

**CODE OF BUSINESS CONDUCT AND ETHICS**  
**DANCOR ENERGY, LLC.**



**Introduction**

This Code of Business Conduct and Ethics (the "Code") covers a wide range of business practices and procedures. It does not cover every issue that may arise, but it sets out basic principles to guide all employees of Dancor Energy, LLC. (the "Company"). All of our employees must conduct themselves according to the provisions of this Code and seek to avoid even the appearance of improper behavior. Unless otherwise specifically stated, this Code applies to every officer, director and employee of the Company. The Code should also be provided to and followed by all agents and representatives, including consultants, of the Company and Dancor Energy, LLC. and its subsidiaries (collectively, the "Partnership").

If a law conflicts with a policy in this Code, you must comply with the law; however, if a local custom or policy conflicts with this Code, you must comply with the Code. If you have any questions about these conflicts, you should ask your supervisor how to handle the situation.

*Those who violate the standards in this Code will be subject to disciplinary action, including the possibility of termination of employment. If you are in a situation that you believe may violate or lead to a violation of this Code, follow the guidelines described in Section 14 of this Code.*

**1. Compliance with Laws, Rules and Regulations**

Obeying the law, both in letter and in spirit, is the foundation on which the ethical standards of this Company and the Partnership are built. All employees must respect and obey the laws of the cities, states and countries in which we operate. These include routine laws such as traffic laws and anti-littering laws, to laws the violation of which can have graver consequences. Although not all employees are expected to know the details of these laws, it is important to know enough to determine when to seek advice from supervisors, managers or other appropriate personnel.

The Company will from time to time hold information and training sessions to promote compliance with laws, rules and regulations, including insider-trading laws.

**2. Conflicts of Interest**

A "conflict of interest" exists when a person's private interest interferes in any way with the interests of the Company. A conflict situation can arise when an employee, officer or director takes actions or has interests that may make it difficult to perform his or her Company work objectively and effectively. Conflicts of interest may also arise when an employee, officer or director, or members of his or her family, receives improper personal benefits as a result of his or her position in the Company. Loans to, or guarantees of obligations of, employees and their family members may create conflicts of interest.

It is almost always a conflict of interest for a Company employee to work simultaneously for a competitor, customer or supplier. You are not allowed to work for a competitor of the Company or the Partnership as an employee, consultant or board member. The best policy is to avoid any direct or indirect business connection with customers, suppliers or competitors of the Company or the Partnership, except on behalf of the Company or the Partnership.

Conflicts of interest are prohibited as a matter of Company policy, except under guidelines approved by the Partners listed below. Conflicts of interest may not always be clear-cut, so if you have a question, you should consult with higher levels of management or the Company's General Counsel, whose contact information can be found in Section 14, below. Any employee, officer or director who becomes aware of a conflict or potential conflict should bring it to the attention of a

supervisor, manager or other appropriate personnel or consult the procedures described in Section 14 of this Code.

### **3. Insider Trading**

Employees, officers and directors who have access to confidential information are not permitted to use or share that information for purposes of trading in the units of the Partnership or for any other purpose except the conduct of the Partnership's business. All non-public information about the Company or the Partnership should be considered confidential information. To use non-public information for personal financial benefit or to "tip" others who might make an investment decision on the basis of this information is not only unethical but also illegal. If you have any questions, please consult the person whose contact information can be found in Section 14, below.

### **4. Corporate Opportunities**

Employees, officers and directors are prohibited from taking for themselves personally opportunities that are discovered through the use of Company or Partnership property, information or position without the consent of the Partners of the Company. No employee may use Company or Partnership information or position for improper personal gain, and no employee may compete with the Partnership directly or indirectly. Employees, officers and directors owe a duty to the Company and the Partnership to advance the respective legitimate interests of the Partnership when the opportunity to do so arises.

### **5. Competition and Fair Dealing**

We seek to outperform our competition fairly and honestly. We seek competitive advantages through superior performance, never through unethical or illegal business practices. Each employee should endeavor to respect the rights of and deal fairly with customers, suppliers, competitors and employees. No employee should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other intentional unfair-dealing practice.

The purpose of business entertainment and gifts in a commercial setting is to create good will and sound working relationships, not to gain unfair advantage with customers. No gift or entertainment should ever be offered, given, provided or accepted by any Company employee, family member of an employee or agent unless it: (1) is not a cash gift, (2) is consistent with customary business practices, (3) is not excessive in value, (4) cannot be construed as a bribe or payoff, and (5) does not violate any laws or regulations. Please discuss with your supervisor any gifts or proposed gifts which you are not certain are appropriate.

### **6. Discrimination and Harassment**

The diversity of the Company's employees is a tremendous asset. We are firmly committed to providing equal opportunity in all aspects of employment and **WILL NOT TOLERATE ANY ILLEGAL DISCRIMINATION OR HARASSMENT OF ANY KIND**. Examples include derogatory comments based on racial or ethnic characteristics and unwelcome sexual advances.

### **7. Health and Safety**

The Company strives to provide each employee with a safe and healthful work environment. Each employee has responsibility for maintaining a safe and healthy workplace for all employees by following safety and health rules and practices and reporting accidents, injuries and unsafe

equipment, practices or conditions. Equally important is the need to keep the Company's equipment, vehicles and other operating assets safe and in good operating condition, and to conduct ourselves in a manner that does not increase the inherent risk posed by our business. Violence and threatening behavior are not permitted. Employees should report to work in condition to perform their duties, free from the influence of illegal drugs or alcohol. The use of illegal drugs in the workplace will not be tolerated. Employees should report to work on time.

## **8. Record-Keeping**

The Company requires honest and accurate recording and reporting of information in order to make responsible business decisions and to make full, fair, accurate, timely, and understandable disclosure in reports and documents that the Partnership is required to file or submit to various governmental authorities, including the Securities and Exchange Commission, the Federal Energy Regulatory Commission, and the various public utilities commissions that have jurisdiction over the Partnership's operations. A few examples of the many areas where honest and accurate reporting are essential are hours of work, accident and injury reports, pipeline incident reports, and transportation volume records.

Many employees regularly use business expense accounts, which must be documented and recorded accurately. If you are not sure whether a certain expense is legitimate, ask your supervisor. Rules and guidelines are available.

All of the books, records, accounts and financial statements of the Company and the Partnership must be maintained in reasonable detail, must appropriately reflect the Company's and the Partnership's transactions and must conform both to applicable legal requirements and to the Company's and the Partnership's system of internal controls. Unrecorded or "off the books" funds or assets should not be maintained unless permitted by applicable law or regulation.

Business records and communications often become public, and we should avoid exaggeration, derogatory remarks, guesswork, or inappropriate characterizations of people and companies that can be misunderstood. This applies equally to e-mail, internal memos, and formal reports. Records should always be retained or destroyed according to the Company's record retention policies. With those policies, in the event of litigation or governmental investigation please consult with the proper person, whose contact information is in paragraph 14.

## **9. Confidentiality**

Employees, officers and directors must maintain the confidentiality of confidential information entrusted to them by the Company, the Partnership or its customers, except when disclosure is authorized by the Company or required by laws or regulations. Confidential information includes all non-public information that might be of use to competitors, or harmful to the Company, the Partnership or its customers, if disclosed. It also includes information that suppliers and customers have entrusted to us. The obligation to preserve confidential information continues even after employment ends.

## **10. Protection and Proper Use of Company Assets**

All employees should endeavor to protect the assets of the Company and the Partnership and ensure their efficient use. Theft, carelessness, and waste have a direct impact on the Partnership's profitability. Any suspected incident of fraud or theft should be immediately reported to the Company's Partners for investigation. Company or Partnership equipment should not be used for non-Company or non-Partnership business, though incidental personal use may be permitted. The obligation of employees to protect the assets of the Company and the Partnership includes their proprietary information. Proprietary information includes intellectual property such as trade secrets, patents, trademarks, and copyrights, as well as business, marketing and service

plans, engineering and manufacturing ideas, designs, databases, records, salary information and any unpublished financial data and reports. Unauthorized use or distribution of this information would violate Company policy. It could also be illegal and result in civil or even criminal penalties.

### **11. Payments to Government Personnel**

The U.S. Foreign Corrupt Practices Act prohibits giving anything of value, directly or indirectly, to officials of foreign governments or foreign political candidates in order to obtain or retain business. It is strictly prohibited to make illegal payments to government officials of any country. In addition, the U.S. government has a number of laws and regulations regarding business gratuities which may be accepted by U.S. government personnel. The promise, offer or delivery to an official or employee of the U.S. government of a gift, favor or other gratuity in violation of these rules would not only violate Company policy but could also be a criminal offense. State and local governments, as well as foreign governments, may have similar rules.

### **12. Waivers of the Code of Business Conduct and Ethics**

Any waiver of this Code may be made only by the Partners of the Company and will be promptly disclosed as required by law or stock exchange regulation.

### **13. Reporting any Illegal or Unethical Behavior**

Employees are encouraged to talk to supervisors, or other appropriate personnel about observed illegal or unethical behavior and when in doubt about the best course of action in a particular situation. It is the policy of the Company not to allow retaliation for reports of misconduct by others made in good faith by employees. Employees are expected to cooperate in internal investigations of misconduct.

### **14. Compliance Procedures**

We must all work to ensure prompt and consistent action against violations of this Code. However, in some situations it is difficult to know right from wrong. Since we cannot anticipate every situation that will arise, it is important that we have a way to approach a new question or problem. These are the steps to keep in mind:

- Make sure you have all the facts. In order to reach the right solutions, we must be as fully informed as possible.
- Ask yourself: What specifically am I being asked to do? Does it seem unethical or improper? This will enable you to focus on the specific question you are faced with, and the alternatives you have. Use your judgment and common sense; if something seems unethical or improper, it probably is.
- Clarify your responsibility and role. In most situations, there is shared responsibility. Are your colleagues informed? It may help to get others involved and discuss the problem.
- Discuss the problem with your supervisor. This is the basic guidance for all situations. In many cases, your supervisor will be more knowledgeable about the question, and will appreciate being brought into the decision-making process. Remember that it is your supervisor's responsibility to help solve problems.