



MRS OIL NIGERIA PLC
CODE OF BUSINESS CONDUCT

This Code is issued pursuant to the Amended Listing Rules of the Nigerian Stock Exchange and the Securities and Exchange Commission Code of Corporate Governance and the Nigerian Code of Corporate Governance, 2018.

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1. BACKGROUND

MRS Oil Nigeria Plc. ("MRS" or the "Company") values its business reputation and does not compromise on standards. The Company is committed to maintaining the highest standards of business conduct and ethics and have by the Code of Business Conduct ("the Code"), set out clear expectations on the business conduct and provides useful guidance for the management of critical risk areas to all stakeholders of the Company.

The Code applies to the employees (the 'employees'), officers, Directors, suppliers, and consultants of the Company. It explains the responsibilities of the employees and other stakeholders to report potential violations, as well as cooperate in the investigation of issues that may arise. Though this Code may not apply to all situations, it describes for conducts that are appropriate for business dealings by the employees, Directors, suppliers and business consultants of the Company.

This Code should be read together with the Company's Security Trading Policy, the Whistle Blower Policy and the Complaints Management Policy. It is expected that all stakeholders of the Company, will read and comply with the provisions of the Code for sustainable business operations.

2. APPLICATION OF THE CODE

Unethical conducts affect the Company's business reputation and erodes the profitability and sustainability of the business. The Company's employees, Directors and Stakeholders must therefore report any unethical conduct to the Company Secretary through the appropriate channel.

The Board of Directors of the Company, shall oversee the interpretation and enforcement of the Code. All Managers in the Company shall be responsible for the enforcement of the Code, as it pertains to employees under his/her supervision. All employees and Directors, are to comply with the provisions of the Code, and seek guidance where necessary from their Line Managers, the Human Resources Department or the Company Secretary. The personal responsibility of each employee and the Directors of the Company which cannot be delegated, is to "do the right thing" and to ensure that the highest standards of integrity is maintained at all times.

The violation of any section of the Code shall attract disciplinary action, depending on the nature of violation and the employee's employment history with the Company. The disciplinary action varies, from a warning to the dismissal of the employee or the removal of the Director from the Board and where required, the institution of a legal action against the Offender. To preserve the integrity of the disciplinary process, the Company shall ensure that the process is confidential and handled in a professional manner.

All questions on or arising from the application of the Code should be addressed to the Company Secretary.

3. FAIR TREATMENT, DISCRIMINATION AND TOLERANCE

Fairness and respect is at the core of the Company's relationship with its Stakeholders. The Company's Stakeholders include, employees, Directors, customers, suppliers, business partners/consultants, etc. The Company ensures that the work environment is free from any form of discrimination and harassment. Harassment (including sexual, physical, mental, use of abusive language or offensive gestures) or bullying of any form will not be tolerated. The Company seeks to create a conducive environment for employees to speak out in the face of the violation of the Code or any Company Policy, without fear, intimidation or harassment from a Supervisor(s) or fellow colleague(s).

The Company prohibits workplace retaliation against an employee, who raises an issue honestly. Any concern raised in good faith by an employee or an employee's participation in an investigation, shall not be a basis for an adverse employment condition such as, separation, demotion, suspension, loss of benefits, threats, harassment or discrimination.

- Discrimination

At MRS, we consider the diverse backgrounds of our employees, regardless of their color, race, religion, marital status, sexual orientation, disability or age. Any decision taken by Management on the basis of color, race, religion, marital status, sexual orientation, disability or age would amount to discrimination. All employees are treated fairly and honestly with respect and dignity.

We value all employees for their contribution to the business. Opportunities for advancement will be equal and will not be influenced by considerations other than by performance, ability and aptitude. Employees will also be provided with the opportunity to develop their potentials and advance their careers with the Company. Any employee who is proven to have acted in a discriminatory manner or to have indulged in bullying or harassment will be subject to disciplinary procedures. All employees are strongly encouraged to report incidents of discrimination, bullying harassment to the Company Secretary using the appropriate form.

The Company will protect an employee who reports a concern honestly; however, it is a violation of the Code for an employee to intentionally make a false accusation, lie to investigators, interfere or refuse to cooperate with an investigation. Honest reporting does not mean that an employee has to be right to raise a concern, but the employee must ensure that the information he or she provides is accurate. An employee who encounters workplace retaliation should report to the Company Secretary through the Complaints Management Lodgment Form, as provided on the Company's website. The Company upon receipt of the Complaint investigate and take appropriate disciplinary measures thereafter.

4. DRUG AND ALCOHOL

The health, safety and wellbeing of any employee is paramount to the Company's operations. The Company ensures a drug and alcohol free work environment. There is zero tolerance for drug, alcohol and the use of other harmful substances for employees on duty. While the Company strives to keep the workplace safe and comply with the applicable laws of the Country, all employees and other Stakeholders are encouraged to familiarize themselves with the MRS Health and Safety Policy.

5. PREVENTION OF WORKPLACE VIOLENCE

All employees of the Company are entitled to work in a safe environment and they have the responsibility to ensure their personal safety and the safety of others at all times by reporting unsafe workplace practices through appropriate channels provided in this Code. The Company has zero tolerance for workplace violence. Violence include but is not limited to fighting, physical assaults, threatening comments, intentional destruction of Company's property, etc. The Company will investigate any report of violence against an employee and would impose disciplinary measures against an employee who contravenes the provisions of the Code in line with the Company's disciplinary procedure.

6. INTEGRITY MATTERS

i. Conflict Of Interest

Conflict of Interest occurs when the personal interests of an employee or a Director competes with the interests of the Company. In such a situation, it can be difficult for the employee or the Director to fully act in the best interests of the Company. Such conflicts may create problems that may cause damage to the Company's reputation and lead to the Company's inability to sustain the business operations.

It is the continuing responsibility of the employees and the Directors to scrutinize their transactions and relationships outside business interests and to make prompt disclosures in writing of potential conflicts. Disclosures must be made as soon as the employee or the Director become aware of the conflict and prior to entering into the transaction, if possible. If a Conflict of Interest situation has occurred or if an employee or a Director faces a situation that may involve or lead to a Conflict of Interest, the employee is to disclose the situation to his or her Line Manager and/or the Company Secretary, while the Director is to disclose the Conflict of Interest situation to the Chairman of the Board to resolve the situation in a fair and transparent manner. Employees and Directors are to avoid Conflicts of Interest whenever possible.

A non-exhaustive list of common types of conflicts of Interest are set out below.

- a. Where an employee or a Director is likely to make an inappropriate financial gain or avoid financial loss at the expense of the Company;

- b. Where an employee or a Director has an interest in the outcome of a service provided or a transaction carried out on behalf of a client, which is different from the client's interest in that outcome;
- c. Where an employee or a Director has a financial benefit or other incentive to favour the interest of a client over the interest of another client;
- d. Where an employee or a Director has a financial or other incentive to favour the sale of a particular product or service of a contractor or vendor, which is not in the best interest of the Company;
- e. Where an employee or a Director's interest in the outcome of a particular activity or endeavor differs from that of the Company;
- f. Where an employee or a Director influences the Company's decision to grant a business opportunity or make material decisions in a manner that leads to personal gains or advantages for the employee or the Director or anyone closely connected to them;
- g. Where an employee or a Director or anyone closely connected to them, receives a financial or other significant benefit as a result of the employee or director's position at the Company.
- h. Where an employee or a Director accepts a benefit from a client and the benefit is not available to the general public.
- i. Failure to promptly disclose a conflict of interest in a business transaction.

Where any of the above situations arises, the Company shall ensure that the employee or the Director involved in a conflict of interest situation abstains from discussions and voting on any matter in which the employee or the Director has or may have a conflict of interest situation. The Board of Directors shall by a simple majority determine all conflict of interest case(s) presented to it for determination. The Director or Directors potentially in the Conflict of Interest situation shall not participate in any discussion and shall not vote on the issue.

All employees and Directors who are aware of a real, potential or perceived Conflict of Interest situation on the part of a fellow employee or Director, have a responsibility to promptly raise the issue for clarification, either with the employee or the Director concerned or with the Company Secretary in line with the Company's Whistle Blower Policy. Where an employee or a Director is not certain about whether he or she is in a Conflict of Interest situation, the employee or the Director concerned shall discuss the matter with the Company Secretary for advice and guidance.

ii. Confidentiality

At MRS, we value and protect the confidential information of the Company and we respect the confidential information of others. Confidential information consists of any information that is not or not yet public information. It includes trade secrets, business, marketing and service plans, consumer insights, engineering and manufacturing ideas, product recipes, designs, databases, records, salary information and any non-published financial or other data. The Company's operational success depends on the use of the confidential information for business operations and not the unauthorized disclosure of the confidential information of the Company to third parties. Unless required by law or authorized by Management, employees and Directors shall not disclose the confidential

information of the Company to third parties. This obligation continues beyond the dismissal of the employee or the termination of employment of the employee and the removal or the retirement of the Directors from the Board. Furthermore, employees must use best efforts to avoid unintentional disclosure and applying special care when storing or transmitting confidential information of the Company.

The Company appreciates that third parties who share their confidential information with the Company have a similar interest in the protection of their confidential information. The Company is committed to protecting confidential information of third parties by exercising the same degree of care and due diligence, as if the information belonged to the Company's confidential information.

Employees and Directors shall protect confidential information of the Company and third parties that they have obtained in the course of their employment or term of Directorship with the Company. Obligations under the Company's Confidentiality Agreement inures after the expiration or the termination of employment of the employees or term of Directorship of the Directors, for a period of five (5) years.

iii. Honest, Ethical Conduct And Fair Dealing

As a law abiding citizen, the Company complies with all applicable laws, regulations and guidelines in force from time to time in the Country and therefore requires all employees and Directors to adhere to the following rules in their work relationship with the Company:

- Commercial policy and prices will be set independently and must never be agreed, formally or informally, with competitors or other non-related parties, whether directly or indirectly without Management and Board approval;
- Customers or product markets and prices will always be the result of fair competition;
- Customers, vendors, contractors and suppliers of the Company will be dealt with fairly.

All employees, especially those who are involved in marketing, sales and purchasing, or who are in regular contact with competitors, have a responsibility to ensure that they are familiar with the applicable competition/antitrust laws of the Country. When in doubt, the Company Secretary should be contacted for guidance and advice, and the Human Resources Department for training.

iv. Protection And Proper Use Of Corporate Assets

The Company provides work tools for employees to carry out official tasks. These work tools include computers, mobile devices, information technology hardware and software, vehicles, facilities, machinery, raw materials, inventory, supplies and other assets, which are placed in the care of designated employees. The work tools must be used for only legal and authorized purposes, and the Company requires that employees must be honest and respect the Company's assets and property during such use.

Employees must endeavor to safeguard and make only proper and efficient use of the Company's property and protect the property from loss, damage, misuse, theft, fraud, embezzlement and destruction. These obligations cover both tangible and intangible assets, including trademarks, know-how, confidential or proprietary information and information systems. To the extent permitted under applicable laws in force from time to time in the Country, the Company reserves the right to monitor and inspect the use of the assets by the employee(s), including the inspection of all e-mails, data and files kept on the Company's network.

v. Accuracy of Books, Records and Public Reports

Employees must never engage in fraudulent or dishonest conducts involving the financial reporting and accounting of the Company's results. The Company's financial records are the basis for managing the business performance of the Company and it allows the Company fulfill its obligations to the stakeholders. Therefore, all Company business and financial records must be accurate and compliant with the International Financial Reporting Standards (IFRS).

All employees have the responsibility to ensure accurate and complete business and financial records are kept and this is not solely the role for the Treasury and the Finance personnel. Accurate recordkeeping and reporting reflects on the Company's reputation and credibility and ensures that the Company meets its legal and regulatory obligations. The Directors, officers and employees must therefore ensure that they:

- Always record and classify transactions in the proper accounting period for accurate entry and record keeping by the Treasury and Finance departments.
- Never delay or accelerate the recording of revenue or expenses to meet budgetary goals.
- Provide appropriate documentation for estimates and accruals, which must be based on the best judgment of the employee or the officer.
- Provide reports to regulatory authorities that are full, fair, accurate, timely and unambiguous.
- Never falsify any document or distort the true nature of any transaction.
- Never enable employee(s) efforts to evade taxes or subvert local currency laws.

vi. Bribery & Corruption

The Company has zero tolerance for corruption and takes a strong stance against corruption. The Company therefore makes it mandatory for the Directors, officers and employees to undergo training on the Company's business ethics and processes.

MRS prohibits bribery in all business dealings with both government agencies and the private sector. Prohibition of bribery applies to the giving of anything of value and it is not limited to money. "Anything of value" may include, but is not limited to the following:

- Business opportunities;
- Favorable contracts;
- Stock options;

- Cash, cash equivalents (e.g., gift cards, gift checks) or loans;
- Payments for improper gifts, meals, travel and entertainment;
- Favors, including offers of employment or internships for an official or an official's relative;
- Sponsorships;
- Promises to pay/give money.

Bribery is not limited to the act of offering a bribe. If an individual receives a bribe and accepts the offer, they are guilty of breaking the law. Bribery is illegal and employees must not engage in any form of bribery, whether it be directly, passively, or through a third party (such as an agent or distributor). Where an employee or a Director is uncertain that an act constitutes a bribe or a gift or an act of hospitality, they must seek further advice and clarification from the Company Secretary.

The Company prohibits the facilitation of payments to expedite routine administrative tasks, except in extraordinary circumstances (where the prior approval of the Managing Director is sought and obtained), or where an employee's safety or security is at stake. Where the facilitation of payments are necessary for the safety or security of an employee(s), the Security personnel must obtain the prior written approval of the Managing Director for this purpose. It is the Company's ultimate goal to eliminate all facilitation payments.

vii. Gifts And Gratuities

Employees must not be influenced to receive favours or improperly influence others to provide favours. No Employee shall offer or accept gifts, meals, or entertainment where the offer may create the impression that there could be an improper influence on the Company's business relationship with the Contractor or the individual making or accepting the offer. However, employees may only offer or accept reasonable symbolic gifts, with the prior written approval of the Managing Director sought and obtained. The approval of the Managing Director is discretionary.

It is the Company's Policy that, gifts given and received should always be disclosed to the Company Secretary or any other employee in Management position that the Company may designate for this purpose from time to time. Normal and appropriate gestures of hospitality and goodwill (whether given to/received from third parties) can be accepted, where the giving or receiving of the gift meets the following requirements:

- a. It is not made with the intention of influencing the party to whom it is given, to obtain a favour or a reward for the retention of a business or for a business advantage, or as an explicit or implicit exchange for favours or benefits;
- b. It is not made with the suggestion that a return of favour is expected;
- c. It is in compliance with the extant laws;
- d. It is given in the name of the Company, not in an employee's name;
- e. It does not include cash or a cash equivalent;
- f. It is appropriate for the circumstances and with the Managing Director's approval (e.g. giving small gifts around Christmas or as a small thank you to a Company for help rendered with a large project upon completion);

- g. It is given/received openly, not secretly;
- h. It is not selectively given to a key, influential person, clearly with the intention of directly influencing them;
- i. It is not above a certain value, as approved by the Board;
- j. It is not offered to, or accepted from, a government official or representative or politician or political party, without the prior approval of the Board or the Managing Director, as the case may be.

viii. Compliance With Laws, Rules And Regulations

The Company ensure that employees, Directors and all stakeholders comply with extant laws, regulations and guidelines relevant to the business operations and there is zero tolerance for non-compliance by the employees or Stakeholders.

7. REVIEW OF THE CODE

This Code shall be reviewed every two (2) years or as deemed necessary, in line with the applicable laws.

Approved by the Board of Directors

This 29th day of July, 2020