



**CODE OF BUSINESS CONDUCT
OF
FIRST HYDROCARBON NIGERIA COMPANY
LIMITED**

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MESSAGE FROM THE MD/ CEO

Dear Colleague,

This Code of Business Conduct applies to all members of the board of directors, officers, employees and contractors of First Hydrocarbon Nigeria Company Limited ("FHN", or the "Company") and its subsidiaries and affiliated companies. FHN has developed this Code of Business Conduct to ensure that its activities are conducted ethically and that any malpractices in the course of business are reported.

Based on the complexity and variety of ethical issues that may arise in the course of executing the Company's business, this Code of Business Conduct acts only as an essential guide. When faced with ethically ambiguous situations, the involved parties should be reminded of the company's commitment to the highest ethical standards and seek advice from line managers or other appropriate personnel to ensure that all actions that are taken on behalf of the company honour this commitment.

I urge all employees and contractors to become familiar with the requirements of the Code of Business Conduct and to learn and abide by these standards. In doing so, you will earn the trust and respect quintessential for building a great company in the nearest future.

Sincerely,

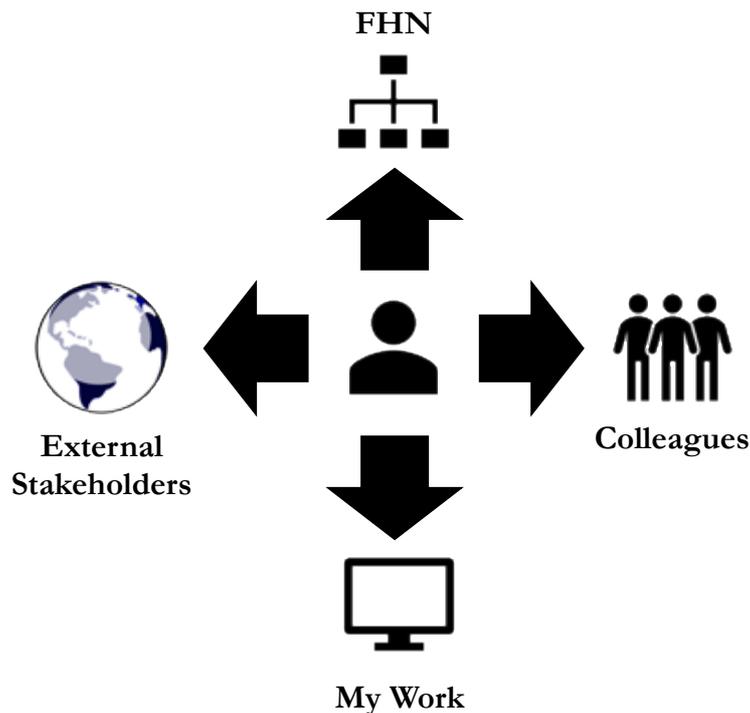


Femi Bajomo
Managing Director/ Chief Executive Officer
FHN

1. INTRODUCTION

At FHN, we uphold the highest ethical standards for the conduct of our business activities with all our stakeholders.

FHN has committed to perform positively and responsibly towards its people, the physical environment and the host communities that its business may affect. We ensure fair treatment for all employees, and we encourage diversity within our team. Our people are offered equal opportunities, training and career progression. We conduct our business most ethically and we assign responsibility to all directors, staff and individuals working on behalf of the company to challenge or stop any activity that conflicts with our business ethics.



The diagram above depicts the various interfaces an FHN employee will have on an ongoing basis in the company, the Code of Business Conduct, provides a governance framework for effectively managing these interfaces.

This Code of Business Conduct has been developed to provide all employees with guidance for handling the ethical situations related to FHN's business dealings.

It gives clarity about expected/acceptable standards of professional conduct which invariably impact stakeholders as well as the safeguarding of FHN's business interests and reputation.

This Code of Business Conduct applies to all employees across all cadres – full time, secondees to other operations, contract staff, third-party contractors and consultants who work for FHN.

The purpose of this Code of Business Conduct is to articulate and formalise FHN's commitment to high ethical standards and to reinforce our prompt and consistent action in the maintenance of those standards.

1.1 Our Values

This Code of Business Conduct is underpinned by our core values which drive the intent and direction of our strategic business planning, engagement with our stakeholders and the general conduct of our business.

These core values are:

- **A passion for Nigeria**
We translate the wealth of our combined individual experiences into sustainable long-term value for the Joint Venture, Stakeholders and our operating communities.
- **Performance driven by Self Belief**
Our commitment to becoming the premier E&P independent company drives us to attain high levels of performance increasingly.
- **Unconventional and Innovative**
We thrive on being innovative in all areas of the business and reward those who show leadership in these areas.
- **Trust through Open Communication**
We have the responsibility of preserving the trust of our stakeholders as we build our relationships on trust and respect.
- **Commitment to Continuous Development**
We move forward building on our past experiences and best practice to drive our continuous development.

To effectively execute our business, FHN is leveraging in the medium to long-term on these strategic pillars i.e. the FHN 7Ps:

- **Production Growth**
- **Portfolio Transformation**
- **Project Delivery**
- **Performance Friendly**
- **Planet Friendly**
- **People Focused**
- **Profitable Venture**

All our strategic objectives will derive from the foregoing.

2. CORPORATE GOVERNANCE

Our Board is responsible for establishing and maintaining the company's system of internal control procedures and reviewing its effectiveness. These procedures include, amongst other things, financial management, operational management, risk management and compliance matters which are evaluated on an ongoing basis to ensure continuous improvement.

2.1 Operating with Honesty and Transparency

Communications to those outside our company requires detailed, accurate knowledge and understanding of investor and media issues. All requests for information from the media, potential investors or the public should be referred to the legal team.

2.2 Our Internal Control System

Our employees are required to live up to the high standards of behaviour that we set through our system of internal controls. The key features of the company's internal control systems are as follows:

- **Company Organisation and Culture:** The Board meets regularly and is responsible for making key decisions. It monitors the critical business risks and reviews the strategic direction of the company.
- **Delegation of Authority:** The Board is responsible for delegating authority to individual directors and officers who are responsible for daily management of the business.
- **Financial Reporting:** There is a comprehensive planning system, and the performance of the company is compared to the latest forecast and previous performance.
- **Risk Management:** Risks to the business are regularly reviewed to ensure that the systems of internal control are relevant and applied to company activities.

3. FHN'S EMPLOYEES

3.1 Employees' Responsibility

FHN's goal is to reinforce a positive work environment where doing the right thing is the logical and straightforward thing to do. To facilitate this, we set out some guidelines for our employees:

Conflict of Interest: Personal interests must not unduly influence professional judgement. Employees have a duty to disclose any actual or potential conflict of interest with the Company's business and should not take part in or exert influence on any decision that may put their interests in conflict with the best interest of FHN.

In case of any potential conflict of interest, the employee concerned should immediately inform his/her line manager to find an appropriate solution.

Dignity, Respect and Fairness: You and your ideas create value and are integral to the success of the company. We must value and respect the unique character and contribution of each employee irrespective of age, race, colour, religion, gender, disability, national origin, ethnic group, or any other legally protected status. Treating each other with dignity, respect and fairness is the foundation of ethical business conduct. The company operates within the United Nations Universal Declaration of Human Rights.

Workplace Harassment and Violence: Harassment and violence in the workplace are strictly prohibited and not tolerated in any guise. More extreme forms of harassment- such as physical assault, which constitutes an offence under criminal law- are clearly recognisable. However, harassment can also appear in subtler ways, examples of unacceptable behaviour are as follows:

- I. **Unwanted physical contact:** such as unauthorised touching, insulting or abusive behaviour or gestures, physical threats or all forms of assault.
- II. **Unwanted verbal conduct:** such as unwelcome advances, patronising titles or nicknames, propositions or remarks, innuendo, malicious gossip or slander, jokes, banter or abusive language, repeated suggestions for unwanted social activities inside or outside the work place.

- III. **Unwanted non-verbal conduct:** such as racially or sexually based graffiti, abuse or offensive gestures, whistling, isolation or non-co-operation, display of pornographic or suggestive literature, pictures or films/videos or inappropriate use of network systems for this purpose, including comments made on e-mail or other written documentation

The preceding is not an exhaustive list and allegations of harassment should never be trivialised. Before determining a course of action where the right choice may not be apparent, always ask yourself:

- Is it legal?
- Is it permitted by FHN's Code of Business Conduct?
- Does it feel, right?

In the event of uncertainty as to the answers to the above questions, please consult your line manager, the HR Manager and/or the legal department.

Reporting & Disciplinary Hearings

Employees are urged to come forward to report cases of suspected workplace harassment to their line managers who would escalate to the HR Manager and the legal department. All cases will be treated with utmost confidentiality to protect those who come forward to report.

In the event of a reported case of harassment, investigations would be carried out by the Line Manager, HR Manager and the Legal department, this would include interviews to get further details about the incident. Upon the conclusion of the investigation into the incident, there would be a disciplinary hearing to consider all representations and then decide if on the balance of probabilities, the allegation(s) is or are proved and if so, what level of disciplinary sanction, including and up to dismissal, is appropriate.

3.2 Working Hours

FHN requires all employees to adhere to guidelines on work days and work hours. We expect that all employees:

- Work for a minimum of a full 9-hour day. Thus, employees may (i) resume at 7am and close from 4pm, (ii) resume at 8am and close from 5pm, or (iii) resume at 9am and close from 6pm. Employees are entitled to a 1-hour lunch break between 12:00 pm and 01:00 pm. Where employees do shift work, the shift cycle will determine resumption and closing time
- Always be punctual to all work-related appointments within and outside the office
- Participate in training programmes and seminars sponsored by the company with the same professional ethics as official work
- Do not use company computer and information technology resources and tools inappropriately during and after official work hours
- Inform their supervisor on days they might be absent from work or late, stating the reason for the absence or lateness.

The company will observe all public holidays as announced by the Federal Government of Nigeria; such days will be work-free days apart from for those staff members who are on essential duties, such as those engaged in field work.

Dress Code

A good personal appearance is also important to the kind of image employee's project on behalf of the company. While it is not the company's intent to dictate employee's appearances, an employee should dress modestly, business like, neat and clean as determined by the needs of the employee's job. Excessively loud physical appearance, which might cause negative attention or distraction, is considered inappropriate in the office.

The Company recognises diversity of cultures and religions of its employees and will embrace an inclusive dress culture subject to health, safety & security adherences. The management of the Company will be the sole judge of what is and is not appropriate for the purpose of this policy.

Unless advised otherwise by their manager and subject to business requirements, e.g. when they are in contact with clients/customers/members of the public, employees may wear casual clothing to work on Fridays.

3.3 Health, Safety and Environment Management

FHN has made a commitment to perform responsibly and positively towards the people and the physical environment affected by the company. The HSE management system addresses this aspect of the business. Through implementing this system, we strive to meet the critical goals of:

- Protecting the Health and Safety of people
- Protecting the environment
- Fulfilling our social commitments
- Minimising environmental risks to individuals and company assets

3.4 Our Safety Policy

We are committed to providing a safe and healthy workplace by ensuring that we identify hazards that have the potential to cause harm, continuously monitor our safety performance and correct unwanted trends. Employees are urged to follow specific HSE procedures detailed in the HSE manual with regards to response to emergencies, use of PPE, etc. anywhere within and around FHN's locations.

To ensure employees are familiar with the emergency response procedures in FHN, regular and mandatory safety trainings will be conducted across all FHN locations.

3.5 Working with Local Communities

We will actively promote indigenous participation and contribute to capacity building and enhancement of the quality of life in the local communities. Building and maintaining relationships with host communities enables us to engage in consultation and ensure mutual expectations are realistic and achievable.

3.6 Security

It is FHN's policy to safeguard the security of company personnel and assets while acting in a manner consistent with the laws of the Federal Republic of Nigeria and any other applicable jurisdiction and being mindful of applicable international standards. In pursuit of this, we identify security risks and establish appropriate controls to minimise the exposure.

We work with local law enforcement authorities and security advisors to ensure an appropriate response to security incidents that could affect FHN personnel or assets.

3.7 Working with Business Partners

At FHN, we all have the important responsibility to deal honestly with our business partners, suppliers, agents, consultants and contractors. We also believe in doing business with those who embrace and demonstrate high standards of business ethics. External business partners that knowingly seek to have company employees violate our Code of Business Conduct will be subject to appropriate sanctions.

3.8 Third Party Relationship Management

Relationship with third-party entities is guided by our business principles and should primarily protect the interest of our organisation and those with whom we have dealings.

When dealing with anyone outside the organisation, including public officials, staff must take care not to compromise the integrity or damage the reputation of FHN.

4. COMPANY ASSETS

We must protect our assets from loss, damage, misuse or theft. This includes our time when the company compensates us for it. Use of our company assets for purposes other than company business requires prior authorisation by appropriate levels of management.

When we create or maintain reports, records and communication, we are also responsible for the integrity of those records. Employees should never allow themselves to be part of a chain of incorrect information. We will never destroy or alter any documents or records in response to any investigation, suspected investigation or lawful request.

4.1 Dealing with Confidential Materials

It is our obligation to the Company to protect and not divulge confidential information. Confidential information includes proprietary technical information, business plans, the status of operations and equipment, detailed financial data, and all other non-public business information that would be of use to competitors or harmful to the Company if made public.

4.2 Managing Potential Information Security Breaches

In the event of a threat to, or potential breach of FHN's information security, affected employees are expected to make a report to the IT department, the HR department and/or the legal department. Breaches of this nature can include loss of IT equipment containing FHN confidential information, hacking of an official FHN email account, etc. Failure to report infractions of this nature will result in the institution of disciplinary action against the affected employee.

5. GOVERNMENT(S) AND THE LAW

Adherence to extant regulations are our minimum acceptable level of conduct at FHN, this is all the more important as our principal partner is NPDC, a government entity. Principles within FHN's Code of Business Conduct helps us strive for the highest standard at all times. It is our policy that our directors, employees and anyone acting on behalf of FHN are to comply with all applicable laws in each place we conduct business.

5.1 Responsible Hospitality

Although customs about gifts and entertainment vary across the world, one principle is clear and common: an employee should not accept any gift, favour or entertainment if doing so will obligate, appear to obligate or is intended to obligate or unduly influence the employee.

All requests for gifts to be presented to third parties must be routed through employees' line managers. Also, FHN will only offer its branded items, as gifts to third parties.

Employees should not accept gifts above a monetary value of \$100. All gifts received by employees must be brought to the attention of the employee's Line Manager and submitted to the appropriate channel for logging in the gifts register.

Additionally, an employee should never request or solicit personal gifts, favours, entertainment or services nor should they offer or accept gifts of cash or securities.

5.2 Respecting Local Laws and Customs.

We compete vigorously while complying with all applicable antitrust and fair competition laws. These laws prohibit agreements that tend to restrict competition as well as a variety of forms of unfair conduct that may tend to create a monopoly. An employee will need to seek advice from the legal department before taking any action that might be questioned under such laws.

Many governments have laws prohibiting or regulating corporate contributions to political parties, campaigns or candidates in the form of cash or the use of company facilities, aircraft, vehicles, computers, mail services or personnel.

However, lobbying is permissible. Any proposed corporate contribution should be reviewed by the legal and finance teams. Employees who communicate with the government officials on issues that affect our company should contact the legal team to ensure that such activities fully comply with the law and that our company's lobbying efforts are coordinated.

Employees must not use company resources to support their choice of political parties, causes or candidates.

We comply with all anti-corruption laws wherever we do business. These laws generally forbid bribes to government official or their representatives. Employees must consult with the legal team as soon as possible where there are concerns that a payment might be improper.

We also keep books, records and accounts which accurately and fairly reflect our foreign and domestic transactions. The finance/accounting team must be consulted as soon as possible if there is a concern that the company's books, records and accounts do not accurately reflect the company's transactions. We expect all those who work with us to comply to our anti-bribery principles, all contractors and consultants are expected to sign an anti-bribery undertaking before commencing services rendered to the company.

6. REPORTING A CONCERN

Ethical breaches and non-compliance must be reported to your manager. Those who report concerns or complaints will be protected. We will treat reports of unethical or illegal conduct as confidential.

FHN will endeavour to put in place channels for making 'protected disclosure' i.e. "whistle blowing". Identities of employees who wish to report suspected cases of misconduct via these channels will be protected.

Abuse of the reporting process to intentionally harass someone or to knowingly file false information may lead to sanctions and penalties if discovered upon investigation.

7. CONSEQUENCE MANAGEMENT

A violation of the code will attract consequences which may include disciplinary action as indicated in the company's consequence management guidelines. Disciplinary action can range from verbal or written warnings to dismissal from the company and even prosecution under the law. Hence every employee is expected to understand the Code of Business Conduct, adhere strictly to its provisions, report any concerns, seek clarification when needed and take full responsibility for their actions.

8. QUESTIONS

If you have questions relating to the practice and operations of this Code of Business Conduct or become aware of circumstances in which the company is failing to meet these commitments, you are duty bound to report this immediately to your Line Manager or the HR department. We believe that it is essential to create an environment in which employees feel able to raise concerns internally without fear of disciplinary actions being taken against them as a result of any disclosure.

DECLARATION

I, the undersigned, confirm that I have read and understood the FHN Code of Business Conduct and undertake to adhere to its provisions at all times while in the Company's premises, or while engaged on the Company's business or otherwise representing the Company.

Name..... Signature.....

Designation..... Date.....