

Anti-Corruption and OFAC Policy for Apex International Energy G.P., Apex International Energy L.P. and their Subsidiaries (collectively, the “Company”)

March 1, 2018

Overview

This Anti-Corruption and OFAC Policy (the “Policy”) is applicable to Apex International Energy G.P., Apex International Energy L.P. and their subsidiaries (collectively, the “Company”).

Anti-Corruption

Bribery is illegal and we prohibit bribery of any kind. An improper payment, or even any offer of an improper payment, to gain advantage in any situation is never acceptable and exposes you and the Company to criminal sanctions and/or civil liability pursuant to national, state, local, and foreign anti-bribery laws.

This Policy expressly prohibits offering or making improper payments in all business dealings, whether with the government or in the private sector. In particular, this Policy prohibits offering, promising or giving anything of value directly or indirectly (through a third party) to a Government Official to influence official action or to anyone (whether or not a Government Official) to induce him or her to act improperly. Special care is required when dealing directly or indirectly through any third party with Government Officials (which includes employees of state-owned enterprises) because special laws, including the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act of 2010, and considerations apply to providing things of value to such officials.

OFAC

The Office of Foreign Assets Control of the U.S. Treasury Department (“OFAC”) administers economic embargoes and sanctions programs targeting foreign countries, entities and individuals to counter threats to U.S. national security, foreign policy or the economy. U.S. legal entities and, in certain cases, owned or controlled non-U.S. affiliates of U.S. legal entities are required by law to comply with the embargoes and sanctions programs administered by OFAC. A United States national (citizen or permanent resident) is also required to comply with U.S. sanctions, regardless of where the U.S. national lives or for whom he or she works (non-U.S. nationals also are required to comply with OFAC-administered requirements while present in the United States). The OFAC-administered embargoes and sanctions programs are complex and subject to change at any time, but the persons described above are generally prohibited from engaging in transactions, directly or indirectly, with individuals, entities and countries or territories targeted by U.S. sanctions, unless the transactions are exempt or licensed by OFAC.

1. Persons Subject to the Policy

This Policy supports the Company’s commitment to conducting business consistent with the highest ethical standards and legal requirements. The Policy applies to the Company’s employees, directors, officers, members, principals, and any third-party intermediaries assisting or doing business on the Company’s behalf (collectively referred to as “Individuals”). Anyone who violates this Policy is subject to disciplinary action, including, but not limited to, termination of employment or business relationship, and referral to authorities for possible criminal and civil actions and penalties.

2. The Policy

Anti-Corruption

Do not offer, promise, pay, give or authorize the giving of anything of value (such as gifts, business entertainment, discounts, meals, travel, goods, services, jobs for relatives or charitable contributions) directly or indirectly (through a third party) to any Government Official, or to anyone (whether or not a Government Official) to influence a business or official decision and/or obtain or retain business or any advantage. This prohibition specifically includes giving things of value to any third party while knowing or being aware of a high probability that the third party will, in turn, offer, promise or provide a benefit prohibited by this Policy. This Policy also prohibits making small payments, sometimes called facilitation or grease payments, intended to speed up government or regulatory action to any Government Official.

OFAC

Do not engage in any dealings directly or indirectly involving a Target Country (as defined below) or its government (including agents, instrumentalities and controlled entities of that government, wherever located) or any other Target Person (as defined below).

3. Key Definitions

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Anything of Value - Any item of tangible or intangible value, broadly defined, in any form, including but not limited to cash, cash equivalents (such as gift cards, gift certificates and merchandise discounts), loans, gifts, travel, lodging, entertainment, meals, expense reimbursements, per diems, favors, business or employment opportunities, compliance with a request to provide a thing of value to a third person (such as a relative of a Government Official), contributions to a charity or other non-profit organization and promotional sponsorships.

Government Official - Refers to (i) any public or elected official, officer, employee (regardless of rank), or person acting on behalf of a national, provincial, or local government, department, agency, instrumentality, state-owned or state-controlled company, public international organization, political party or entity that is financed in large measure through public appropriations, is widely perceived to be performing government functions, or has its key officers and directors appointed by a government and (ii) any party official or candidate for political office or any person acting on behalf of such party official or candidate for political office. Examples of individuals who are Government Officials include: issuers of government permits, approvals or licenses; airport authorities; employees of national oil companies, state-owned factories or other state-owned or controlled businesses; customs agents; immigration or tax officials; and ministers or representatives of foreign governments.

Business Partner(s) - Third parties engaged by the Company or any entity owned or controlled by the Company who are expected to interact with Government Officials on behalf of the Company or any venture in which the Company has an economic interest, such as agents, brokers, intermediaries, advisors, consultants, representatives, joint venture partners, co-investors, franchisees, licensees, travel agents, freight forwarders, customs agents, tax advisors, law firms, finders, lobbyists, and accountants.

Target Countries - the countries subject to territorial U.S. sanctions amounting to a total U.S. embargo (as of March 1, 2018, Cuba, Crimea Region of Ukraine, Iran, North Korea, Sudan and Syria).

Target Persons - (i) individuals or entities (collectively, “**Persons**”) organized, incorporated, established, located, or resident in a Target Country; (ii) the governments, including any political subdivision, agency, or instrumentality thereof, of a Target Country; (iii) individuals who are nationals of Cuba, wherever located; (iv) individuals or entities identified on the list of Specially Designated Nationals and Blocked Persons (the “**SDN List**”), the Foreign Sanctions Evaders list, the Executive Order 13599 list, or the Sectoral Sanctions Identification List maintained by OFAC; (v) individuals or entities appearing on any other restricted party lists maintained by the U.S. Government or (vi) individuals or entities that are 50 percent or more, whether directly or indirectly, owned, whether individually or in the aggregate, or controlled, by, or acting on behalf of, any of the foregoing.

4. Books and Records

The Company requires that a system of adequate internal accounting controls be maintained and that individuals report and reflect all transactions fairly, accurately and in reasonable detail in the Company’s books and records. Our books and records must not contain any false or misleading statements or entries, such as recording a gift expense as something other than a gift. Never intentionally misclassify any transaction as to accounts, departments or accounting period. Maintain accurate, appropriate and reasonably detailed documentation to support all transactions, and preserve documents in accordance with the Company’s records and information management policies.

5. Gifts and Business Entertainment

Business decisions should be based on competitive factors. The offer or acceptance of gifts or business entertainment can create the appearance that business decisions are being influenced by other factors. Gifts or business entertainment should never be offered or accepted for improper purposes.

Expenditures directly related to the promotion or demonstration of the Company’s business products or services may be acceptable if they are reasonable, directly connected to the Company’s business activities, and are not made to secure an improper advantage. However, nothing should be offered to a Government Official, or to anyone, if it could reasonably be perceived as an attempt to influence a business or official decision and/or obtain or retain an unfair business or any advantage, or if it would adversely affect the Company’s reputation. The principles underlying this Policy must be followed regardless of the monetary value of anything given to a Government Official or any other third party.

All gifts and business entertainment must be:

- consistent with the Company’s business interests;
- not excessive by local or industry standards;
- not in the form of cash, regardless of the amount or the recipient;
- infrequent in occurrence;
- consistent with customary business practices;

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- given or accepted without an expectation of reciprocity;
- consistent with all laws and regulations;
- in compliance with pre-approval requirements, as outlined below; and
- recorded in accurate, appropriate, and reasonably detailed documentation.

Pre-Approval Requirements - Prior approval must be obtained in writing from the Chief Compliance Officer¹ for the following:

- a. Offering or giving any gift, business entertainment (including meals, travel, lodging, entertainment, participation in recreational activities or events, and tickets, passes or other access to cultural or sporting events), or any other thing of value to a Government Official, regardless of the amount;
- b. Offering or giving any business entertainment, or any other thing of value above \$200 to a private (i.e., non-Government Official) third party,
- c. Offering or giving a gift of cash equivalents (such as gift cards, gift certificates and merchandise discounts), discounts or rebates, regardless of the amount or recipient;
- d. Offering or giving a gift or gifts (other than cash equivalents, discounts or rebates) valued above \$200 in total per calendar year to a third party;
- e. Offering or giving anything of value to a third party if there is any risk that the frequency or value to be provided (alone or when combined) to the same person(s) could be viewed as anything other than occasional and reasonable, when measured against local norms; and
- f. Making political or charitable contributions, or engaging in political activities, other than on your own time, on your own behalf and from your personal funds as a private citizen.

Employees must not use personal funds or a third party to circumvent the requirements of this Policy.

Health and Safety Payments – If an individual reasonably believes that not paying a request or demand from a Government Official would result in an imminent threat to that individual’s health or safety or the health or safety of that individual’s family members, then the payment may be made. This exception only applies to physical health or safety; threats to commercial or financial interests will never justify the payment of such requests. Where such a payment must be made, the circumstances of the payment must be accurately recorded and reported in writing to the Chief Compliance Officer as soon as is practicable after the payment has been made.

6. Pre-Approval: Engaging Third Party Business Partners

The Company will not engage or do business with a Business Partner if the Company believes there is a risk that the Business Partner will violate anti-corruption laws or the prohibitions in this Policy. Prior to entering into a business relationship with any Business Partner who will interact with Government Officials on the Company’s behalf, pre-approval must be obtained in writing from the Chief Compliance Officer, who shall, or shall direct a designee, to take appropriate steps to review and assess a Business Partner. Such review steps may include requiring the proposed Business Partner to complete a due diligence questionnaire, making inquiries with market resources and references, conducting an interview with representatives of the proposed Business Partner, and, depending on the nature of the risks involved with the engagement, commissioning an enhanced due diligence report from an independent service provider (potentially involving public records, background, and source inquiries).

Following the completion of an appropriate review and authorization for engagement of the proposed Business Partner, the Company shall also:

- a. Ensure that the contract with the Business Partner contains anti-bribery representations and warranties authorized and approved by the Chief Compliance Officer, including confirmation that the Business Partner understands and agrees to abide by this Policy and the Company’s right to terminate the contract in the event of breach;
- b. Explain the Company’s expectations about compliance with anti-corruption laws and this Policy to the Business Partner and maintain a record of having done so; and
- c. Maintain all records related to the due diligence and engagement of the Business Partner.

¹ Roger B. Plank is designated as the interim Chief Compliance Officer until further notice.

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Employees who are responsible for the Company entering into an arrangement with a Business Partner must monitor such arrangement to ensure continued compliance by the Business Partner and notify the Company of any violations of this Policy by the Business Partner.

7. OFAC Compliance

All directors, officers and employees of the Company and its subsidiaries worldwide must comply with this section 7 and with U.S. and all other applicable laws and regulations related to economic sanctions. They may not take any actions intended to evade or to cause others to evade these laws.

Sanctions Screening - In order to ensure compliance with all applicable sanctions and to identify Target Persons, the Company conducts sanctions screening of all directors, officers, employees, customers, vendors and other service providers and counterparties against all relevant U.S. and other restricted party lists. Written documentation evidencing the results of the sanctions screening of each counterparty conducted shall be maintained and kept in the Company's electronic files.

Prohibitions - The Company, its subsidiaries and their respective directors, officers, and employees may not engage in any dealings directly or indirectly involving a Target Country or its government (including agents, instrumentalities, and controlled entities of that government, wherever located) or any other Target Person unless prior authorization has been obtained from OFAC or the appropriate governmental agency and the Chief Compliance Officer.

Prohibited activities include, but are not limited to, the following:

- the export, reexport, transfer, or import of goods, technology or services to, from, or through a Target Country to or from any destination;
- financial transactions or contracts or other dealings with, or new investments in or involving, a Person organized, located, or resident in a Target Country;
- sales to, purchases from, or dealings in goods, services or technology of, a Target Person;
- transactions or dealings in the property or property interests of a Target Person;
- investments in or with a Target Person; and
- the “facilitation” or assistance (including financing, guaranteeing, approving, brokering, providing business or legal planning, or other support) of a transaction by a non-U.S. Person that may involve a Target Country or a Target Person, which would be prohibited if engaged in directly by the Company or any of its subsidiaries.

The screening procedures set forth in this Policy are designed to ensure that the Company and its subsidiaries and their respective directors, officers, and employees do not engage in any prohibited activities, including those described above. Sanctions screening of all parties to any transaction to be conducted by the Company or any of its subsidiaries must be completed prior to shipping goods, providing services or making payments.

Penalties for Violations of U.S. Sanctions and this Policy - Penalties for violations of U.S. sanctions can be severe, and can include large monetary penalties for individuals and entities, and imprisonment for individuals. Violations can also result in denial of the Company's export privileges and reputational damage to the Company. Employees who fail to comply with U.S. or other applicable laws relating to sanctions or with this policy may be subject to disciplinary action by the Company, up to and including termination of employment.

8. Employee Cooperation, Training, and Certifications

The Company's commitment to high standards of ethical business conduct depends on you - every one of us must do our part. To that end, the Company expects you to adhere to this Policy, attend training where appropriate, and, upon request, provide written certification of your compliance with this Policy.

Employee Cooperation - From time to time, the Company may ask for your help with this Policy. If you are asked to help, we expect you to provide your full support and cooperation. Any failure to provide full, complete and truthful cooperation is itself a violation of this Policy, and grounds for disciplinary action by the Company in its discretion, up to and including termination.

Training - The Company requires that all employees complete anti-corruption and sanctions-related training. Depending on your job responsibilities, the Company may ask you to attend additional training on matters related to this Policy. If you are asked to do so, it does not mean that you have violated, or are suspected of violating, this Policy or any anti-corruption or sanctions laws or regulations. Rather, such training is a normal function of this Policy, and consistent with widely followed anti-corruption and sanctions compliance best practices.

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Certifications - As with training, you will be asked to periodically certify that you are in compliance with this Policy. Companies commonly use certifications to test the health of their anti-corruption and OFAC compliance policies, and the Company is no different. When you are asked to provide a certification in the future, it does not mean that you have violated, or are suspected of violating, this Policy or any anti-corruption or OFAC laws. It simply means that the Company is doing everything it can to ensure compliance with anti-corruption and OFAC laws.

Red Flags – One of the key aspects of anti-corruption due diligence and monitoring is the identification of “red flags” that may indicate unethical or corrupt business conduct. Employees should be especially conscious of the red flags listed on Annex A. If an employee identifies the existence of one or more red flags, he or she should raise them to the Chief Compliance Officer.

9. Auditing of Compliance with Policy

The Company will conduct periodic reviews and assessments to ensure adherence to this Policy. You are expected to cooperate with such reviews and assessments.

The Chief Compliance Officer has the authority over the interpretation and application of this Policy. The Policy is intended to provide direction and assist with your compliance. If you have questions about compliance with this Policy, including questions regarding potential matches to the SDN List or other sanctions lists or questions about a possible conflict between local sanctions laws applicable to your business unit and U.S. sanctions, the U.S. Foreign Corrupt Practices Act (FCPA) or other anti-corruption laws, contact the Chief Compliance Officer before taking action.

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ANNEX A RED FLAGS

1. The third party has a history of improper payment practices.
2. The transaction or the third party is in a country where there is widespread corruption.
3. The transaction or the third party is in a country that has a history of bribes and kickbacks.
4. The transaction or the third party is involved in or with an industry that has a history of anti-corruption violations.
5. The third party refuses to agree to comply with the anti-corruption laws.
6. The third party has a family or business relationship with a Government Official.
7. The third party has a poor business reputation.
8. The third party insists that its identity remain confidential or refuses to divulge the identity of its owners.
9. A government customer recommends or insists on the use of a particular intermediary or consultant.
10. The third party does not have offices or a staff.
11. The third party does not have significant experience.
12. The third party insists on unusual or suspicious contracting procedures.
13. The fee or commission to be paid to the third party is unusually high.
14. The payment mechanism to be utilized is secretive or unusual.
15. The third party submits inflated or inaccurate invoices.
16. The third party requests cash or bearer instrument payments.
17. The third party requests payment in a jurisdiction outside its home country that has no relationship to the transaction or the entities involved in the transaction.
18. The third party asks that a new customer be granted an excessive credit line.
19. The third party requests unusual bonus or special payments.
20. The third party requests an unusual advance payment.
21. The termination of a business relationship with a third party by another entity under suspicious or inadequately explained circumstances.
22. The third party relies heavily on political/government contacts to promote Company's interests