

1 January 2016

Corporate Social Responsibility (CSR) Policy **for** **Parami Energy Group of Companies**

PARAMI ENERGY GROUP OF COMPANIES defines Corporate Social Responsibility (CSR) as a framework for ethical governance as well as an approach to engage with communities. We address the core dimensions of CSR, as understood by both the international and Myanmar community, through our strong policy measures in operations, through our community engagement, and through our philanthropic initiatives.

Introduction:

This ethical business perspective and application permeates all aspects of our business and social programs. Parami is committed to conducting operations, and projects with integrity, excellence and professionalism. We extend such type of conduct to our (1) internal operations, (2) community engagements, and (3) charitable endeavors.

This CSR policy is divided into three segments. The first (1) segment outlines Parami's ethical governance measures for responsible business conduct in our operations. The second (2) section provides an overview of our engagement with communities in our areas of operations. The third (3) section outlines the criteria for our corporate philanthropies.

This policy is concurrently aligned with the Company's Code of Conduct policy of which some overlaps will be seen. This policy applies to all employees, officers and directors of the Company and its related subsidiaries or group of companies.

1. Corporate Governance:

1.1 Ethical Conduct & Regulations: Parami Energy abides by local laws and taxes. We implement a zero-tolerance policy towards corruption and bribery. Our Human Rights Policy is guided by the United Nations (UN) Declaration of Human Rights (See Annex A) and the UN Compact Initiative¹. The Company has been a member of the UN Compact since 2012. In addition, the Company agrees and is committed to follow the principles set forth by the Global Dignity Organization (See Annex B), a World Economic Forum initiative to promote human dignity (See www.globaldignity.org for more details).

For more in depth information please refer to our Code of Conduct and Human Rights Policy.

1.2 Environmental Standards & Operations: Our standards of operation are aligned with international criteria. We conduct impact assessments prior to community engagement and will draft comprehensive community grievance mechanisms and community development agendas (CDAs). Parami enforces a robust health, safety,

¹The UN Global Compact asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment and anti-corruption. For more information on the Principles on Human Rights, see <http://www.unglobalcompact.org/abouttheGc/TheTenprinciples/principle1.html>

and environment (HSE) policy. We are conducting trainings to implement environmental management systems such as ISO 14001 in our projects. Our environmental and social impact assessments are available upon request.

For more information, please refer to our Occupational Health and Safety Policy, Land acquisition policy, and Environmental Policy.

- 1.3 Management Systems:** As for internal management, Parami is in the process of implementing ISO 91000. Our employees are guaranteed fundamental labour rights, and they have the right to petition for redress of grievances. Senior staff members and heads of departments have recently completed compliance and anti-corruption training through our partner Weatherford International and TRACE trainings are in progress. All employees of the Company will not accept bribes, monetary benefits, goods, services and/or anything of value (such as bribes or kickbacks, financial advantages, or other kinds of benefits both tangible or intangible) from a third party in order to secure or reward an improper benefit of a function or activity.

Please refer to our Internal Grievance Policy, Whistle Blowing Policy, Anti-Corruption policy, and Employee Handbook for more information.

These principles and this policy apply to all employees, officers and directors of the Company and its related subsidiaries or group of companies.² The Company would incorporate these principles as stated above with its business partners and take appropriate measures into contracts with suppliers, business partners and distributors. It would also place emphasis on monitoring adherence by key suppliers to environmental, health and safety standards, prohibitions against forced and child labour, and local and hour wages.

2. Community Engagement

Given that we have been the subcontractors for a variety of projects, Parami has yet to engage directly with communities as the operator. As the operator of several incoming projects, we are looking forward to supporting strong community relationships. Our environmental and social impact assessments are available upon request. Our community development agendas (CDAs) in our operational blocks are forthcoming.

3. Corporate Philanthropy

Parami aims to inspire a fundamental shift in the role of business in Myanmar society and we interpret CSR as a powerful means to create positive social investments with our profits. We dedicate our profits to a range of philanthropies under a segment of our CSR program which we call Corporate Responsibility@Soul, or CR@Soul.

Through CR@Soul, Parami focuses its energy on improving education access to underprivileged rural youth, improving regional ecosystems, providing for disaster relief, and encouraging social-business enterprises which will ultimately become self-sustaining. The Myanmar government encourages local businesses to commit a percentage of profits to community development, a commitment that Parami takes seriously.

Under CR@Soul, Parami Energy plans to support a third of monastic education in Myanmar and is committed to extensive reforestation programs. Parami provides emergency assistance and creates development initiatives in remote regions. In light of the new business environment,

²From 1 April 2014, Parami requires all employees to be aware of this policy. This policy, along with the company's code of conduct, would be included and specifically told to new employees during the orientation phase.

Parami has also initiated a series of workshops to assist local businesses with Myanmar's entry into the ASEAN Economic Community.


Our CSR initiatives and philanthropies are guided by the following four concepts:

1. Parami addresses **cornerstone development issues** through our rural education initiatives. Since 2009 we have reached over 100,000 students by providing teacher salaries for monasteries across the country. We consider our network of monastic education to be our niche initiative.
2. Parami encourages **local participation and ownership** with our projects for long term success.
3. Parami encourages **sustainable business models** across the country.
4. Parami's CR@Soul initiatives work towards a gradual but more **widespread impact** by focusing on Myanmar's younger generation.

Political Contributions: The Company is proud of its strong commitment to the rural communities in Myanmar. While charitable contributions are encouraged, all contributions, whether in Corporate Social Responsibility (CSR), and/or charity works must be made in accordance with high ethical standards and in compliance with all applicable laws. In the course of CSR work, government officials, business partners and vendors may be involved in the charity process. However, all employees must take note that the principle of not receiving Anything of Value still stands. Company Employees should not make political contributions, in cash or in kind, to political candidates, political officials or political parties for the purpose of obtaining any benefit or favour in return.

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