by the Bribery Act 2010 as it is headed by the Company which is incorporated in England and Wales and established within the United Kingdom. The Group also complies with laws relevant to countering bribery and corruption in the jurisdictions in which it operates, and in particular Ukraine where its operations are located.
- 2.2 This policy applies to all individuals working at all levels and grades, including directors, managers, employees (whether permanent, fixed-term or temporary), consultants, contractors, seconded staff, agency staff, interns, agents or any other person associated with us, or any of our subsidiaries or their employees, wherever located (collectively referred to as “workers” in this policy).
- 2.3 Joint venture partners are encouraged to adopt a similar policy, and adequate procedures, to prevent bribery.

3. What it means for you – a brief overview

- 3.1 It is an offence (1) to bribe another person; (2) to be bribed; (3) to bribe a foreign public official; and (4) for a company to fail to prevent bribery (Bribery Act 2010).
- 3.2 Unlimited fines and imprisonment up to 10 years can be imposed on individuals who fail to comply with the legislation.
- 3.3 You must never offer, promise or give a financial or other advantage to any person (including a foreign public official) with the intention of inducing or rewarding improper performance by them of their duties. For clarification, foreign public official includes all non-UK public officials.
- 3.4 You must never directly or indirectly accept or agree to receive a financial or other advantage as a reward for the improper performance of your duties. It makes no difference whether the advantage is for you or a third party.
- 3.5 Where your role requires this, you are permitted to give and receive hospitality (you should ask your line manager if you are unsure about this), but this should always be in a reasonable and proportionate manner. Further guidance on this (along with gifts) is set out later in this policy.

4. Our principles

- 4.1 It is our policy to conduct all of our business in an honest and ethical manner. We take a zero tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate.
- 4.2 It is our best practice objective that those with whom we do business take a similar zero-tolerance approach to bribery and corruption.
- 4.3 The Group is bound by the laws of the UK, including the Bribery Act 2010, in respect of our conduct both in the UK and elsewhere. We must also comply with laws relevant to countering bribery and corruption in the jurisdictions in which we operate, and in particular Ukraine where its operations are located.
- 4.4 Bribery and corruption are criminal offences and are punishable for individuals by up to ten years imprisonment and an unlimited fine, and if Group companies are found to have taken part in corruption, we could face an unlimited fine. We therefore take our legal responsibilities very seriously and expect you to do the same.
- 4.5 In this policy, "third party" means any individual or organisation you come into contact with during the course of your work for us, and includes actual and potential customers, suppliers, distributors, business contacts, agents, advisers, government and public bodies (including their advisers, representatives and officials), politicians and political parties.

5. Responsibility for the policy

- 5.1 The Chief Executive Officer of the Group is the Director with primary accountability for our anti-bribery and corruption procedures and shall report the results of adherence to this policy at least semi-annually to the Board of Directors.

- 5.2 The management of the Group has responsibility of the day to day implementation of this policy, monitoring its suitability, adequacy and effectiveness. Management and senior staff at all levels are responsible for ensuring those reporting to them are made aware of and understand this policy. Any improvements identified will be made as soon as possible and shall be subject to regular review to ensure that they are effective for the purpose.
- 5.3 All workers are responsible individually and collectively for the success of this policy and must ensure that they adhere to the procedures set out. If a worker considers that the policy could be improved then such comments, suggestions and queries should be raised with a line manager.

6. What are bribery and corruption

- 6.1 Corruption is the abuse of public or private office for personal gain.
- 6.2 A bribe is an inducement or reward offered, promised or provided in order to gain any commercial, contractual, regulatory or personal advantage through “improper performance”.
- 6.3 “Improper performance” happens when a person fails to act (1) in good faith, (2) impartially or (3) in accordance with a position of trust.
- 6.4 For the purposes of this policy, bribery occurs when one person offers, pays, seeks or accepts a payment, gift, favour, or a financial or other advantage from another to influence a business outcome improperly, or to induce or reward improper conduct.
- 6.5 Bribery and corruption – whether involving government officials, or commercial entities, including joint ventures – can be direct or indirect through third parties such as agents, brokers, consultants and joint venture partners. It includes facilitation payments (as described in paragraph 9) even though in some countries facilitation payments are legal.

7. Gifts and hospitality

- 7.1 This policy does not prohibit normal and appropriate hospitality, both given and received, to or from third parties; however any gifts given or received must be in accordance with the provisions of this policy.
- 7.2 You are permitted to give or receive gifts on behalf of the Group provided that:
- (a) it is not made with the intention of influencing you (in the case of receiving a gift) or a third party (in the case of giving a gift) to perform your/their duties in an improper manner such as (but not limited to) obtaining or retaining a business advantage, rewarding the provision of a business advantage or the exchange of favours and/or benefits;
 - (b) it complies with local law, taking into account all the circumstances it is proportionate (meaning reasonable in amount, magnitude or degree), and given or received at an appropriate time;
 - (c) it is given or received openly and is not secretive in nature;
 - (d) it does not include money or a money equivalent, such as gift certificates; and

(e) in relation to government officials, it is only given or received with the prior approval of your line manager.

7.3 Although the policy provides scenarios where receiving a gift may be acceptable, you should have regard at all times to whether, in considering all the circumstances, the gift is reasonable and justifiable. On each occasion you should consider the intention behind the gift and whether in receiving the gift, you are being asked to perform your duties in an improper way.

7.4 All gifts received or given should be recorded in accordance with our provisions on recordkeeping as described in paragraph 14.4.

8. What is not acceptable

8.1 In addition to the above, it is not acceptable for you (or someone on your behalf) to:

- (a) give, promise to give, or offer, a payment, gift or hospitality with the intention of influencing, inducing or rewarding improper performance;
- (b) give, promise to give, or offer, a payment, gift or hospitality to a government official, agent or representative to "facilitate", as described in paragraph 9, or expedite a routine procedure (where the payment is not a legitimate payment pursuant to local written law);
- (c) accept payment from a third party that you know or suspect is offered with the expectation that it will obtain a business advantage for them which will be obtained through improper performance by you or us;
- (d) accept a gift or hospitality from a third party if you know or suspect that it is offered or provided with the intention of influencing improper performance by us in return;
- (e) threaten or retaliate against another worker who has refused to commit a bribery offence or who has raised concerns under this policy; or
- (f) engage in any activity that might lead to a breach of this policy.

9. Facilitation payments

9.1 We do not make, and will not accept, facilitation payments or "kickbacks" of any kind.

9.2 Facilitation payments are typically small, unofficial payments made to secure or expedite a routine government action by a government official. They are not commonly paid in the UK, but are common in some other jurisdictions in which we operate.

9.3 If you are asked to make a payment on our behalf, you should always be mindful of what the payment is for and whether the amount requested is proportionate to the goods or services provided. You should always ask for a receipt which details the reason for the payment. If you have any suspicions, concerns or queries regarding a payment, you should raise these with your line manager.

9.4 Whilst UK law prohibits facilitation payments or kickbacks, you are not required to place your life or liberty at risk. Any such incidents should be reported to your line manager at the first available opportunity.

9.5 Kickbacks are typically payments made in return for a business favour or advantage. All workers must avoid any activity that might lead to, or suggest, that a facilitation payment or kickback will be made or accepted by us.

10. Donations

10.1 We do not make contributions to political parties. We only make charitable donations that are legal and ethical under local laws and practices. No donation should be made, under any circumstances, without the prior approval of the Chief Executive Officer of the Group.

11. Associated persons

11.1 The definition of “associated person” is wide and can mean any person performing services for and on behalf of the Group. In having regard to all the circumstances, this could include staff, agents, consultants, contractors, subsidiaries and co-venturers.

11.2 In working with associated persons, the following should be considered:

- (a) due diligence – due diligence should be conducted on proposed associated persons using a risk based approach. Regard should be given to the work being undertaken by that person, the location of their business, any history of non-compliance or bribery and any other relevant risks. Although the Group does not anticipate contracting with anyone in a high-risk relationship, where you consider someone to be in a high-risk category you should revert to your line manager. In light of due diligence that is carried out, you should consider whether it is appropriate to continue or whether further due diligence may need to be undertaken.
- (b) contracting – if the Group decides to enter into a contract with an associated person, you should consider whether to include additional anti-corruption provisions in the written contract. In contracting such person, you should speak to the Group’s legal advisor on the most appropriate provisions to include.
- (c) consultants and contractors – any consultant or contractor performing services for or on behalf of the Group is to be made aware of this policy and is required to abide by this policy when performing these services.
- (d) training – all associated persons, not specifically referred to in (c), should be given training on anti-corruption and bribery, and on this policy, prior to undertaking any work on behalf of the Group. Such training should be monitored and reviewed on a regular basis.
- (e) monitoring – the work undertaken by the associated person should be monitored. You should ensure that the organisation has a right to audit the work undertaken and a procedure for identifying possible breaches.
- (f) joint ventures – care should be taken when entering into joint ventures that your co-venturer partners have their own adequate bribery and corruption policies and procedures that are not materially different from this policy.

12. Your responsibilities

- 12.1 You must ensure that you read, understand and comply with this policy at all times.
- 12.2 You must be open about gifts and hospitality given or received and you must disclose these to your line manager in advance (where it is possible to do so or as soon as possible afterwards). The exception to this is in respect of government officials, where as stated in paragraph 7.2(e), gifts and hospitality are not to be given or received without prior approval from your line manager.
- 12.3 The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for us or under our control. All workers are required to avoid any activity that might lead to, or suggest, a breach of this policy.
- 12.4 You must notify your line manager or the Chief Executive Officer of the Group as soon as possible if you believe or suspect that a conflict with, or contravention of, this policy has occurred, or may occur in the future. For example, if a customer or potential customer offers you something to gain a business advantage with us, or indicates to you that a gift or payment is required to secure their business. Further indicators that may point towards bribery or corruption are set out in Schedule 1.
- 12.5 Any employee who breaches this policy may face disciplinary action, which could result in dismissal for gross misconduct.
- 12.6 We reserve our right to terminate our contractual relationship with other workers if they breach this policy.

13. Self-certification

- 13.1 All senior management and line managers are to self-certify every twelve months that they have complied with this Anti-Bribery and Corruption policy and that they are not aware of any bribes being made, offered or received by anyone in the Group or by any third party on behalf of the Group.
- 13.2 All significant contractors and consultants performing services for or on behalf of the Group will be required to self-certify every twelve months that they have complied with this Anti-Bribery and Corruption policy and that they are not aware of any bribes being made, offered or received in relation the services provided.

14. Record-keeping

- 14.1 We must keep financial records and have appropriate internal controls in place which will evidence the business reason for making payments to third parties.
- 14.2 You must ensure all expenses claims relating to hospitality, gifts or expenses incurred to third parties are submitted in accordance with our expenses policy and specifically record the reason for the expenditure.
- 14.3 All accounts, invoices, memoranda and other documents and records relating to dealings with third parties, such as customers, suppliers and business contacts, should be prepared and maintained with strict accuracy and completeness. No accounts must be kept "off-book" to facilitate or conceal improper payments.

14.4 The Human Resources department will maintain a log book of all hospitality and gifts received and given. In the event that you receive or give a gift or entertainment, this must be promptly notified, after approval has been received from the appropriate line manager, to the Human Resources department to be recorded in the log book. Such log books will then be reviewed and be subject to managerial review.

14.5 The Human Resources department will retain all records of self-certification as described in paragraph 13. These records will be subject to managerial review.

15. How to raise a concern

15.1 You are encouraged to raise concerns about any issue or suspicion of malpractice at the earliest possible stage. If you are unsure whether a particular act constitutes bribery or corruption, or if you have any other queries, these should be raised with your line manager or the Chief Executive Officer of the Group.

16. Protection

16.1 Workers who refuse to accept or offer a bribe, or those who raise concerns or report another's wrongdoing, are sometimes worried about possible repercussions. We aim to encourage openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken.

17. Monitoring and review

17.1 The Board of the Company will monitor the effectiveness and review the implementation of this policy, considering its suitability, adequacy and effectiveness. Improvements identified will be made as soon as possible.

17.2 All workers are responsible for the success of this policy and should ensure they use it to disclose any suspected wrongdoing.

17.3 The Group reserves the right to vary and/or amend the terms of this policy from time to time at its absolute discretion.

Schedule 1 - potential risk scenarios: bribery and corruption indicators

The following is a list of possible scenarios that may arise during the course of you working for us and which may raise concerns under various anti-bribery and anti-corruption laws. The list is not intended to be exhaustive and is for illustrative purposes only to help you in your compliance with this policy. If you encounter any of these scenarios while working for us, you must report them promptly to your line manager:

- (a) you become aware that a third party engages in, or has been accused of engaging in, improper business practices;
- (b) you learn that a third party has a reputation for paying bribes, or requiring that bribes are paid to them, or has a reputation for having a "special relationship" with foreign government officials;
- (c) a third party insists on receiving a commission or fee payment before committing to sign up to a contract with us, or carrying out a government function or process for us;
- (d) a third party requests payment in cash and/or refuses to sign a formal commission or fee agreement, or to provide an invoice or receipt for a payment made;
- (e) a third party requests that payment is made to a country or geographic location different from where the third party resides or conducts business;
- (f) a third party requests an unexpected additional fee or commission to "facilitate" a service;
- (g) a third party demands entertainment or gifts before commencing or continuing contractual negotiations or provision of services;
- (h) a third party requests that a payment is made to "overlook" potential legal violations;
- (i) a third party requests that you provide employment or some other advantage to a friend or relative;
- (j) you receive an invoice from a third party that appears to be non-standard or customised;
- (k) a third party refuses to put terms agreed in writing;
- (l) you notice that we have been invoiced for a commission or fee payment that appears large given the service stated to have been provided;
- (m) you are offered an unusually generous gift or offered lavish hospitality by a third party;
- (n) you are asked to give hospitality at which you are requested not to attend;
- (o) you are offered hospitality at which the provider is not going to be in attendance;
- (p) you are asked to give hospitality to persons who are not associated with the third party organisation (for example family members) or are offered hospitality which extends to persons beyond our business (for example family members).