

SAMPLE



**CAPITAINE ENERGY Inc.**

**CODE OF ETHICS  
AND  
BUSINESS CONDUCT**

**Effective 6<sup>th</sup> October, 2017**

# CAPITAINE ENERGY INC

## CODE OF ETHICS AND BUSINESS CONDUCT

Approved by the Board of Directors of the Corporation

Effective 6<sup>th</sup> October, 2017

### I. GENERAL

#### 1. Purpose of the Code

The Board of Directors (the "**Board**") of Capitaine Energy Inc ("**Capitaine**") has adopted this Code of Ethics and Business Conduct (the "**Code**"), which is designed to provide guidance on the conduct of Capitaine's business in accordance with all applicable laws, rules and regulations and with the highest ethical standards. As a public corporation, Capitaine must not only conduct, but must also be seen to conduct, its business in accordance with the highest ethical standards.

The Code constitutes written standards that are designed to promote integrity, deter wrongdoing and address, at a minimum, the fundamental principles set out below.

Capitaine and its subsidiaries are collectively referred to herein as the "**Corporation**".

#### 2. Application of the Code

The Code applies to all directors, officers and employees of the Corporation as well as other individuals who are engaged in providing professional and business services to the Corporation (who are collectively referred to herein as "**Corporation Personnel**") and operates in all countries in which the Corporation conducts business. Consultants to, suppliers and partners of and those in a contract or agency relationship with the Corporation are also expected to adhere to the Code when dealing with the Corporation.

#### 3. Monitoring Compliance

The Governance Committee of the Board through the Chief Compliance Officer of the Corporation (the "**Chief Compliance Officer**") is responsible for monitoring compliance with the Code.

The Chief Compliance Officer is also responsible for regularly assessing the effectiveness of the Code in design and operation, for interpreting the Code in any particular situation and for recommending to the Audit Committee any changes to the Code which might be required from time to time.

The Chief Compliance Officer is also responsible for the communication to and training of existing and new employees with respect to the Code and for establishing and monitoring an annual employee acknowledgement process with respect to the compliance with the Code. Corporation Personnel and interested third parties with questions about the Code or specific situations are encouraged to refer the matter to the Chief Compliance Officer or any member of the Governance Committee.

Notwithstanding the above, all Corporation Personnel are personally accountable for learning, endorsing and promoting the Code and applying it to their own conduct and field of work. All Corporation Personnel will be asked to review the Code and confirm on a regular basis, through written or electronic declaration, that they understand their individual responsibilities and will conform to the requirements of the Code. All new Corporation Personnel will be required to provide this declaration upon joining the Corporation.

All significant interested third parties and contract staff, including, without limitation, contractors and consultants who are acting as the Corporation's agents or are working on the Corporation's behalf or in its name through outsourcing of services, processes or any business activity, are expected to develop and enforce policies and/or practices that are consistent with the Code and its associated requirements that will apply to their staff providing services for or on behalf of the Corporation. Such parties will also be required to agree in writing, through their respective contracts with the Corporation, that they will comply with the terms of the Code.

Amendments to the Code shall be publicly disclosed to the extent required by law, rule, regulation or stock exchange requirement.

#### **4. Waivers from the Code**

Waivers of the requirements of the Code for the employees of the Corporation as well as other individuals who are engaged in providing professional and business services to the Corporation may be granted only by the Chief Executive Officer of Capitaine. Any waiver of the requirements of the Code for directors or officers of the Company may only be made by the Board.

## **II. FUNDAMENTAL PRINCIPLES**

### **1. Conflicts of Interest**

Corporation Personnel must act honestly and in good faith, with a view to the best interests of the Corporation. Corporation Personnel are expected to avoid situations where personal interests could conflict or could appear to conflict with their duties and responsibilities or the interests of the Corporation as a whole. A conflict of interest may occur where involvement in any activity, with or without the involvement of a related party, prevents the proper performance for the Corporation, or creates, or appears to create, a situation where judgment or ability to act in the best interests of the Corporation is affected.

When faced with an actual or potential conflict of interest situation, employees as well as other individuals who are engaged in providing professional and business services to the Corporation must follow the procedures outlined below. Interested third parties must consult their written contracts. Officers and directors must follow obligations as set out in relevant statutes and company by-laws and must inform the Chairman of the Board of any such conflict.

Supervisors should ensure that employees as well as other individuals who are engaged in providing professional and business services to the Corporation and interested third parties are not involved in any decision or operation affected by a conflict of interest. The Chairman of the Board should ensure that officers or directors are not involved in any decision or operation affected by a conflict of interest.

If employees as well as other individuals who are engaged in providing professional and business services to the Corporation find themselves in situations, or potential situations, of conflict of interest, they must seek guidance from their supervisor or the Chief Compliance Officer to determine if a conflict exists and how to deal with it. If a conflict of interest or a potential conflict of interest is identified, the individual must formally declare the conflict by informing the Chief Compliance Officer. The conflict must be reviewed and approved by the Chief Compliance Officer and, in conjunction with the individual's supervisor, appropriate actions must be determined and documented in order to mitigate the conflict. Supervisors are responsible for ensuring that the employee as well as other individuals who are engaged in providing professional and business services to the Corporation follow the agreed upon actions to mitigate the conflict of interest. The results of this review and approval must be documented and filed in the individual's personnel file.

The following are specific conflicts that may arise in the course of carrying out the Corporation's business:

(a) Outside Business Interests

Corporation Personnel are free to take on employment and other activities outside of their work responsibilities with the Corporation. However, in doing so, Corporation Personnel must ensure that any "outside" activities do not present a real or perceived conflict with the interests of the Corporation or interfere or conflict with their duties as Corporation Personnel.

Personnel must not use the Corporation's resources (equipment, tools, credit cards, facilities, computing devices, telephones, *etc.*) for unauthorized or personal purposes.

Before publicly expressing views on matters that relate to the Corporation, Corporation Personnel should discuss the information with any of the Communication Officers. Corporation Personnel must not claim to speak on behalf of the Corporation without prior authorization. Reference should be made to the Corporation's Communications Policy.

(b) Outside Directorships

Corporation Personnel are free to take on directorships, however, Corporation Personnel must be aware of any potential for conflicts with the interests of the Corporation.

(c) Financial Interests in Suppliers, Contractors or Competitors

Any proposed affiliation between Corporation Personnel and any entity that has a relationship with the Corporation is subject to review by the Board's Corporate Governance Committee.

(d) Hiring Relatives of Current Corporation Personnel

The hiring of relatives of any Corporation Personnel must have prior consent of management. The relative hired must be placed in a separate department or work team and not be in a direct supervisory-subordinate relationship.

(e) Awarding Work

Awarding work to a supplier or consultant or contractor based on either a personal relationship or personal benefit which is not in the best interests of the Corporation is strictly prohibited. A declaration of a conflict of interest must be made before any personnel may approve an invoice from a vendor who is a relative.