

Western Bulk

Code of Conduct

1 Introduction

1.1 General statement

This document sets out Western Bulk's (the Company) Code of Conduct; what we value, how we work – and the behaviour we expect from all our employees. Our reputation is a key business asset and is critical to our long-term success. It gives our clients, employees, partners, suppliers, investors and other stakeholders the confidence to rely on us and to conduct business with us. A good reputation is hard to win, but can be easily lost. One wrong decision, by one person, can have a far-reaching impact. In every country in which we operate, Western Bulk shall abide by applicable laws, rules and regulations. If in doubt or faced with a dilemma, always seek advice.

In addition to this document, Western Bulk also issues specific internal policies, instructions and guidelines related to various topics, many of which are also described in our Code of conduct. These steering documents are available to all employees, and shall be equally respected.

1.2 Scope of application

This Code of Conduct underscores the principles by which we conduct our relations with clients, employees, partners, suppliers, investors, and other stakeholders. It applies to all members of the Board of Directors, management and staff employed by the Company. Western Bulk encourages suppliers, consultants and other business partners within our sphere of influence to adhere to these principles.

1.3 Values

It is the responsibility of Western Bulk's managers to communicate and demonstrate the content as well as the spirit of this document within their Business Units and departments. Employees are expected to report behavior that may be non-compliant with these principles. Explicit or implicit approval of questionable actions is not tolerated.

Western Bulk shall enjoy an invaluable reputation for corporate trustworthiness around the world, based on consistently conducting business with integrity and in compliance with the laws and regulations governing our activities. Directors and employees must practice fairness, honesty and integrity in every aspect of dealing with other employees, business relations and customers, the public, the business community, shareholders, suppliers, competitors, and government authorities. Our corporate values (new-thinking, responsive, agile, approachable, reliable and risk aware) and respect for the four pillars of the UN Global Compact (human rights, labor, environment, and anti-corruption), shall be reflected, promoted and implemented in our policies, decisions and actions.

2 Confidentiality

Disclosing confidential information can destroy its value, prejudice Western Bulk or third parties, and damage the trust people have in our company. All employees shall preserve the confidentiality of information obtained in the course of employment. Unless specifically authorized to do so by the Chief Executive Officer ("CEO"), no employee shall give out any information of a confidential nature concerning Company business or our relationship with any client to an unauthorized fellow employee or anyone outside the Company.

2.1 Privacy of information

Western Bulk shall respect the privacy of information and make sure confidential information never gets into the wrong hands. We shall abide by all applicable legal requirements, such as data protection and privacy laws, protecting the privacy of a customer's or an employee's personal information. Appropriate processes and systems shall be in place to safeguard access to this type of information. Western Bulk shall respect customer and employee related information and protect its security, confidentiality and integrity. All customer and employee personal information is classified as confidential and may not be disclosed except as permitted by law and applicable regulations. Access to customer and employee personal information shall be strictly controlled on a "need to know" basis and used for legitimate business purposes only.

The duty of confidentiality continues to apply after termination of the employment or after the complement of an assignment.

2.2 Confidential information

All confidential information must be protected, but some information is particularly sensitive. Information that is not publicly available, and could affect someone's decision to buy or sell bonds or stocks issued by the Company is classified as "insider information". As the bonds issued by Western Bulk are listed on Oslo ABM, the Company is subject to insider trading rules.

2.3 Investor communications

Western Bulk encourages dialogue with our investors (shareholders and bondholders) through appropriate forums based on the principle of equal treatment and access to information. We shall provide all information relevant for the evaluation of the Company's operations and value to our shareholders and bondholders in a timely and accurate manner, complying with applicable regulations for bonds listed on Oslo ABM. We shall seek to inform, never mislead, and never disclose insider information to anyone who is not authorized to receive such information and bound by the strict regulations related to receiving insider information.

2.4 Information and IT systems

Information and IT systems are an integral and important part of Western Bulk's daily operations. Securing and protecting these significant and costly resources from misuse or malicious activity is the responsibility of those who manage systems as well as those who use them. Effective security is a team effort involving the participation and support of all users. It is a collective responsibility to ensure information and IT systems are secure and only used for intended purposes.

Unless otherwise specified in this policy and other applicable policies, use of information technology resources is restricted to purposes related to Western Bulk business. Eligible individuals are provided with various levels of access in order to support their duties as employees. Employees may not share or transfer to others their account information, including network IDs, passwords or other access codes that allows them to gain access to Company IT resources. Personal use shall under no circumstances involve violations of the law, interfere with the fulfillment of an employee's responsibilities, or adversely impact or conflict with activities supporting the mission of the Company.

Users are prohibited from engaging in any activity that is illegal under local or international law or in violation of Company policy. This includes, but is not limited to excessive non-priority use of computing resources (e.g. unnecessarily increase/overload network traffic); unacceptable system and network activities (e.g. circumventing access authorizations); unauthorized use of intellectual property (e.g. disclosing trade secrets); inappropriate or malicious use of IT systems (e.g. surfing on pornographic sites) or misuse of electronic communications (e.g. forwarding spam or mass e-mails).

2.5 Social Media

Social media is defined as the social interaction among people in creating, sharing or exchanging information and ideas in virtual communities and networks, such as LinkedIn, Facebook, Twitter, blogs etc. All employees are free to engage in social media and express their private opinions publicly. However, employees must make sure to underline that they are speaking on their own behalf and not on Western Bulk's behalf. Employees may not share any Company details or engage in debates about Western Bulk in social or other media. Only individuals authorized to speak on the Company's behalf may do so.

For security reasons, employees shall be careful about leaving electronic trails related to work in social media, such as "checking in" at various locations when on business trips. Employees should also be cautious about uploading travel itineraries into travel applications. When such information is shared and stored via third parties, Western Bulk no longer retains control or sole possession of this information.

Employees shall respect the privacy of colleagues and business partners and should not post pictures from work related events or settings in social media.

3 Conflicts of interest

Conflicts of interest arise when we find ourselves in a position where two or more interests compete, potentially compromising our judgment or independence. Often, perceptions of a conflict of interest can be just as damaging as an actual conflict of interest, thus obliging us to be open and transparent with our superiors about such potential conflicts. We all have a general duty to avoid conflicts of interest, and appearance thereof. All employees shall immediately notify the Chief Financial Officer ("CFO") in writing if they have any material direct or indirect interest in any transaction entered into, or about to be entered into, by Western Bulk. Employees shall not use an opportunity obtained as a result of their employment with the Company to acquire another business enterprise, to acquire property, to market any products or to engage in any activity for personal gain.

All employees of Western Bulk and its subsidiaries have a duty and obligation to cooperate in disclosing activities which may constitute, or appear to constitute, a breach of the conflict of interest provisions in this Code of Conduct together with such other information which can assist the Company in determining whether a conflict of interest exists.

3.1 Gifts, Meals, Entertainment and Travel

To foster goodwill or enhance business relationships, employees may occasionally receive or offer gifts, meals and other types of entertainment in connection with our business. Western Bulk recognizes this, and small gifts, reasonable meals, entertainment and promotional expenses can be a legitimate part of conducting business. However, giving and receiving gifts, entertaining with external guests and business contacts, and participating in or hosting seminars, shall be exercised with caution. Even modest gifts or events may be considered bribery, or appear to be bribery or a potential conflict of interest. Large, extravagant gifts will likely evidence corrupt intent and are not legal in most jurisdictions. Hence, Western Bulk employees shall never offer or accept payments, gifts, reimbursements or other undue advantages for personal or company gain, which could affect or even appear to affect the objectivity of business decisions.

All gifts or other entertainment given to third parties shall be done so openly and transparently, be properly recorded in the accounting books and records of Western Bulk, provided only to reflect esteem or gratitude, and permitted under local law.

3.2 Corruption and Facilitation Payments

General corruption is the act of giving, offering or promising a financial or other improper advantage, directly or indirectly, normally to influence or induce a person to perform any public or business-related function improperly or to obtain or retain business. The offence applies to both the giver and recipient of the improper advantage and covers both the public and private sector.

Facilitation payments, also known as expediting payments grease payments, are low value amounts (e.g. petty cash, cigarettes, alcohol) paid to a low level officials to secure or expedite a routine service or official action (e.g. permits, licenses, visas, work orders etc.) which the Company is already entitled to receive. Facilitation payments are defined as bribery under several jurisdictions, unless a result of illegal extortion.

Western Bulk does not tolerate corruption and shall take necessary measures to minimize the risk of such practices occurring. This includes having an adequate anti-corruption program in place to capture and reveal any incidents of corruption or suspicion thereof.

We shall work actively against corruption and facilitation payments at all levels of the organization and engage in collective action worldwide through our membership in the Maritime Anti-Corruption Network (MACN). In some countries, however, facilitation payments and bribes are regrettably almost unavoidable in terms of doing business, particularly when it comes to port calls. Western Bulk recognizes that facilitation payments represent a challenge in several countries, and is committed to working towards eliminating such practices.

3.3 Third parties

3.3.1 Business partners

Western Bulk's dealings with its business partners shall be characterized by fairness. When acting on behalf of the Company, directors and employees shall not take unfair advantage through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or other unfair dealing practices.

We shall not offer customers, potential customers, vendors, or any representatives of such entities, any rewards or benefits in violation of either applicable laws or reasonable and generally accepted business practices. Company employees must not accept payments, gifts, or other kinds of reimbursements from a third party that would affect or appear to affect their objectivity in business decisions.

3.3.2 Agents, brokers and other intermediaries

Western Bulk shall only use agents, brokers or other third party representatives if they are known to act to a standard consistent with our Code of Conduct, and we shall perform risk based due diligence reviews in the process to engage them. Ignorance of what an agent, broker or other intermediary is doing on our behalf or in our name is not an excuse. This particularly relates to issues concerning facilitation payments, bribery and corruption in ports around the globe, irregular commission structures and other payments and actions performed by intermediaries on our behalf.

3.3.3 Government officials and politically exposed persons

A government official is any officer or employee of a government, department or agency. This includes government-owned or government-controlled state enterprises, any person acting in an official capacity for, or on behalf of a government, government entity, public international organization, political party or party official, or any candidate for political office. Public officials include not only elected officials, but also consultants who hold government positions, and employees of companies owned by a government and political party officials. Politically exposed persons (PEPs) are individuals holding important public positions as well as persons or companies clearly related to them (i.e. families, close associates etc.).

It is important to note that relations and dealings with government officials and PEPs should be handled with due care, as conflicts of interest and corruption risk are considered particularly critical when it comes to such individuals. Western Bulk shall be careful about authorizing gifts or payments to public officials and PEPs (including commercial or civic organizations owned, controlled, administered, or managed by government officials or PEPs). Any such gifts or payments must comply with our policies on Gifts and entertainment and Anti-corruption.

3.4 Fair competition

Western Bulk will compete in a fair and ethically justifiable manner in relation to competitors as well as to customers and suppliers. Western Bulk will under no circumstances cause or be part of any breach of general or special competition regulations, such as illegal pricing cooperation, illegal market sharing or any other behavior that is in breach of applicable competition legislation.

3.5 External Assignments

Employees and members of the Board of Directors of Western Bulk shall conduct their private and other external activities and financial interests in a manner that does not conflict or appear to conflict with the interests of the Company. Should such a conflict of interest arise, the person subject to the conflict must report it immediately to the CFO.

No employee may serve as an officer, director or member of management of another business enterprise without prior approval of the CFO. This restriction does not apply to positions in non-profit, religious, charitable, civic organizations or similar associations.

3.6 Political Involvement

Western Bulk shall observe neutrality with regard to political parties and candidates. Neither the name nor the assets of the Company shall be used to promote the interests of political parties or candidates. Employees are not restricted from exercising freedom of expression in the public domain. However, it is essential that it is made clear that any political statements made by employees are their own and not those of Western Bulk.

4 Integrity

Individually and collectively, personal integrity supports the honest use of time, funds and property in ethical dealings with employees and others. Business needs take priority in the allocation of our time at work. Use of company time and property is for business purposes only, unless otherwise authorized by management. Employees and directors shall consciously set high standards of courtesy, professionalism, respectfulness and honesty in interactions with customers, suppliers, employees and the community.

4.1 Human Rights

Within our sphere of influence, Western Bulk shall support, respect and commit to the principles set out in UN's Universal Declaration of Human Rights and ensure that we are not complicit in human rights abuses.

4.2 Labor

No form of forced, compulsory or child labor is tolerated within Western Bulk. Children below the age of 15 shall not be employed. Freedom of association and the right to collective bargaining and agreements shall be respected in all operations of the Company. The necessary conditions for a safe and healthy work environment shall be provided for all employees. For its chartered-in vessels, Western Bulk's charterparties require that the vessel owners follow the International Convention for the Safety of Life at Sea (SOLAS).

4.3 Working environment

Western Bulk encourages an open work environment. Harassment or behavior that may be perceived as threatening or disrespectful is unacceptable. The Company prohibits unlawful discrimination against employees, shareholders, directors, customers and suppliers on account of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, union affiliation, social or ethnic origin, and all employees and officers shall assist in creating a work environment free from such discrimination. Workplace diversity at all levels is encouraged. All persons shall be treated with dignity and respect and they shall not be unreasonably interfered with in the conduct of their duties and responsibilities.

Western Bulk will ensure that wages paid to employees and hired labor are considered fair and meets any national legal standards on minimum wage, and that working hours are not excessive and as a minimum complies with applicable local laws or agreements.

4.4 External Environment

Western Bulk supports the precautionary principle by avoiding materials and methods posing environmental and health risks as far as reasonably practicable. Western Bulk shall routinely report on its environmental performance, with particular emphasis on evaluating the potential risks of present and future assets and operations.

Western Bulk will endeavor to run our business operations in accordance with internationally recognized environmental management standards and aim for continuous improvement of our environmental awareness. We will comply with all environmental legislation and discharge permits applicable to our business operations. We will work to achieve energy efficiency and to minimize harmful discharge, emissions and waste production in a lifecycle perspective.

4.5 Purchase of Sexual Services

Purchase of sexual services may support human trafficking. Human trafficking is illegal and a violation of human rights. Employees shall refrain from purchasing sexual services when on assignments and business trips for Western Bulk.

4.6 Intoxicants

Western Bulk is a drug-free workplace. No one should consume, or encourage others to consume, alcohol in a manner that can place him or her, Western Bulk, or any of its business associates in an unfavorable light. This also applies while at work on assignments and business trips for Western Bulk.

5 Accounting and internal control

5.1 Books and Records

It is important to ensure that our financial reports and records are complete and accurate, representing the true state of the business. All financial transactions shall be reported in accordance with generally accepted accounting practices, and accounting records must show the nature of all transactions in a correct and non-misleading manner. We shall provide open, truthful, relevant, comprehensible, and timely disclosure of accounting records.

5.2 Internal control

Internal control is a process for assuring achievement of an organization's objectives in operational effectiveness and efficiency, reliable financial reporting, and compliance with laws, regulations and policies. Internal control involves everything that controls an organization's risks. Management is responsible for establishing adequate internal controls and creating a viable control environment. All Western Bulk employees are required to observe and follow existing internal control procedures. Circumvention or override of controls is strictly prohibited.

5.3 Integrity Due diligence

Integrity Due diligence is the investigation of a business or a person prior to signing a contract with a certain standard of care. Western Bulk shall have in place a risk-based system of due diligence, including integrity checks, background checks, credit checks, and other relevant investigative measures with regard to new agents, brokers and other intermediaries acting on our behalf.

5.4 Anti-money laundering

Money laundering is the process of taking the proceeds of criminal activity and making them appear legal. Western Bulk shall take the necessary steps in order to prevent our financial transactions from being used by others to launder money. Adequate, risk-based control procedures shall be conducted to minimize the risk of inadvertently engaging in money laundering activities.

6 Training and Affirmation

All Western Bulk employees shall undergo at least annual compliance training regarding issues covered in this Code of Conduct, as well as training related to other relevant underlying policies, instructions and guidelines. Employees must provide annual affirmation that they have read, understood and complied with the principles of this Code of Conduct. New employees shall be given a copy of this Code of Conduct and provide sign-off in connection with signing their offer of employment. Employees shall also provide annual reporting of external assignments/positions/ownership interests that may represent a conflict of interest between the employee or her/his close associates and Western Bulk. The Compliance Department shall maintain a record of sign-offs for audit and assurance purposes.

7 Raising Concerns / Reporting

Employees are encouraged to report violations of this Code of Conduct to their immediate line manager, or her/his superior if this is not appropriate or desirable due to the circumstances. If, for whatever reason, these options are not feasible or desirable, please report to the appropriate role in the company, depending on the circumstances, including the Compliance Manager, the Chief Risk Officer (CRO), the CEO, the Legal Counsel or the Board. Employees may also report anonymously or confidentially through the corporate Raising concern channel. Persons reporting violations in good faith shall not be subject to reprisal.

8 Enforcement

This Code of Conduct shall be respected, and promptly and consistently enforced. Failure to comply with its provisions can result in internal disciplinary action, including dismissal with or without notice, and also lead to civil and criminal prosecution. WB's Compliance Committee, and the Board if necessary, handles disciplinary matters.

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