



**PETRONOR E&P**

# **CORPORATE GOVERNANCE PLAN**

**PETRONOR E&P LIMITED**

**(FORMERLY AFRICAN PETROLEUM CORPORATION LIMITED)**

**ABN 87 125 419 730**

# **CORPORATE GOVERNANCE PLAN**

**AFRICAN PETROLEUM CORPORATION  
LIMITED**

**ABN 87 125 419 730**

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## **SCHEDULE 1 BOARD CHARTER**

In carrying out the responsibilities and powers set out in this Charter, the Board of African Petroleum Corporation Limited (**Company**) (**Board**):

- (a) recognises its overriding responsibility to act honestly, fairly, diligently and in accordance with the law in serving the interests of its shareholders; and
- (b) recognises its duties and responsibilities to its subsidiaries, employees, stakeholders and the community.

### **1. THE SPECIFIC RESPONSIBILITIES OF THE BOARD**

In addition to matters it is expressly required by law to approve, the Board has the following specific responsibilities:

- (a) appointment of the Chief Executive Officer and other senior executives and the determination of their terms and conditions including remuneration and termination;
- (b) driving the strategic direction of the Company, ensuring appropriate resources are available to meet objectives and monitoring management's performance;
- (c) reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance;
- (d) approving and monitoring the progress of major capital expenditure, capital management and significant acquisitions and divestitures;
- (e) approving and monitoring the budget and the adequacy and integrity of financial and other reporting;
- (f) approving the annual, half yearly and quarterly accounts;
- (g) approving significant changes to the organisational structure;
- (h) approving the issue of any shares, options, equity instruments or other securities in the Company;
- (i) ensuring a high standard of corporate governance practice and regulatory compliance and promoting ethical and responsible decision making;
- (j) recommending to shareholders the appointment of the external auditor as and when their appointment or re-appointment is required to be approved by them; and
- (k) meeting with the external auditor, at their request, without management being present.

## 2. COMPOSITION OF THE BOARD

- (a) The composition of the Board is to be reviewed regularly to ensure the appropriate mix of skills and expertise is present to facilitate successful strategic direction.
- (b) In appointing new members to the Board, consideration is given to the ability of the appointee to contribute to the ongoing effectiveness of the Board, to exercise sound business judgement, to commit the necessary time to fulfil the requirements of the role effectively and to contribute to the development of the strategic direction of the Company.
- (c) The majority of the Board is comprised of non-executive Directors. Where practical, at least 50% of the Board will be independent. An independent Director is one who is independent of management and free from any business or other relationship, which could, or could reasonably be perceived to, materially interfere with, the exercise of independent judgement. Independent Directors should meet the definition of what constitutes independence as set out in the ASX Corporate Government guidelines and the Sarbanes-Oxley Act of 2002 as set out in Annexure A.
- (d) Directors must disclose their interests. The independence of the Directors should be regularly assessed by the Board in light of the interests disclosed by them.
- (e) Directors are expected to bring their independent views and judgement to the Board and must declare immediately to the Board any potential or active conflicts of interest.
- (f) Directors must declare immediately to the Board, and the Board will determine whether to declare to the market, any loss of independence.
- (g) No member of the Board may serve for more than three years or past the third annual general meeting following their appointment, whichever is the longer, without being re-elected by the shareholders.
- (h) Prior to the Board proposing re-election of non-executive Directors, their performance will be evaluated by the Nomination Committee to ensure that they continue to contribute effectively to the Board.
- (i) The Board should comprise Directors with a mix of qualifications, experience and expertise which will assist the Board in fulfilling its responsibilities, as well as assisting the Company in achieving growth and delivering value to shareholders.

### **3. THE ROLE OF THE CHAIRMAN**

- (a) The Chairman should be a non-executive Director. If a Chairman ceases to be an independent Director then the Board will consider appointing a lead independent Director.
- (b) The Chief Executive Officer should not be the Chairman of the Company during his term as Chief Executive Officer or in the future.
- (c) The Chairman must be able to commit the time to discharge the role effectively.
- (d) The Chairman is responsible for the leadership of the Board, ensuring it is effective, setting the agenda of the Board, conducting the Board meetings and conducting the shareholder meetings.
- (e) The Chairman should facilitate the effective contribution of all Directors and promote constructive and respectful relations between Board members and management.
- (f) In the event that the Chairman is absent from a meeting of the Board then the Board shall appoint a Chairman for that meeting.

### **4. BOARD COMMITTEES**

- (a) To assist the Board in fulfilling its duties, the Board has established the following committees, each with written terms of reference:
  - (i) Audit and Risk Committee;
  - (ii) Remuneration Committee;
  - (iii) Nomination Committee; and
  - (iv) Continuous Disclosure Committee.
- (b) The charter of the Committees is approved by the Board and reviewed following any applicable regulatory changes.
- (c) The Board will ensure that the Committees are sufficiently funded to enable them to fulfil their roles and discharge their responsibilities.
- (d) Members of Committees are appointed by the Board. The Board may appoint additional Directors to Committees or remove and replace members of Committees by resolution.
- (e) The minutes of each Committee meeting shall be provided to the Board at the next occasion the Board meets following approval of the minutes of such Committee meeting.

## **5. BOARD MEETINGS**

- (a) There must be two Directors present at a meeting to constitute a quorum.
- (b) The Board will schedule formal Board meetings at least quarterly and hold additional meetings, including by telephone, as may be required. All Directors will be given adequate notice of scheduled Board meetings, to facilitate full attendance.
- (c) Non-executive Directors may confer at scheduled times without management being present.
- (d) The minutes of each Board meeting shall be prepared by the Company Secretary, approved by the Chairman and circulated to Directors after each meeting.
- (e) The Company Secretary shall distribute supporting papers for each meeting of the Board as far in advance as practicable.
- (f) Minutes of meetings must be approved at the next Board meeting.

## **6. THE COMPANY SECRETARY**

- (a) When requested by the Board the Company Secretary will facilitate the flow of information of the Board, between the Board and its Committee and between senior executives and non-executive Directors.
- (b) The Company Secretary is to facilitate the induction of new Directors.
- (c) The Company Secretary is to facilitate the implementation of Board policies and procedures.
- (d) The Company Secretary is to provide advice to the Board, on corporate governance matters and law.
- (e) All Directors have access to the advice and services provided by the Company Secretary.
- (f) The Board has the responsibility for the appointment and removal of the Company Secretary.

## **7. ACCESS TO ADVICE**

- (a) All Directors have unrestricted access to company records and information except where the Board determines that such access would be adverse to the Company's interests.
- (b) All Directors may consult management and employees as required to enable them to discharge their duties as Directors.

- (c) The Board, Board Committees or individual Directors may seek independent external professional advice as considered necessary at the expense of the Company, subject to prior consultation with the Chairman. A copy of any such advice received is made available to all members of the Board.

## **8. THE BOARD'S RELATIONSHIP WITH MANAGEMENT**

- (a) The Board shall delegate responsibility for the day-to-day operations and administration of the Company to the Chief Executive Officer, Chief Operating Officer and other designated consultants of the Company.
- (b) In addition to formal reporting structures, members of the Board are encouraged to have direct communications with management and other employees within the Group to facilitate the carrying out of their duties as Directors.

## **9. PERFORMANCE REVIEW**

The Nomination Committee shall conduct an annual performance review of the Board that:

- (a) compares the performance of the Board with the requirements of its Charter;
- (b) critically reviews the mix of the Board; and
- (c) suggests any amendments to the Charter as are deemed necessary or appropriate.

## **10. DISCLOSURE POLICY**

The Board should ensure that the Company has in place effective disclosure policies and procedures so that shareholders and the financial market are fully informed to the extent required by the applicable disclosure rules and legislation on matters that may influence the share price of the Company or its listed debt securities.



## **SCHEDULE 2 CORPORATE CODE OF CONDUCT**

### **1. PURPOSE**

The purpose of this Corporate Code of Conduct is to provide African Petroleum Corporation Limited (**Company**) with a framework for decisions and actions in relation to ethical conduct in employment. It underpins the Company's commitment to integrity and fair dealing in its business affairs and to a duty of care to all employees, clients and stakeholders. The document sets out the principles covering appropriate conduct in a variety of contexts and outlines the minimum standard of behaviour expected from employees.

### **2. ACCOUNTABILITIES**

#### **2.1 Managers and Supervisors**

Managers and supervisors are responsible and accountable for:

- (a) undertaking their duties and behaving in a manner that is consistent with the provisions of the Code of Conduct;
- (b) the effective implementation, promotion and support of the Code of Conduct in their areas of responsibility; and
- (c) ensuring employees under their control understand and follow the provisions outlined in the Code of Conduct.

#### **2.2 Employees**

All employees are responsible for:

- (a) undertaking their duties in a manner that is consistent with the provisions of the Code of Conduct;
- (b) reporting suspected corrupt conduct; and
- (c) reporting any departure from the Code of Conduct by themselves or others.

### **3. PERSONAL AND PROFESSIONAL BEHAVIOUR**

When carrying out your duties, you should:

- (a) behave honestly and with integrity and report other employees who are behaving dishonestly;
- (b) carry out your work with integrity and to a high standard and in particular, commit to the Company's policy of producing quality work;
- (c) operate within the law at all times;

- (d) follow the policies of the Company; and
- (e) act in an appropriate business-like manner when representing the Company in public forums.

#### **4. CONFLICT OF INTEREST**

Potential for conflict of interest arises when it is likely that you could be influenced, or it could be perceived that you are influenced by a personal interest when carrying out your duties. Conflicts of interest that lead to biased decision making may constitute corrupt conduct.

- (a) Some situations that may give rise to a conflict of interest include situations where you have:
  - (i) financial interests in a matter the Company deals with or you are aware that your friends or relatives have a financial interest in the matter;
  - (ii) directorships/management of outside organisations;
  - (iii) membership of boards of outside organisations;
  - (iv) personal relationships with people the Company is dealing with which go beyond the level of a professional working relationship;
  - (v) secondary employment, business, commercial, or other activities outside of the workplace which impacts on your duty and obligations to the Company;
  - (vi) access to information that can be used for personal gain; and
  - (vii) offer of an inducement.
- (b) You may often be the only person aware of the potential for conflict. It is your responsibility to avoid any conflict from arising that could compromise your ability to perform your duties impartially. You must report any potential or actual conflicts of interest to your manager.
- (c) If you are uncertain whether a conflict exists, you should discuss that matter with your manager and attempt to resolve any conflicts that may exist.
- (d) You must not submit or accept any bribe, or other improper inducement. Any such inducements are to be reported to your manager.

## 5. PUBLIC AND MEDIA COMMENT

- (a) Individuals have a right to give their opinions on political and social issues in their private capacity as members of the community.
- (b) Employees must not make official comment on matters relating to the Company unless they are:
  - (i) authorised in writing to do so by the Managing Director and Chief Executive Officer; or
  - (ii) giving evidence in court; or
  - (iii) otherwise authorised or required to by law.
- (c) Employees must not release unpublished or privileged information unless they are authorised to do so in writing by the Managing Director and Chief Executive Officer.

## 6. USE OF COMPANY RESOURCES

Requests to use Company resources outside core business time should be referred to management for approval.

If employees are authorised to use Company resources outside core business times they must take responsibility for maintaining, replacing, and safeguarding the property and following any special directions or conditions that apply.

Employees using Company resources **without** obtaining prior approval could face disciplinary and/or criminal action. Company resources are not to be used for any private commercial purposes.

## 7. SECURITY OF INFORMATION

Employees are to make sure that confidential and sensitive information cannot be accessed by unauthorised persons. Sensitive material should be securely stored overnight or when unattended. Employees must ensure that confidential information is only disclosed or discussed with people who are authorised to have access to it. It is considered a serious act of misconduct to deliberately release confidential documents or information to unauthorised persons, and may incur disciplinary action.

## 8. INTELLECTUAL PROPERTY/COPYRIGHT

Intellectual property includes the rights relating to scientific discoveries, industrial designs, trademarks, service marks, commercial names and designations, and inventions and is valuable to the Company.

The Company is the owner of intellectual property created by employees in the course of their employment unless a specific prior agreement has been made. Employees must obtain written permission to use any such intellectual property

from the Company Secretary/Group Legal Counsel before making any use of that property for purposes other than as required in their role as employee.

## **9. DISCRIMINATION AND HARASSMENT**

Employees must not harass, discriminate, or support others who harass and discriminate against colleagues or members of the public on the grounds of sex, pregnancy, marital status, age, race (including their colour, nationality, descent, ethnic or religious background), physical or intellectual impairment, homosexuality or transgender.

Such harassment or discrimination may constitute an offence under legislation. Managers should understand and apply the principles of Equal Employment Opportunity.

## **10. CORRUPT CONDUCT**

Corrupt conduct involves the dishonest or partial use of power or position which results in one person/group being advantaged over another. Corruption can take many forms including, but not limited to:

- (a) official misconduct;
- (b) bribery and blackmail;
- (c) unauthorised use of confidential information;
- (d) fraud; and
- (e) theft.

Corrupt conduct will not be tolerated by the Company. Disciplinary action up to and including dismissal will be taken in the event of any employee participating in corrupt conduct.

## **11. OCCUPATIONAL HEALTH AND SAFETY**

It is the responsibility of all employees to act in accordance with occupational health and safety legislation, regulations and policies applicable to their respective organisations and to use security and safety equipment provided.

Specifically all employees are responsible for safety in their work area by:

- (a) following the safety and security directives of management;
- (b) advising management of areas where there is potential problem in safety and reporting suspicious occurrences; and
- (c) minimising risks in the workplace.

## **12. LEGISLATION**

It is essential that all employees comply with the laws and regulations of the countries in which we operate. Violations of such laws may have serious consequences for the Company and any individuals concerned. Any known violation must be reported immediately to management. If in doubt employees should seek advice from the Company Secretary, Managing Director or Chief Executive Officer.

## **13. FAIR DEALING**

The Company aims to succeed through fair and honest competition and not through unethical or illegal business practices. Each employee should endeavour to deal fairly with the Company's suppliers, customers and other employees.

## **14. INSIDER TRADING**

All employees must observe the Company's "Guidelines - Inside Information, Primary Insiders and Market Abuse". In conjunction with the legal prohibition on dealing in the Company's securities when in possession of inside information relating to the securities of the Company, the Company has *inter alia* established specific time periods when Directors, management and employees are permitted to trade the Company's securities. The Company has also established additional prohibitions and duties on Primary Insiders and others who may be in possession of such information.

## **15. RESPONSIBILITIES TO INVESTORS**

The Company strives for full, fair and accurate disclosure of financial and other information on a timely basis.

## **16. BREACHES OF THE CODE OF CONDUCT**

Employees should note that breaches of certain sections of this Code of Conduct may be punishable under legislation.

Breaches of this Code of Conduct may lead to disciplinary action. The process for disciplinary action is outlined in Company policies and guidelines, relevant industrial awards and agreements.

## **17. REPORTING MATTERS OF CONCERN**

Employees are encouraged to raise any matters of concern in good faith with the head of their business unit or with the Company Secretary/Group Legal Counsel, without fear of retribution.

**SCHEDULE 3**  
**AUDIT AND RISK COMMITTEE CHARTER**

**1. ROLE**

The role of the Audit and Risk Committee is to assist the Board of African Petroleum Corporation Limited (**Company**) in monitoring and reviewing any matters of significance affecting financial reporting and compliance. This Charter defines the Audit and Risk Committee's function, composition, mode of operation, authority and responsibilities.

**2. COMPOSITION**

- (a) The Committee must comprise at least three members.
- (b) All members of the Committee must be non-executive Directors.
- (c) A majority of the members of the Committee must be independent non-executive Directors in accordance with the criteria set out in Annexure A.
- (d) The Board will appoint members of the Committee. The Board may remove and replace members of the Committee by resolution.
- (e) All members of the Committee must be able to read and understand financial statements.
- (f) The Chairman of the Committee may not be the Chairman of the Board of Directors and must be independent.
- (g) The Chairman shall have leadership experience and a strong finance, accounting or business background.
- (h) The external auditors, the other Directors, the Managing Director, Chief Financial Officer, Company Secretary and senior executives, may be invited to Committee meetings at the discretion of the Committee.

**3. PURPOSE**

The primary purpose of the Committee is to assist the Board in fulfilling its statutory and fiduciary responsibilities relating to:

- (a) the quality and integrity of the Company's financial statements, accounting policies and financial reporting and disclosure practices;
- (b) compliance with all applicable laws, regulations and company policy;
- (c) the effectiveness and adequacy of internal control processes;
- (d) the performance of the Company's external auditors and their appointment and removal;

- (e) the independence of the external auditor and the rotation of the lead engagement partner; and
- (f) the identification and management of business risks.

A secondary function of the Committee is to perform such special reviews or investigations as the Board may consider necessary.

#### **4. DUTIES AND RESPONSIBILITIES OF THE COMMITTEE**

##### **4.1 Review of Financial Reports**

- (a) Review the appropriateness of the accounting principles adopted by management in the financial reports and the integrity of the Company's financial reporting.
- (b) Oversee the financial reports and the results of the external audits of those reports.
- (c) Assess whether external reporting is adequate for shareholder needs.
- (d) Assess management processes supporting external reporting.
- (e) Establish procedures for treatment of accounting complaints.
- (f) Review the impact of any proposed changes in accounting policies on the financial statements.
- (g) Review the quarterly, half yearly and annual results.

##### **4.2 Relationship with External Auditors**

- (a) Recommend to the Board procedures for the selection and appointment of external auditors and for the rotation of external auditor partners.
- (b) Review performance, succession plans and rotation of lead engagement partner.
- (c) Approve the external audit plan and fees proposed for audit work to be performed.
- (d) Discuss any necessary recommendations to the Board for the approval of quarterly, half yearly or annual reports.
- (e) Review the adequacy of accounting and financial controls together with the implementation of any recommendations of the external auditor in relation thereto.

- (f) Meet with the external auditors at least twice in each financial period without management being present and at any other time the Committee considers appropriate.
- (g) Provide pre-approval of audit and non-audit services that are to be undertaken by the external auditor.
- (h) Ensure adequate disclosure as may be required by law of the Committee's approval of all non-audit services provided by the external auditor.
- (i) Ensure that the external auditor prepares and delivers an annual statement as to their independence which includes details of all relationships with the Company.
- (j) Receive from the external auditor their report on, among other things, critical accounting policies and alternative accounting treatment, prior to the filing of their audit report in compliance with the Corporations Act and with US Securities and Exchange Commission (**SEC**) requirements.

#### 4.3 **Internal Audit Function**

- (a) Monitor the need for a formal internal audit function and its scope.
- (b) Assess the performance and objectivity of any internal audit procedures that may be in place.
- (c) Review risk management and internal compliance procedures.
- (d) Monitor the quality of the accounting function.
- (e) Review the Internal Control Reports on a quarterly basis.

#### 4.4 **Risk Management**

- (a) Oversee the Company's risk management systems, practices and procedures to ensure effective risk identification and management and compliance with internal guidelines and external requirements.
- (b) Review reports by management on the efficiency and effectiveness of risk management and associated internal compliance and control procedures.

#### 4.5 **Other**

- (a) The Committee will oversee the Company's environmental risk management and occupational health and safety processes.
- (b) The Committee will oversee procedures for whistleblower protection.



- (c) As contemplated by the Sarbanes – Oxley Act of 2002 and the Rules of the SEC, and to the extent that such deviation or waiver does not result in any breach of the law, the Committee may approve any deviation or waiver from the “Code of Ethics and Conduct of Directors, Senior Executives and Officers”. Any such waiver or deviation will be promptly disclosed where required by applicable law.
- (d) Monitor related party transactions.

## **5. MEETINGS**

- (a) The Committee will meet at least each financial quarter and additionally as circumstances may require for it to undertake its role effectively.
- (b) Meetings are called by the Secretary as directed by the Board or at the request of the Chairman of the Committee.
- (c) Where deemed appropriate by the Chairman of the Committee, meetings and subsequent approvals and recommendations can be implemented by a circular written resolution or conference call.
- (d) A quorum shall consist of two members of the Committee. In the absence of the Chairman of the Committee or their nominees, the members shall elect one of their members as Chairman of that meeting.
- (e) Decisions will be based on a majority of votes with the Chairman having a casting vote.
- (f) The Committee Chairman, through the Secretary, will prepare a report of the actions of the Committee to be included in the Board papers for the next board meeting.
- (g) Minutes of each meeting are included in the papers for the next full Board meeting after each Committee meeting.

## **6. SECRETARY**

- (a) The Company Secretary or their nominee shall be the Secretary of the Committee and shall attend meetings of the Committee as required.
- (b) The Secretary will be responsible for keeping the minutes of meetings of the Committee and circulating them to Committee members and to the other members of the Board.
- (c) The Secretary shall distribute supporting papers for each meeting of the Committee as far in advance as possible.

## **7. RELIANCE ON INFORMATION OR PROFESSIONAL OR EXPERT ADVICE**

Each member of the Committee is entitled to rely on information, or professional or expert advice, to the extent permitted by law, given or prepared by:

- (a) an employee of the Group whom the member believes on reasonable grounds to be reliable and competent in relation to the matters concerned;
- (b) a professional adviser or expert in relation to matters that the member believes on reasonable grounds to be within the person's professional or expert competence; or
- (c) another Director or officer of the Group in relation to matters within the Director's or officer's authority.

## **8. ACCESS TO ADVICE**

- (a) Members of the Committee have rights of access to management and to the books and records of the Company to enable them to discharge their duties as Committee members, except where the Board determines that such access would be adverse to the Company's interests.
- (b) Members of the Committee may meet with the auditors, both internal and external, without management being present.
- (c) Members of the Committee may consult independent legal counsel or other advisers they consider necessary to assist them in carrying out their duties and responsibilities, subject to prior consultation with the Chairman. Any costs incurred as a result of the Committee consulting an independent expert will be borne by the Company.

## **9. REVIEW OF CHARTER**

- (a) The Board will conduct an annual review of the membership to ensure that the Committee has carried out its functions in an effective manner, and will update the Charter as required or as a result of new laws or regulations.
- (b) The Charter shall be made available to members on request, to senior management, to the external auditor and to other parties as deemed appropriate and will be posted to the Company's website.

## **10. REPORT TO THE BOARD**

- (a) The Committee must report to the Board formally at the next Board meeting following from the last Committee meeting on matters relevant to the Committee's role and responsibilities.

- (b) The Committee must brief the Board promptly on all urgent and significant matters.

**SCHEDULE 4**  
**REMUNERATION COMMITTEE CHARTER**

**1. GENERAL SCOPE AND AUTHORITY**

- (a) The Remuneration Committee is a Committee of the Board of African Petroleum Corporation Limited (**Company**). The Charter may be subject to review by the Board at any time.
- (b) The primary purpose of the Committee is to support and advise the Board in fulfilling its responsibilities to shareholders by:
  - (i) reviewing and approving the executive remuneration policy to enable the Company to attract and retain executives and Directors who will create value for shareholders;
  - (ii) ensuring that the executive remuneration policy demonstrates a clear relationship between key executive performance and remuneration;
  - (iii) recommending to the Board the remuneration of executive Directors;
  - (iv) fairly and responsibly rewarding executives having regard to the performance of the Group, the performance of the executive and the prevailing remuneration expectations in the market;
  - (v) reviewing the Company's recruitment, retention and termination policies and procedures for senior management;
  - (vi) reviewing and approving the remuneration of director reports to the Managing Director, and as appropriate other senior executives; and
  - (vii) reviewing and approving any equity based plans and other incentive schemes.
- (c) The Committee shall have the right to seek any information it considers necessary to fulfil its duties, which includes the right to obtain appropriate external advice at the Company's expense.

**2. COMPOSITION**

- (a) The Committee shall comprise at least three Directors, the majority being independent non-executive Directors.
- (b) The Committee will be chaired by an independent Director who will be appointed by the Board.

- (c) The Board may appoint such additional non-executive Directors to the Committee or remove and replace members of the Committee by resolution.
- (d) A quorum will comprise any two independent non-executive Director Committee members. In the absence of the Committee Chairman or appointed delegate, the members shall elect one of their number as Chairman for that meeting.

### **3. SECRETARY**

- (a) The Company Secretary or their nominee shall be the Secretary of the Committee, and shall attend meetings of the Committee as required.
- (b) The Secretary will be responsible for keeping the minutes of meeting of the Committee and circulating them to Committee members and to the other members of the Board.
- (c) The Secretary shall distribute supporting papers for each meeting of the Committee as far in advance as possible.

### **4. MEETINGS**

- (a) The Committee will meet at least once per year and additionally as circumstances may require.
- (b) Meetings are called by the Secretary as directed by the Board or at the request of the Chairman of the Committee.
- (c) A quorum shall comprise any two members of the Committee. In the absence of the Committee Chairman or appointed delegate, the members shall elect one of their members as Chairman.
- (d) Where deemed appropriate by the Chairman of the Committee, meetings and subsequent approvals may be held or concluded by way of a circular written resolution or a conference call.
- (e) Decisions will be based on a majority of votes with the Chairman having the casting vote.
- (f) The Committee may invite any executive management team members or other individuals, including external third parties, to attend meetings of the Committee, as they consider appropriate.

### **5. ACCESS**

- (a) Members of the Committee have rights of access to the books and records of the Company to enable them to discharge their duties as Committee members, except where the Board determines that such access would be adverse to the Company's interests.

- (b) The Committee may consult independent experts to assist it in carrying out its duties and responsibilities subject to prior consultation with the Chairman. Any costs incurred as a result of the Committee consulting an independent expert will be borne by the Company.

## 6. DUTIES

The overall remit of the Remuneration Committee is to:

- (a) determine and agree with the Board the framework and policy for the remuneration of the Company's Chairman and Chief Executive Officer and individuals reporting directly to both of them, including, for the avoidance of doubt, all executive directors and the company secretary employed on a contract of service or a contract for services (**Executives**) which ensures that they are fairly, but responsibly, rewarded for their individual contributions to the Company's overall performance;
- (b) demonstrate to the shareholders of the Company that the remuneration of the Executives is independently approved and monitored and set by a committee of the Board whose members have no personal financial interest, other than as shareholders, in the outcome of the decisions of the Remuneration Committee and who will have due regard to the interests of shareholders; and
- (c) to ensure that the Company complies with best practice provisions regarding directors' remuneration.

In determining the policy and all elements of the remuneration of the Executives, the Remuneration Committee shall:

- (a) consider the basic salary paid to the Executives and any recommendations made by the Chairman of the Company for changes to that basic salary;
- (b) consider any bonuses to be paid to the Executives and, in respect of any element of remuneration of an Executive which is performance related, to formulate suitable performance related criteria and monitor their operation, and to consider any recommendations made by the Chairman of the Company regarding bonuses or performance related remuneration;
- (c) advise on and determine all performance-related formulae relevant to the remuneration of the directors of the Company and consider the eligibility of directors for annual bonuses and benefits under long term incentive schemes;
- (d) determine the policy for, and scope of, pension arrangements for each executive director and other senior executives ;

- (e) have regard to any published guidelines or recommendations regarding the remuneration of directors of listed companies and the formation and operation of share incentive plans which the Remuneration Committee considers relevant or appropriate including the provisions and recommendations of the ASX Corporate Governance Council Principles of Good Corporate Governance and Good Practice Recommendations, and associated guidance;
- (f) consider and make recommendations to the Board about the public disclosure of executive directors' remuneration packages in relation to those required by law;
- (g) consider other benefits granted to the Executives and any recommendations of the Chairman of the Company for changes in those benefits;
- (h) agree the policy for authorising expenses claims from the Chief Executive Officer and the Chairman of the Company;
- (i) consider and make recommendations in respect of the terms of employment of the Executives and any proposed changes to these terms (including, without limitation, any compensation payments, notice periods, or other entitlements under these contracts);
- (j) consider any other matters relating to the remuneration of or terms of employment applicable to the Executives referred to it by the Board.
- (k) ensure that contractual terms on termination, and any payments made, are fair to the individual, and the company, that failure is not rewarded and the duty to mitigate loss is fully recognised;
- (l) ensure that all provisions regarding disclosure of remuneration including pensions are fulfilled; and
- (m) be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee: and to obtain reliable, up-to-date information about remuneration in other companies. The Committee shall have full authority to commission any reports or surveys which it deems necessary to help fulfil its obligations.

The Committee shall also:

- (a) **Executive Remuneration Policy**
  - (i) Review and approve the Group's recruitment, retention and termination policies and procedures for senior executives to enable the Company to attract and retain executives and Directors who can create value for shareholders.

- (ii) Review the on-going appropriateness and relevance of the executive remuneration policy and other executive benefit programs.
  - (iii) Ensure that remuneration policies fairly and responsibly reward executives having regard to the performance of the Company, the performance of the executive and prevailing remuneration expectations in the market.
- (b) **Executive Incentive Plan**

Review and approve the design of any executive incentive plans.
- (c) **Equity Based Plans**
  - (i) Review and approve any equity based plans that may be introduced (**Plans**) in the light of legislative, regulatory and market developments.
  - (ii) For each Plan, determine each year whether awards will be made under that Plan.
  - (iii) Review and approve total proposed awards under each Plan.
  - (iv) In addition to considering awards to executive Directors and direct reports to the Managing Director and Chief Executive Officer, review and approve proposed awards under each plan on an individual basis for executives as required under the rules governing each plan or as determined by the Committee.
  - (v) Review, approve and keep under review performance hurdles for each equity based plan.
- (d) **Other**

The Committee shall perform other duties and activities that it or the Board considers appropriate.

## 7. APPROVALS

The Committee must approve the following prior to implementation:

- (a) changes to the remuneration or contract terms of executive Directors and direct reports to the Managing Director and the Chief Executive Officer;
- (b) the Plans or amendments to current equity plans or executive cash-based incentive plans;
- (c) total level of awards proposed from equity plans or executive cash-based incentive plans; and



- (d) termination payments to executive Directors or direct reports to the Managing Director. Termination payments to other departing executives should be reported to the Committee at its next meeting.

**SCHEDULE 5**  
**NOMINATION COMMITTEE CHARTER**

**1. GENERAL SCOPE AND AUTHORITY**

- (a) The Nomination Committee is a Committee of the Board of African Petroleum Corporation Limited (**Company**). The Charter may be subject to review by the Board at any time.
- (b) The primary purpose of the Committee is to support and advise the Board in:
  - (i) maintaining a Board that has an appropriate mix of skills and experience to be an effective decision-making body; and
  - (ii) ensuring that the Board is comprised of Directors who contribute to the successful management of the Company and discharge their duties having regard to the law and the highest standards of corporate governance.

**2. COMPOSITION**

- (a) The Committee shall comprise at least three non-executive Directors, the majority of whom must be independent, one of whom will be appointed the Committee Chairman.
- (b) The Board may appoint additional non-executive Directors to the Committee or remove and replace members of the Committee by resolution.

**3. SECRETARY**

- (a) The Company Secretary or their nominee shall be the Secretary of the Committee and shall attend meetings of the Committee as required.
- (b) The Secretary will be responsible for keeping the minutes of meetings of the Committee and circulating them to Committee members and to the other members of the Board.
- (c) The Secretary shall distribute supporting papers for each meeting of the Committee as far in advance as possible.

**4. MEETINGS**

- (a) The Committee will meet at least once a year and additionally as circumstances may require.
- (b) Meetings are called by the Secretary as directed by the Board or at the request of the Chairman of the Committee.

- (c) Where deemed appropriate by the Chairman of the Committee, meetings and subsequent approvals may be held or concluded by way of a circular written resolution or conference call.
- (d) A quorum shall comprise any two members of the Committee. In the absence of the Committee Chairman or appointed delegate, the members shall elect one of their number as Chairman.
- (e) Decisions will be based on a majority of votes with the Chairman having a casting vote.
- (f) The Committee may invite executive management team members or other individuals, including external third parties to attend meetings of the Committee, as they consider appropriate.

## **5. ACCESS**

- (a) Members of the Committee have rights of access to the books and records of the Company to enable them to discharge their duties as Committee members, except where the Board determines that such access would be adverse to the Company's interests.
- (b) The Committee may consult independent experts where the Committee considers this necessary to carry out its duties and responsibilities subject to prior consultation with the Chairman. Any costs incurred as a result of the Committee consulting an independent expert will be borne by the Company.

## **6. RESPONSIBILITIES**

The Committee shall periodically review and consider the structure and balance of the Board and make recommendations regarding appointments, retirements and terms of office of Directors. In particular, the Committee is to:

- (a) identify and recommend to the Board candidates for the Board after considering the necessary and desirable competencies of new Board members to ensure the appropriate mix of skills and experience and after assessment of how the candidates can contribute to the strategic direction of the Company;
- (b) approve and review induction procedures for new appointees of the Board to ensure that they can effectively discharge their responsibilities;
- (c) assess and consider the time required to be committed by a non-executive Director to properly fulfil their duty to the Company and advise the Board.
- (d) consider and recommend to the Board candidates for election or re-election to the Board at each annual shareholders' meeting;

- (e) review Directorships in other public companies held by or offered to Directors and senior executives of the Company;
- (f) review succession plans for the Board with a view to maintaining an appropriate balance of skills and experience on the Board;
- (g) arrange an annual performance evaluation of the Board, its Committee and individual Directors;
- (h) make recommendations to the Board on the appropriate size and composition of the Board; and
- (i) make recommendations to the Board on the terms and conditions of appointment to, and removal and retirement from, the Board.

## **SCHEDULE 6**

### **DISCLOSURE – PERFORMANCE EVALUATION**

The nomination Committee will arrange a performance evaluation of the Board, its Committees and its individual Directors on an annual basis. To assist in this process an independent advisor may be used.

The Nomination Committee will conduct an annual review of the role of the Board, assess the performance of the Board over the previous 12 months and examine ways of assisting the Board in performing its duties more effectively.

The review will include:

- (a) comparing the performance of the Board with the requirements of its Charter;
- (b) examination of the Board's interaction with management;
- (c) the nature of information provided to the Board by management; and
- (d) management's performance in assisting the Board to meet its objectives.

A similar review will be conducted for each Committee by the Board with the aim of assessing the performance of each Committee and identifying areas where improvements can be made.

The Remuneration Committee will oversee the performance evaluation of the executive team. This evaluation is based on specific criteria, including the business performance of the Company and its subsidiaries, whether strategic objectives are being achieved and the development of management and personnel.

## SCHEDULE 7

### DISCLOSURE – CONTINUOUS DISCLOSURE

#### 1. INTRODUCTION

The continuous disclosure provisions of the Corporations Act, the Norwegian Securities Trading Act and the listing rules of the NSX and the Continuing Obligations of Oslo Børs (as defined below) the ("Listing Rules") mean that criminal and civil liabilities could be imposed on African Petroleum Corporation Limited (**Company**) and/or its officers if information is not released immediately after it becomes known.

This memorandum deals with:

- (a) the composition and duties of the Continuous Disclosure Committee;
- (b) the obligations of the Company;
- (c) the type of information that needs to be disclosed;
- (d) the procedures for internal notification and external disclosure;
- (e) the roles and responsibilities of officers in the disclosure content;
- (f) the procedures for promoting understanding of compliance with the disclosure requirements; and
- (g) the procedures for monitoring compliance.

As a Company incorporated in Australia and listed on the NSX and Oslo Axess, the Company is subject to two sets of regulations with relevance for the continuous disclosure obligations. These rules are not necessarily harmonised, and the Company must therefore ensure that both sets of rules are fully complied with. For instance, the definition of "inside information", including the requirement for disclosure of such information varies to a certain degree. If a duty to disclose inside information arises on either NSX or Oslo Børs, the Company will be required to disclose the information on both markets. The Company should actively seek legal advice when a situation involving potential inside information occurs.

#### 2. CONTINUOUS DISCLOSURE COMMITTEE - GENERAL SCOPE AND AUTHORITY

- (a) The Company's Board has established a Continuous Disclosure Committee, charged with the responsibility for the development and oversight of the policy and procedures applicable to the Company's continuous disclosure obligations and is required to approve all Exchange announcements.

- (b) The Continuous Disclosure Committee is a Committee of the Board of the Company. The Charter may be subject to review by the Board at any time.
- (c) The primary purpose of the Continuous Disclosure Committee is to support and advise the Board in fulfilling its continuous disclosure obligations.
- (d) The Continuous Disclosure Committee shall have the right to seek any information it considers necessary to fulfil its duties, which includes the right to obtain appropriate external advice at the Company's expense.

### **3. CONTINUOUS DISCLOSURE COMMITTEE - COMPOSITION**

- (a) The Continuous Disclosure Committee shall comprise at least three Directors, the majority being independent non-executive Directors.
- (b) The Continuous Disclosure Committee will be chaired by an independent Director who will be appointed by the Board (**Continuous Disclosure Officer**).
- (c) The Board may appoint such additional non-executive Directors to the Continuous Disclosure Committee or remove and replace members of the Continuous Disclosure Committee by resolution.
- (d) A quorum will comprise any two independent non-executive Director Continuous Disclosure Committee members. In the absence of the Continuous Disclosure Officer, a deputy must be appointed.

### **4. CONTINUOUS DISCLOSURE COMMITTEE - DUTIES**

The overall remit of the Continuous Disclosure Committee is to:

- (a) review all information of which they become aware for the purposes of the Listing Rules and the Norwegian Securities Trading Act in relation to continuous disclosure (usually advised by the Chief Executive Officer, Chief Operating Officer and other designated consultants of the Company);
- (b) be responsible to the Board for assisting the Board and the Company in meeting its continuous disclosure obligations;
- (c) prepare all draft Exchange announcements required to be released by the Company in accordance with its continuous disclosure obligations;
- (d) liaise with the Company's technical consultants and designated contractors in relation to drill and test results which require the release of an Exchange announcement;
- (e) ensure all Exchange announcements are reviewed and approved by the Company's Chairman prior to release;

- (f) ensure that an Exchange announcement which has been reviewed and approved pursuant to the process outlined above, is only released by the Company Secretary or Chief Financial Officer;
- (g) ensure the Board only informs analysts, media and other shareholders of the subject matter of the applicable Exchange announcement following confirmation of receipt of the announcement from the NSX;
- (h) ensure that all information disclosed to the Exchange in compliance with the Company's continuous disclosure obligations is promptly placed on the Company's website;
- (i) submit a quarterly declaration to the NSX, executed by the Chairman of the Company the Chief Executive Officer and the Chairman of the Continuous Disclosure Committee, certifying that the Board has reviewed the Company's operations during the preceding quarter and declares that, in the opinion of the Board, there are no issues that require additional disclosure by the Company and that the market is fully informed in accordance with the Company's continuous disclosure obligations under the Listing Rules in respect of the prospects and activities of the Company;
- (j) in situations where the Company has delayed disclosure of inside information in accordance with the terms of section 5-3 of the Norwegian Securities Trading Act as amended, to in advance prepare a draft stock exchange announcement to be released immediately in the event that the information is required to be disclosed to the market;
- (k) if a decision has been made to delay disclosure of inside information, to immediately notify Oslo Børs of such decision, the nature of the inside information and of the reasons for delaying disclosure;
- (l) prepare, maintain and register a list of Primary Insiders with Oslo Børs;
- (m) keep lists of persons with access to inside information, to be adequately stored for at least five years after the last update of the list, and to be submitted to the Norwegian Financial Supervisory Authority and/or Oslo Børs if so required;
- (n) ensure that persons, both internal and external to the Company, who gain access to inside information are made aware of the duties and responsibilities this involves and of the penal sanctions attached to misuse or unlawful distribution of such information;
- (o) ensure that the Company immediately notifies Oslo Børs of the Company's purchase, sale, exchange of and subscription for its own shares and shares in the Group's companies. In the event of purchase of own shares, the notification shall include information about the planned cancellation, and the timeline for this;



- (p) ensure that the Company immediately notifies Oslo Børs of trading in the shares of companies listed on Oslo Børs, if the Company owns or becomes the owner of shares in such company and due to such ownership is represented in the Board of Directors of that company; and
- (q) ensure that originals of the following documents are adequately stored for five years after the date of the last amendment: (i) the Company's lists of Primary Insiders, including changes to these and lists of Primary Insiders sent to Oslo Børs; (ii) the Company's notifications to Primary Insiders of entry in or removal from the list of Primary Insiders; (iii) the Company's lists of internal and external parties who have been given access to inside information; (iv) statements of confidentiality etc and confirmations received from external parties being given access to inside information; (v) the Company's notifications to Oslo Børs regarding trading in own securities and in securities issued by other listed companies.

## **5. KEY OBLIGATIONS OF THE COMPANY TO NOTIFY**

### **Directors, officers, employees and agents of the Company:**

*Are you aware of any information about the Company that might influence someone in deciding to buy or sell the Company's securities?*

If so, immediately telephone the Continuous Disclosure Officer of the Company (refer to section 7 of this Schedule 7) and then send the information contained in Annexure A of the Notification Form (as annexed to this Schedule 7) to the Continuous Disclosure Officer. In the absence of the Continuous Disclosure Officer the Company's Chairman or the Company Secretary should be contacted.

### **Continuous Disclosure Officer**

The Continuous Disclosure Officer will process promptly all Notification Forms received and complete Annexure B to this Schedule 7 in consultation with appropriate personnel. When required, an announcement to the Exchange will be prepared and released.

## **6. THE COMPANY'S OBLIGATIONS**

### **Listing Rules and statutory law - Disclosure**

#### **Australian regulation**

The NSX Listing Rules requires "immediate" or "without delay" disclosure of any information concerning the Company or its associated entities which the Company or its associated entities is or becomes aware and which a reasonable person would expect to have a "material effect" on the price or

value of securities in the Company. Section 674 of the Corporations Act reinforces the Listing Rules in relation to continuous disclosure.

The requirement to disclose this information does not apply if, and only if, each of the following conditions is and remains satisfied:

- (a) a reasonable person would not expect the information to be disclosed; the information is confidential and the Exchange has not formed the view that the information has ceased to be confidential; and
- (b) one or more of the following conditions apply:
  - (i) it would be a breach of a law to disclose the information;
  - (ii) the information concerns an incomplete proposal or negotiation (for example, a negotiation to enter into a new contract);
  - (iii) the information comprises matters of supposition or is insufficiently definite to warrant disclosure;
  - (iv) the information is generated for the internal management purposes of the Company; or
  - (v) the information is a trade secret.

### **Norwegian regulation**

According to the Norwegian Securities Trading Act section 5-2, and the provisions set out in Oslo Børs' Continuing Obligations for stock exchange listed companies (the "Continuing Obligations"), a company listed on Oslo Axess has an ongoing obligation to, without delay and on its own initiative, publicly disclose inside information which concerns the issuer directly.

"Inside Information" is defined in the Norwegian Securities Trading Act section 3-2 as:

"any information of a precise nature relating to financial instruments, the issuers thereof or other circumstances which has not been made public and is not commonly known in the market and which is likely to have a significant effect on the price of those financial instruments or of related financial instruments".

"Information of a precise nature" means information which indicates circumstances that exist or may reasonably be expected to come into existence or an event that has occurred or may reasonably be expected to occur and which is specific enough to enable a conclusion to be drawn as to the possible effect of those circumstances or that event on the price of the financial instruments or related financial instruments".

"Information likely to have a significant effect on the price of financial instruments or of related financial instruments" means information of the kind which a reasonable investor would be likely to use as part of the basis of his investment decision".

Under the Norwegian Securities Trading act section 5-3 the Company may delay the public disclosure of inside information such as not to prejudice its legitimate interests, provided that such omission does not mislead the public and provided that the Company ensures the confidentiality. The Company is obliged to immediately notify Oslo Børs of the existence of the inside information and the reason for the delay.

Legitimate interests may typically relate to:

- (i) Negotiations in course, or related elements, where the outcome or normal pattern of those negotiations would be likely to be affected by public disclosure. In particular, in the event that the financial viability of the Company is in grave and imminent danger, although not within the scope of the applicable insolvency law, public disclosure of information may be delayed for a limited period where such a public disclosure would seriously jeopardise the interest of existing and potential shareholders by undermining the conclusion of specific negotiations designed to ensure the long-term financial recovery of the Company.
- (ii) Decisions taken or contracts made which need the approval of another body of the Company in order to become effective due to the organisation of the Company, provided that public disclosure of the pending decision or contract together with the simultaneous announcement that final approval is still pending would jeopardise the correct assessment of the information by the public.

The existence of legitimate interests in postponing public disclosure shall be evaluated by the Company on a case by case basis. The Continuous Disclosure Officer is responsible for evaluating whether inside information that directly concerns the Company exists and whether the conditions for postponing public disclosure have been satisfied. **In the event that the Company is required to disclose the information on the NSX, the Company will not be able to utilize the possibility to delay disclosure as set out in the Norwegian Securities Trading act section 5-3.**

Should the Company have reason to believe that inside information directly concerning the Company is known to, or about to become known to, unauthorised parties, the Company shall without delay and on his own initiative publicly disclose the information in accordance with section 5-12 of the Norwegian Securities Trading Act.

## **7. HOW DOES THE COMPANY BECOME AWARE OF INFORMATION?**

The Company will be deemed to have become aware of information where a director, executive officer or other member of the key management has, or ought reasonably to have, come into possession of the information in the course of the performance of his/her duties as a director, executive officer or member of key management of the Company.

As the NSX Listing Rules fix the Company with the knowledge of a director or executive officer, and the Norwegian Securities Trading Act and Oslo Børs' Continuing Obligations require the Company to implement routines to ensure that inside information comes to the knowledge of the persons in charge of reporting to Oslo Børs, it is very important to follow the notification procedures set out later in this Guide. Because there is an obligation to disclose information, a director, executive officer or other member of key management "ought reasonably" to have come into possession of, the notification procedures in this Guide are designed to ensure that all potentially relevant information regarding the Company is brought to the attention of the Company.

An executive officer is a person concerned in, or taking part in, the management of the Company.

## **8. MATERIALITY**

The Company must disclose information if a reasonable person would expect that information to have a significant effect on the price or value of the securities of the Company. A reasonable person is taken to expect information to have such an effect if the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether or not to subscribe for, buy or sell, those securities.

Under Australian law, neither the Listing Rules nor the Corporations Act define when information will be taken to have such an effect. In practice, usually a monetary test is adopted using thresholds from the accounting standards relevant to preparation of financial statements. However, other concepts of materiality are also adopted in addition to a monetary threshold. For example:

- (a) whether a matter will significantly damage the Company's image or reputation;
- (b) whether a matter will significantly affect the Company's ability to carry on business in the ordinary course; and
- (c) whether the matter involves a breach of any law or regulation.

Information may include information necessary to prevent or correct a false market.

Under Norwegian law, the "Reasonable Investor Test" stipulates that relevant information is information of the kind which a reasonable investor would be likely to use as part of the basis of his investment decision.

## 9. THE TYPE OF INFORMATION THAT NEEDS TO BE DISCLOSED

It is not possible to exhaustively list the information, which must be disclosed. The following examples are provided to give you some idea about information that might require disclosure.

If there is any doubt about the importance of information which comes to light, there should be immediate notification to the Chairman of the Company so that advice can be given and a formal decision can be made as to whether or not the information is required to be disclosed. In the Chairman's absence the Continuous Disclosure Officer or the Company Secretary should be contacted.

Examples of information that might need to be disclosed include the following:

- (a) a new contract that the Company had entered into or a variation to an existing contract; or
- (b) any event which could affect the Company's assets, earnings or profitability such as:
  - (i) litigation being commenced by or against the Company (e.g. because of an alleged breach of contract etc.);
  - (ii) industrial action being threatened or commenced;
  - (iii) significant unbudgeted capital expenditure commitments arising;
  - (iv) proposed changes in the nature of the business of the Company;
  - (v) a material change in debt, liquidity or cash flow; or
  - (vi) a significant new development proposal ie, new product or technology; or
- (c) any other information regarding the Company that may have a significant effect on the share price or the value of shares and/or other securities of the Company such as:
  - (i) the Company considering a major acquisition or disposal of assets;
  - (ii) the Company's sales and profit results noticeably exceeding (or falling short of) the market's expectations;
  - (iii) proposed changes to the Board or senior management;
  - (iv) proposed changes to the capital structure of the Company;

- (v) a matter that may significantly damage the Company's image or reputation;
- (vi) situations in which the Company plans to issue new shares;
- (vii) where the management of the Company has been informed that offers may be made for the Company;
- (viii) an agreement or option to acquire an interest in a mining tenement, or to enter into a joint venture or farm-in or farm-out arrangement in relation to a mining tenement; or

significant discoveries, exploration results, or changes in reserve/resource estimates from mining tenements in which the Company has an interest. For other examples refer to the checklist in the Schedule. These are only examples of circumstances in which inside information may be present; the list is not exhaustive. In principle, any type of information can be inside information if the information is likely to have a significant effect on the price of the financial instrument, as described above, and the information is not publicly available or commonly known in the market.

## **10. OBLIGATIONS TO NOTIFY THE CEO AND/OR THE CHAIRMAN**

Where any information comes to light about the Company which may need to be released, the information is required to immediately be brought to the attention of the Continuous Disclosure Officer (or delegate) and/or the Chairman with all possible expediency.

The procedure for notification is set out in the Schedule. The Schedule also contains a checklist for the Company directors, executive officers, employees and agents designed to assist in determining whether information may need to be released.

Until a decision as to whether or not to disclose information has been made, the Company directors, officers, employees and agents must treat the information as strictly confidential.

## **11. DECISION TO DISCLOSE INFORMATION**

The disclosure shall simultaneously be made on [www.nsga.com.au](http://www.nsga.com.au) and [www.newsweb.no](http://www.newsweb.no). The notice shall clearly state that the information is subject to a duty of disclosure pursuant to section 5-12 of the Norwegian Securities Trading Act or pursuant to the Continuing Obligations of Oslo Børs.

If the Company uses a different news provider than Newsweb, such information must be simultaneously transmitted electronically to Oslo Børs.

For disclosure during the opening hours of Oslo Børs of particularly price-sensitive events, including take-over bids, profit warnings and other specific matters which must be assumed to have a significant effect on the share price, the Continuous Disclosure Officer is required to give prior notice to Oslo Børs.

## **12. DECISION TO POSTPONE DISCLOSURE OF INFORMATION**

If a decision is made to postpone disclosure of information, the reasons for withholding such information must be documented at the time the decision is made, signed by Continuous Disclosure Officer (or delegate) and/or the Chairman, dated and retained. The Company shall immediately notify Oslo Børs of the decision and of the reasons for postponing such disclosure. The Company shall immediately prepare a list of persons with access to the information in accordance with the instructions in section 19 below.

## **13. CONFIDENTIAL INFORMATION**

In determining whether any information that comes to light about the Company needs to be released, a determination may need to be made as to whether the information is confidential. If a determination is made that the information is confidential, then the Continuous Disclosure Officer will ensure that anyone who has a copy of the information is aware that it is confidential. If a disclosure is required in respect of any matters subject to confidentiality, and the Company has no legitimate reasons to delay disclosure of the inside information, then, to the extent possible, the Continuing Obligations Committee shall liaise with the counterparty of the confidential information and inform them that the Company under applicable legislation is required to disclose to the market the confidential information.

## **14. RELATIONSHIP WITH MEDIA AND PUBLIC**

The Company must disclose information needed to prevent a false market. Accordingly it may be necessary for the Company to correct a rumour or to respond to speculation, including media speculation, regarding the Company.

Relevant information must be provided to the Exchange in accordance with the Listing Rules and the Norwegian Securities Trading Act and released to the market before it is provided to the media (even on an embargoed basis).

Care must be taken not to make comments to the media or others which could result in rumours or speculation about the Company. Staff must comply with the media relations policy of the Company. That policy limits media contact to the Continuous Disclosure Officer. Other officers and executives may only confer with the media in relation to a particular matter concerning the Company if they have obtained the prior express approval of the Continuous Disclosure Officer or his delegate for the purpose of giving such approval.

## **15. EMPLOYMENT AND MONITORING OF COMPLIANCE**

To promote an understanding of the continuous disclosure obligations imposed the Company by the Corporations Act, the Norwegian Securities Trading Act and the Listing Rules, a copy of this guide will be provided to all directors, executive officers, employees (present or future) and agents of the Company who may from time to time be in the possession of undisclosed information that may have a significant effect on the price or value of the Company's securities.

All recipients are required to acknowledge receipt by completing the form at Appendix One.

The Continuous Disclosure Officer of the Company will ensure that the continuous disclosure obligations of the Company are drawn to the attention of officers, employees or agents of the Company, by written memorandum, at least once in every 12 month period.

At least once in every 12 month period, the Audit and Risk committee will review the Company's compliance with this memorandum. From time to time, and if considered necessary, the board of the Company may update this memorandum (and distribute an updated copy to all directors, officers, employees and relevant agents of the Company) to reflect changes in the Company's business operations and changes in the Corporations Act, the Norwegian Securities Trading Act and the Listing Rules.

The induction procedures for new staff must require that a copy of this Guide be provided to each new employee. It is the responsibility of the Continuous Disclosure Officer of the Company to ensure that all staff and consultants have received this Guide and understand its requirements.

## **16. SHARE TRADING BY OFFICERS**

Any director, officer or employee of the Company proposing to trade in the Company's shares must comply with the Share Dealing Code.

## **17. REPORTING AND CORRECTING MISTAKEN NON-DISCLOSURE**

Any director, officer or employee of the Company who becomes aware that relevant information has not been notified and disclosed in accordance with the preceding provisions, should immediately telephone the Continuous Disclosure Officer of the Company so that appropriate action can be taken. It is far better to correct mistaken non-disclosure and lodge an announcement belatedly than to continue to ignore the omission and fail to comply with the Listing Rules in relation to continuous disclosure.

## **18. LIST OF PRIMARY INSIDERS FOR OSLO BØRS**

### **18.1 Primary Insiders**

Pursuant to the Norwegian Securities Trading Act, "Primary Insider" shall be understood as:

1. Members of the Board of Directors of the Company
2. Deputy members of the Board of Directors of the Company
3. Directors appointed by the employees or the Corporate Assembly of the Company
4. The Company's auditor



5. Observers to the Board of Directors of the Company
6. Secretary to the Board of Directors of the Company
7. Senior management of the Company
8. Senior management and board members of a subsidiary of the Company who can normally be expected to have access to inside information

## 18.2 **Preparation and Maintaining a List of Primary Insiders**

The Board of Directors of the Company shall continuously evaluate who, pursuant to subsection 18.1 above shall be considered Primary Insiders of the Company, and who as a consequence thereof shall be included in the web-based register of Primary Insiders of Oslo Børs (**Insider Register**). In addition, the Insider Register shall include companies which own shares in the Company and due to such ownership are represented in the Company's Board of Directors.

The Continuous Disclosure Officer shall:

- Prepare and maintain a list of Primary Insiders in the Company.
- Send written notification to any person listed as a Primary Insider on the Company's list of Primary Insiders.
- Send written notification to any person being removed from the list of the Company's Primary Insiders.
- Ensure that each Primary Insider receives the "Guidelines - Inside Information, Primary Insiders and Market Abuse"

## 18.3 **Registration of Information in the Insider Register with Oslo Børs**

The Continuous Disclosure Officer shall ensure that the Company, without undue delay, registers and updates the Insider Register in respect of Primary Insiders and their close associates which hold securities in the Company in accordance with the applicable instructions provided by Oslo Børs.

## 19. **LIST OF PERSONS WITH ACCESS TO INSIDE INFORMATION**

### 19.1 **Duty to keep lists**

In cases where public disclosure of inside information is postponed in accordance with section 6 of this Schedule 7, the Continuous Disclosure Officer is responsible for keeping a list of all persons, internal and external, who are given access to inside information relating to the Company.

The insider list(s) shall be continuously updated stating the time of updating.

***Inside information communicated internally***

The Continuous Disclosure Officer shall ensure that a list is prepared immediately when the existence of any inside information in the Company has been established.

The list shall include all Directors, employees, consultants to and representatives of the Company and companies in the Group who have access to inside information, including secretaries and other support staff, regardless of whether they have actually informed themselves of the information in question.

The Continuous Disclosure Officer shall make a continuous assessment of whether the list shall be updated.

The Continuous Disclosure Officer shall ensure that a list is prepared immediately when inside information is passed on to external recipients (i.e. to legal entities and/or persons outside the Company).

#### ***Inside information communicated externally***

The Continuous Disclosure Officer shall, on a case to case basis, consider if the practical task of keeping the list shall be delegated to the external recipient of inside information. However, under all circumstances, the Company bears the legal responsibility for ensuring that a correct list is kept of external persons who have received inside information, even if the practical responsibility for keeping the list is delegated to external parties.

If the Continuous Disclosure Officer decides to delegate to the external party the responsibility for keeping the list, the Continuous Disclosure Officer shall provide the external party with written instructions and ensure that the external recipient of inside information is familiar with the requirements of correct list-keeping. The Continuous Disclosure Officer shall also give instructions that the updated list is to be sent to the Company immediately on request.

If access to inside information is given to a legal entity, the list shall include all Directors, employees, consultants, representatives, assistants etc who are given access to the inside information.

If the Company on a regular basis provides inside information to certain external parties such as an information distributor, the Continuous Disclosure Officer may instruct the information distributor to maintain the list on behalf of the Company and to limit the number of persons given access to the information to a minimum. The regular contact persons in the external party may receive information of the consequences of receiving inside information once, and not for each time information is received. However the Continuous Disclosure Officer must inform or otherwise make clear on each occasion that the external party receives inside information.

## **19.2 Contents of the list**

The insider list shall contain the following information:

- the identity of the persons given access to inside information

- the date and time they gained access to inside information
- the persons' positions
- the reason for being on the list (i.e. receiving the specific information)
- the date the list was created and dates and times of subsequent amendments

When drawing up insider lists, the Continuous Disclosure Officer shall use the Company's standard list, enclosed herewith as Appendix Four.

### 19.3 **Duty of storage – submission to the Norwegian Financial Supervisory Authority and Oslo Børs**

The Continuous Disclosure Officer shall ensure that the lists are adequately stored for at least five years after the last update of the list.

The Continuous Disclosure Officer shall ensure that the lists are submitted to the Norwegian Financial Supervisory Authority and/or Oslo Børs if they so require.

### 19.4 **Duty to ensure that recipients of inside information are aware of the duties and responsibilities pursuant to applicable Norwegian law**

The Continuous Disclosure Officer shall ensure that persons gaining access to inside information are aware of the duties and responsibilities this involves and of the possible penal sanctions for misuse or unlawful distribution of such information. This applies both to communication of inside information within the Company and communication of inside information to external parties.

The Continuous Disclosure Officer shall ensure that the Company can at all times document to the Norwegian Financial Supervisory Authority that the persons who have been given access to inside information are aware of the duties and responsibilities related thereto.

#### ***Internal - instructions for Directors, employees, consultants etc***

The Continuous Disclosure Officer shall ensure that all Directors, employees, consultants to and representatives of the Company and companies in the Group have received this Guide.

By ensuring that Directors, employees, consultants to and representatives of the Company and companies in the Group have received the mentioned instructions the Continuous Disclosure Officer has fulfilled the aforementioned obligation to inform such persons.

#### ***External - Statement of confidentiality etc***

When inside information is passed on to external parties, the Continuous Disclosure Officer shall ensure that all recipients of inside information receive the standard statement of confidentiality enclosed as Appendix Two. The recipient

may sign and return the statement or confirm to the Continuous Disclosure Officer that he undertakes the obligations by e-mail.

External recipients who receive inside information on a regular basis may receive and reply that they undertake the contents of Appendix Three once, in addition to information on a case by case basis that the information received constitutes inside information in the opinion of the Continuous Disclosure Officer. In addition the Continuous Disclosure Officer may agree with such party/parties that they maintain an insider list every time they receive inside information and keep the list stored until requested by the Continuous Disclosure Officer.

In respect of external recipients who are deemed professional in the Norwegian and Australian securities markets (law firms, investment banks) it may be decided that no separate information or confidentiality statement is needed.

## **20. NOTIFICATION REQUIREMENTS VIS-A-VIS OSLO BØRS FOR TRADE IN OWN SECURITIES**

The Continuous Disclosure Officer shall ensure that the Company immediately notifies Oslo Børs of the Company's purchase, sale, exchange of and subscription for its own shares and shares in the Group's companies. Such notification shall be made in accordance with the provision of the Norwegian Securities Trading Act section 4-2 first paragraph second sentence. The duty to notify Oslo Børs applies also to trade in other securities issued by the Company or companies in the Group.

The notification shall be sent immediately to Oslo Børs and no later than prior to the start of the trading day following the trade.

The notification shall state:

1. Name of the notifier.
2. Reason for notification.
3. Name of issuer of the security.
4. Description of the security
5. Type of transaction.
6. Time and market place for the transaction
7. Price per share and transaction volume.
8. New holding after the transaction.

Prior to the Company's trading in its own shares or other securities related to the Company's shares, the Continuous Disclosure Officer shall ensure that it is properly investigated whether there exists any inside information concerning the securities or the Company.

The Company may not trade in its own shares or other securities related to the Company's shares from and including the first day of a financial quarter until the quarterly results for the previous quarter (the results for the previous year in the case of the first quarter) have been published. In connection with the Company's trade in own shares, it must observe statutory Australian legislation. As such, the disclosure must also comprise a disclosure of the planned cancellation of the shares and the timeline for the same.

## **21. NOTIFICATION REQUIREMENTS VIS-A-VIS OSLO BØRS - BOARD REPRESENTATION IN OTHER LISTED COMPANIES**

If the Company owns or becomes owner of shares in other companies listed on Oslo Børs and due to such ownership is represented in the Board of Directors of that company, the Continuous Disclosure Officer shall notify Oslo Børs in the event of trading in the listed company's shares pursuant to the Norwegian Securities Trading Act section 4-2 first paragraph third sentence.

The notification shall be sent immediately to Oslo Børs and no later than at the start of the trading day following the trade and shall state the information as described above in section 20.

## **22. DUTY OF STORAGE**

The Continuous Disclosure Officer shall ensure that originals of the following documents are adequately stored for five years after the date of the last amendment:

1. The Company's lists of Primary Insiders, including changes to these and lists of Primary Insiders sent to Oslo Børs.
2. The Company's notifications to Primary Insiders of entry in or removal from the list of Primary Insiders.
3. The Company's lists of internal and external parties who have been given access to inside information.
4. Statements of confidentiality etc and confirmations received from external parties being given access to inside information.
5. The Company's notifications to Oslo Børs regarding trading in own securities and in securities issued by other listed companies.

The documents may be stored electronically.

## **23. CONCLUSION**

Compliance with this policy is very important. Failure to comply could lead to civil or criminal liabilities for the Company and its officers and could have a damaging impact on the perception of the Company within the investment community. Any director, officer, employee or agent of the Company who wilfully or negligently causes a failure to comply by the Company will be

considered to have engaged in serious misconduct which may result in the termination of their engagement by the Company.

All directors, officers, employees and agents are encouraged to actively consider the need for disclosure. Do you have information likely to influence a person to buy or sell the Company's securities? If so, notify the Continuous Disclosure Officer of the Company as soon as possible. It is far better to consider and, where appropriate, reject the need for disclosure rather than make what could be a false assumption that information does not need to be disclosed.

**24. APPROVED AND ADOPTED**

This charter was approved by the board on 31 March 2014.

Date: 12 May 2014

Signed: 

**Chairman of the board of directors of African Petroleum Corporation Limited**

## **SCHEDULE**

### **NOTIFICATION CHECKLIST**

*You are aware of information concerning the Company which you think might influence someone to buy or sell the Company's securities. Use this checklist to help you determine whether the information may require disclosure under the Listing Rules. Remember, if in doubt, always notify and discuss your concerns with the Continuous Disclosure Officer of the Company.*

#### **Is the Information Likely to Influence Someone in Buying or Selling the Company's Securities?**

Is the information likely to have a significant effect on the price or value of the shares of the Company? Would the information be likely to influence people who commonly invest in securities in deciding whether or not to subscribe for, buy or sell the Company shares?

*For example:*

- (a) does the information relate to any change in the value of the Company?
- (b) is the information about a material acquisition or sale by, the Company?
- (c) is the information about a significant "milestone" achievement for the Company?
- (d) are you about to commit the Company to a strategic alliance, or business relationship, or new initiatives?
- (e) has someone threatened to sue the Company?
- (f) have you instructed a corporate solicitor to initiate legal action against the Company customer or supplier or any other party? and
- (g) might the information significantly damage the Company's image or reputation

If so, the information might have a significant effect and you should immediately notify the Chairman of the Company. Note that the list only provides examples of circumstances in which inside information may be present; the list is not exhaustive. In principle, any kind of information which satisfies the "Reasonable Investor Test" may qualify as inside information.

#### **Are the Conditions for Postponement of Disclosure Satisfied?**

Are **each** of the following conditions satisfied:

Would disclosure harm the legitimate interests of the Company?

**AND**

Would the public not be misled if disclosure is postponed?



## **NOTIFICATION PROCEDURE**

Where information comes to light about the Company that may need to be disclosed, the following procedure must be followed:

**Step 1:** Telephone the Continuous Disclosure Officer (or delegate) of the Company.

**Step 4:** The Continuous Disclosure Officer of the Company (or delegate) notifies all members of the Continuous Disclosure Committee and the committee considers the notification and completes Part B of the Notification Form (Annexure A).

**Step 5:** When applicable, the Continuous Disclosure Officer (or delegate) notifies all members of the Continuous Disclosure Committee.

**Step 6:** The Continuous Disclosure Committee immediately prepares or considers the draft announcement (in consultation with the Company's technical consultants and designated contractors in relation to drill and test results information) (if required).

**Step 8:** The final announcement is reviewed and approved by the Continuous Disclosure Committee, and the Chairman.

**Step 9:** Subject to the approval of the Continuous Disclosure Committee, and the Chairman in accordance with Step 8, the announcement is lodged with the Exchange by the Company Secretary or the Chief Financial Officer.

**All steps must be completed promptly so as to comply with applicable laws and requirements for immediate disclosure to the market.**

**APPENDIX ONE**

**FORM OF ACKNOWLEDGEMENT**

- 1. I have read and understood the document titled Disclosure – Continuous Disclosure.
- 2. I agree to be bound by and to comply with the document titled Disclosure – Continuous Disclosure.
- 3. I acknowledge and agree that the document titled Disclosure – Continuous Disclosure constitutes a variation of the terms of my appointment.

.....

Signature

Name: .....

Date: .....

***To be returned to the Continuous Disclosure Officer on completion.***

**APPENDIX TWO**

**Statement of confidentiality etc. regarding inside information**

In connection with [ ] the undersigned will receive inside information related to African Petroleum Corporation Limited (the "Company").

The undersigned is aware of and will comply with the responsibilities and obligations of becoming privy to inside information related to the Company according to the provisions of the Norwegian Securities Trading Act of 29 June 2007, including:

- 1. The prohibition on trading or inciting others to trade in securities issued by the Company.
- 2. The prohibition on disclosing inside information to unauthorised parties.
- 3. The duty to show due care when handling the information in order to avoid that such information is not disclosed to unauthorised parties or misused.
- 4. The prohibition on giving advice related to trading in the securities to which the inside information is related.

Date: \_\_\_\_\_

Time: \_\_\_\_\_

Name: \_\_\_\_\_

Position: \_\_\_\_\_

Signature: \_\_\_\_\_

**To be returned to the Continuous Disclosure Officer on completion.**

**APPENDIX THREE**

**Statement of confidentiality etc. regarding inside information**

In connection with the undersigned's agreement to [provide services] to African Petroleum Corporation Limited (the "Company") the undersigned will receive inside information related to the Company on a regular basis.

The Undersigned may receive such information by e-mail or otherwise. The Company undertakes to inform the Undersigned that the information received is considered inside information.

The undersigned is aware of and will comply with the responsibilities and obligations of becoming privy to inside information related to the Company according to the provisions of the Norwegian Securities Trading Act of 29 June 2007, including:

- 1. The prohibition on trading or inciting others to trade in securities issued by the Company.
- 2. The prohibition on disclosing inside information to unauthorised parties.
- 3. The duty to show due care when handling the information in order to avoid that such information is not disclosed to unauthorised parties or misused.
- 4. The prohibition on giving advice related to trading in the securities to which the inside information is related.

The undersigned is aware that non-compliance with the abovementioned responsibilities and obligations may incur civil and criminal liability.

This Statement shall apply in respect of inside information received by the undersigned from time to time.

Date: \_\_\_\_\_

Time: \_\_\_\_\_

Name: \_\_\_\_\_

Position: \_\_\_\_\_

Signature: \_\_\_\_\_

***To be returned to the Continuous Disclosure Officer on completion.***

**APPENDIX FOUR**

INSIDER LIST FOR AFRICAN PETROLEUM CORPORATION LIMITED

This list was created [date].

The following persons have been given access to inside information in connection with [Insert details on reason for establishment of the list]:

Name	Position	Reason for entry	Date and time of entry	Date and time removed (if applicable)

The list was last amended on [date].

The inside information was made public on (if applicable): \_\_\_\_\_ [Date and time].

The information is no longer relevant and is therefore no longer inside information (if applicable): \_\_\_\_\_ [Date and time]

## SCHEDULE 8

### DISCLOSURE – RISK MANAGEMENT

#### 1. INTRODUCTION

This Policy has been adopted by African Petroleum Corporation Limited (**Company**) to establish and set out the Company's systems for risk oversight and management and internal control.

#### 2. RISK OVERSIGHT

The Board has the primary responsibility for identifying the principal risks and opportunities of the Company's business and ensuring that appropriate risk management systems and an internal control framework are established and reviewed. The Board fulfils its responsibility by overseeing the establishment and implementation of these systems and framework, through approval and review of the Company's processes.

The Board has delegated the specific function and responsibility for establishing, implementing and maintaining the Company's risk management systems and internal control framework to the Audit and Risk Committee. The Audit and Risk Committee is established by the Board and operates under a charter approved by the Board, which includes the following duties:

- (a) to review the effectiveness of management information and other systems of internal control;
- (b) to review all areas of significant financial risk and the arrangements in place to contain those to acceptable levels; and
- (c) to monitor the internal controls and accounting compliance with all relevant accounting standards and the Listing Rules.

The Audit and Risk Committee's duties include other matters which impact upon risk management, such as matters relating to the Company's external auditor and reviewing significant transactions, financial information and reporting and other procedures for that information.

Further to the Audit and Risk Committee's role, the actual management of operational risk and the implementation of risk management strategies are delegated to the Company's management.

The Board recognises that this delegation of responsibility to the Audit and Risk Committee and to management does not reduce its primary responsibility for the oversight of risk management. The Board approves all risk management systems and the internal control framework established by the Audit and Risk Committee which is implemented by management. The Board receives and adopts a report from the Audit and Risk Committee on its activities as part of the approval of the Company's annual report.

### **3. RISK PROFILE**

The Board recognises that material risks facing the Company are the more significant areas of uncertainty or exposure to the Company that could adversely affect the achievement of Company's objectives and successful implementation of its business strategies.

The Board updates the list of material risks on an ongoing basis upon advice from the Audit and Risk Committee including, where appropriate, as a result of regular interaction with management and other relevant staff from across the Company's business.

### **4. RISK MANAGEMENT SYSTEM AND COMPLIANCE AND CONTROL**

The Company's system for identifying, assessing, monitoring and managing its material risks, as established by the Audit and Risk Committee in conjunction with management, is as follows:

- (a) the Board monitors management and operational performance on an ongoing basis;
- (b) a system of forecasting has been established, with updates being provided by management to the Board, for consideration at the Board's meetings. Actual results are also reported to the Board regularly. In addition, all statutory and exchange financial reporting requirements are complied with in terms of quarterly, half yearly and annual financial reports and the Board reviews the reports and related accounting procedures on an ongoing basis;
- (c) regular presentations made to the Board throughout the year by appropriate members of management on the Company's operations;
- (d) procedures exist for all significant capital expenditure, including a requirement for Board approval for any capital expenditure above an amount set by the Board from time to time;
- (e) the performance by the Audit and Risk Committee of its functions and responsibilities;
- (f) a continuous disclosure policy has been adopted to ensure that all price sensitive information is disclosed to the market and shareholders or investors on a timely basis;
- (g) a trading policy has been adopted to ensure that all trading in the Company's securities by officers and employees occurs in compliance with statutory requirements; and
- (h) the Company has informed directors of their duties and obligations as directors and adopted a Code of Conduct applicable to all directors, employees and contractors setting out the expected standards of conduct and compliance.



Day to day responsibility for risk management and internal control is delegated to the Company's management, with the Company's Chief Executive Officer and Chief Financial Officer being responsible to the Board for identifying matters requiring Board consideration.

The Company's risk management system also includes processes of close consultation and review between the Audit and Risk Committee and the Company's external accountants.

## **5. ASSESSMENT OF EFFECTIVENESS**

The Company's analysis of its risk management systems and internal control framework and the effectiveness of their implementation is undertaken by the Audit and Risk Committee on an annual basis. This review is based on the Committee's ongoing oversight of the Company's risk management systems and its role in establishing, implementing and maintaining these systems.

## SCHEDULE 9

### GUIDELINES - INSIDE INFORMATION, PRIMARY INSIDERS AND MARKET ABUSE

#### 1. INTRODUCTION

These guidelines set out the policy on the sale and purchase of securities in African Petroleum Corporation Limited (**Company**) by its Directors and employees.

Directors of the Company (**Directors**) and employees are encouraged to be long-term holders of the Company's securities. However, it is important that care is taken in the timing of any trading of such securities. The purpose of these guidelines is to assist Directors and employees to avoid conduct known as 'insider trading'. In some respects, the Company's policy extends beyond the strict requirements of the Corporations Act.

Directors and employees of the Company are further subject to certain duties and responsibilities as set out in the Norwegian Securities Trading Act and Oslo Børs' Continuing Obligations. Accordingly, these guidelines set out certain requirements specifically applicable to persons who, pursuant to the definition set out in subsection 7.1 below, qualify as primary insiders of the Company, as well as certain requirements generally applicable to all Directors and employees of the Company.

Primary Insiders of the Company are specifically required to:

- properly investigate whether there exists any inside information in relation to the securities of the Company prior to trading in such securities, see subsection 7.2 below;
- notify Oslo Børs of any trading in Company securities, see subsection 7.3 below; and
- submit a list of close associates to Oslo Børs and to notify Oslo Børs of any trading in Company securities by its close associates, see subsection 7.4 below.

All Directors and employees are required to:

- observe a duty of confidentiality when in possession of inside information, see section 8 below;
- show due care when handling inside information, see section 9 below; and
- observe the prohibition against market manipulation, see section 10 below.

## **2. WHAT TYPES OF TRANSACTIONS ARE COVERED BY THIS POLICY?**

This policy applies to the trading of any securities of the Company and its subsidiaries on issue from time to time. "Securities" means all securities issued by the Company and rights related to securities issued by the Company, and shall include but not be limited to shares, depository receipts (ADRs), subscription rights, convertible bonds, bonds, warrants, options and futures/forward contracts. "Trading" means the sale, purchase, exchange and subscription of securities.

## **3. WHAT IS INSIDER TRADING?**

### **3.1 Prohibition**

Insider trading is a criminal offence. It may also result in civil liability. In broad terms, a person will be guilty of insider trading if:

- (a) that person possesses "inside information" as defined in Schedule 7);
- (b) and that person, directly or indirectly:
  - (i) trades securities in the Company; or
  - (ii) procures someone else to trade securities in the Company; or
  - (iii) invites, advises or recommends others to trade in securities of the Company; or
  - (iv) passes on that information to (i) unauthorised parties or (ii) a third party where that person knows, or ought reasonably to know, that the third party would be likely to trade the securities or procure someone else to trade the securities of the Company.

This section is not necessarily complete regarding the insider's duties and responsibilities. Each person being in possession of inside information is obliged to keep him- or herself updated as to the legislative framework concerning Inside Information from time to time.

### **3.2 Examples**

To illustrate the prohibition described above, the following are possible examples of price sensitive information which, if made available to the market, may be likely to affect significantly the price of the Company's securities:

- (a) a new contract that the Company has entered into or a variation to an existing contract; or
- (b) any event which could affect the Company's assets, earnings or profitability such as:

- (i) litigation being commenced by or against the Company (e.g. because of an alleged breach of contract etc.);
  - (ii) industrial action being threatened or commenced;
  - (iii) significant unbudgeted capital expenditure commitments arising;
  - (iv) proposed changes in the nature of the business of the Company;
  - (v) a material change in debt, liquidity or cash flow; or
  - (vi) a significant new development proposal ie, new product or technology; or
- (c) any other information regarding the Company that may have a significant effect on the share price or the value of shares and/or other securities of the Company such as:
- (i) the Company considering a major acquisition or disposal of assets;
  - (ii) the Company's sales and profit results noticeably exceeding (or falling short of) the market's expectations;
  - (iii) proposed changes to the Board or senior management;
  - (iv) proposed changes to the capital structure of the Company;
  - (v) a matter that may significantly damage the Company's image or reputation;
  - (ix) situations in which the Company plans to issue new shares;
  - (x) where the management of the Company has been informed that offers may be made for the Company;
  - (xi) an agreement or option to acquire an interest in a mining tenement, or to enter into a joint venture or farm-in or farm-out arrangement in relation to a mining tenement; or
  - (xii) significant discoveries, exploration results, or changes in reserve/resource estimates from mining tenements in which the Company has an interest.

These are only examples of circumstances in which inside information may be present; the list is not exhaustive. In principle, any kind of information can be inside information if the information is likely to have a significant effect on the price of the financial instrument and the information is not publicly available or commonly known in the market.

### 3.3 **Dealing through third parties**

A person does not need to be a Director or employee of the Company to be guilty of insider trading in relation to securities in the Company. The prohibition extends to any dealings, directly or indirectly, by Directors and employees either by own account or for third party account. Reference is also made to section 7.4 below with respect to primary insiders' close associates.

### 3.4 **Information however obtained**

It does not matter how or where the person obtains the information – it does not have to be obtained from the Company to constitute inside information.

### 3.5 **Prohibition against giving advice**

It is prohibited to give advice about trading in securities for any person who possesses inside information. The prohibition applies to written, verbal or any other kind of advice to trade or refrain from trade, and applies even if the inside information is not disclosed. Further, the prohibition may be deemed contravened even if the recipient does not follow the advice.

## 4. **GUIDELINES FOR TRADING IN THE COMPANY'S SECURITIES**

### 4.1 **General rule**

The time for any Director or employee to trade Company securities is not permitted during the following blackout periods (**Blackout Periods**):

- (a) within the period of 1 month prior to the release of annual or half yearly results; and
- (b) there is in existence price sensitive information that has not been disclosed because of an NSX Listing Rule exception.

Directors and employees should wait at least 1 day after the relevant release before dealing in securities so that the market has time to absorb the information.

The Company may at its discretion vary this rule in relation to a particular period by general announcement to all employees either before or during the period.

However, if a Director or employee of the Company is in possession of price sensitive information which is not generally available to the market, then he or she must not deal in the Company's securities at **any** time.

#### 4.2 **No short-term trading in the Company's securities**

Directors and employees should never engage in short-term trading of the Company's securities except for the exercise of options where the shares will be sold shortly thereafter.

#### 4.3 **Securities in other companies**

Trading securities of other companies with which the Company may be dealing is prohibited where an individual possesses information which is not generally available to the market and is 'price sensitive'. For example, where an individual is aware that the Company is about to sign a major agreement with another company, they should not trade securities in either the Company or the other company.

#### 4.4 **Misuse of inside information**

Pursuant to the Norwegian Securities Trading Act, trading in securities when in possession of inside information is only prohibited where such trading constitutes a misuse of inside information. For instance, the normal exercise upon expiry of options and forward contracts which have been entered into prior to coming into possession of inside information is not prohibited under Norwegian law. The same applies to the normal exercise of convertible bonds.

Under Norwegian law, the question as to what constitutes a misuse of inside information is subject to the discretion of the courts and is established on a case to case basis. As a consequence, it is difficult to draw clear boundaries between misuse and permitted conduct. Under Norwegian law, the following will normally not be regarded as misuse of inside information:

- to the extent two or more persons are cooperating e.g. on an acquisition, and one is aware that the persons they are cooperating with are also trading shares and that public disclosure of such information would contribute to pushing up the price of the shares
- to the extent the person in question who is in possession of inside information fully informs the counterparty (provided that the rules on confidentiality do not prevent such disclosure)
- to the extent an investor trades in the opposite direction of the direction in which the inside information is likely to influence the price of the security
- knowledge of one's own transaction decisions that are carried out on one's own account, even if the transaction would have a significant effect on the price of the security
- An employer's issuance of employee options will normally not entail misuse of inside information, even if the issuance takes place at the same time as inside information is present at the issuer and/or among its employees. This assumes that the employee options are established as

direct agreements between the issuer and its employees on the right to subscribe/purchase shares in the issuer.

## **5. APPROVAL AND NOTIFICATION REQUIREMENTS**

### **5.1 Relationship to the requirements set out in Section 7 to 10**

Compliance with the rules set out in this section 5 shall not have the effect of releasing Primary Insiders of the Company from such duties, responsibilities and prohibitions as, in accordance with the Norwegian Securities Trading Act, are set out in section 7 to 10 below.

### **5.2 Approval Requirements – Primary Insiders**

- (a) Any Primary Insider wishing to trade or exercise rights in relation to the Company's securities must obtain the prior approval of the Chairman before doing so; or
- (b) If the Chairman wishes to trade or exercise rights in relation to the Company's securities the Chairman must obtain the prior approval of the Board before doing so.

### **5.3 Approval Requirements –Employees**

Any employees or contractors of the Company wishing to trade or exercise rights in relation to the Company's securities must obtain the prior written approval of the Chief Executive Officer, Chief Financial Officer or Chairman before doing so.

### **5.4 Notification**

Any Primary Insider or employee who (for own or third party account) trades or exercises rights in relation to Company securities **must** notify the Company Secretary of the details of the transaction immediately after the transaction having occurred. This notification obligation operates at all times but does not apply to acquisitions of shares or options by employees made under employee share or option schemes, nor does it apply to the acquisition of shares as a result of the exercise of options under an employee option scheme. As mentioned in subsection 5.1 above, notification to the Company shall not release the Primary Insider from such duties, responsibilities and prohibitions as are set out in section 7 to 10 below, including, *inter alia*, the duty to undertake a proper investigation as to the existence of inside information prior to trading or exercising rights in relation to the securities of the Company.

### **5.5 Approvals to trade securities**

All requests to trade securities must include the intended volume of securities to be purchased or sold and an estimated time frame for the sale or purchase.

## 5.6 **Primary Insiders' sales of securities**

Primary Insiders need to be mindful of the market perception associated with any sale of Company securities and possibly the ability of the market to absorb the volume of shares being sold. With this in mind, the management of the sale of any significant volume of Company securities (i.e. a volume that would represent a volume in excess of 10% of the total securities held by the seller prior to the sale, or a volume to be sold that would be in excess of 10% of the average daily traded volume of the shares of the Company on the NSX or Oslo Axess for the preceding 20 trading days) by a Primary Insider needs to be discussed with the board and the Company's legal and financial advisers prior to the execution of any sale. These discussions need to be documented in the form of a file note, to be retained by the Company Secretary.

## 5.7 **Exemption from Blackout Period restriction due to exceptional circumstance**

A Director, employee or contractor who is not in possession of inside information in relation to the Company, may be given prior written clearance by the Chief Executive Officer Chief Financial Officer or Chairman (or in the case of a Director the Chairman or Chief Financial Officer, or in the case of the Chairman all of the other members of the board) to sell or otherwise dispose of Company securities during a Blackout Period where the person is in severe financial hardship or where there are exceptional circumstances as set out in this policy.

## 5.8 **Severe Financial Hardship or Exceptional Circumstances**

The determination of whether a Director, employee or contractor is in severe financial hardship will be made by the Chief Executive Officer or Chief Financial Officer in the case of employees, the Chairman in the case of a Director, and all of the board in the case of the Chairman.

A financial hardship or exceptional circumstances determination can only be made by examining all of the facts and if necessary obtaining independent verification of the facts from banks, accountants or other like institutions.

## 5.9 **Financial Hardship**

A Director, employee or contractor may be in severe financial hardship if they have a pressing financial commitment that cannot be satisfied other than by selling the securities of the Company.

In the interests of an expedient and informed determination by the Chief Executive Officer/Chief Financial Officer, Chairman or board of Directors, any application for an exemption allowing the sale of Company securities during a Blackout Period based on financial hardship must be made in writing, be accompanied by a statutory declaration stating all of the facts and be accompanied by copies of relevant supporting documentation, including contact details of the persons accountant, bank and other such independent institutions.



Any exemption, if issued, will be in writing and shall contain a specified time period during which the sale of securities can be made.

#### 5.10 **Exceptional Circumstances**

Exceptional circumstances may apply to the disposal of Company securities by a Director, employee or contractor if the person is required by a court order, a court enforceable undertaking for example in a bona fide family settlement, to transfer or sell securities of the Company or there is some other overriding legal or regulatory requirement to do so.

Any application for an exemption allowing the sale of Company securities during a Blackout Period based on exceptional circumstances must be made in writing and be accompanied by relevant court and/or supporting legal documentation.

Any exemption, if issued, will be in writing and shall contain a specified time period during which the sale of securities can be made.

### **6. NSX NOTIFICATION FOR DIRECTORS**

The NSX Listing Rules require the Company to notify the NSX within 5 business days after any dealing in securities of the Company (either personally or through an Associate) which results in a change in the relevant interests of a Director in the securities of the Company. The Company has made arrangements with each Director to ensure that the Director promptly discloses to the Company Secretary all the information required by the NSX. As mentioned in subsection 5.1 above, notification by the Company to NSX shall not release the Director in question from the personal duty, *inter alia*, to notify Oslo Børs of any trading in Company Securities, see section 7 below.

### **7. ADDITIONAL REQUIREMENTS FOR PRIMARY INSIDERS UNDER NORWEGIAN LAW**

#### 7.1 **Primary Insiders**

Pursuant to the Norwegian Securities Trading Act, "Primary Insider" shall be understood as:

1. Members of the Board of Directors of the Company
2. Deputy members of the Board of Directors of the Company
3. Directors appointed by the employees or the Corporate Assembly of the Company
4. The Company's auditor
5. Observers to the Board of Directors of the Company
6. Secretary to the Board of Directors of the Company

7. Senior management of the Company
8. Senior management and board members of a subsidiary of the Company who can normally be expected to have access to inside information

The Board of Directors of the Company will continuously evaluate who shall be considered Primary Insiders of the Company.

The Continuous Disclosure Officer will keep a list of Primary Insiders in the Company to be regularly updated and submitted to Oslo Børs. The notification to Oslo Børs shall state the names, personal identity numbers or similar identification numbers, addresses, offices or positions in the Company of the Primary Insiders.

Each Primary Insider in the Company will receive a written notification from the Continuous Disclosure Officer that he is considered a Primary Insider in the Company.

## 7.2 **Duty to Investigate**

Pursuant to the Norwegian Securities Trading Act, Primary Insiders shall, prior to trading or inciting others to trade in Company securities, properly investigate whether there exists any inside information concerning the securities of the Company.

What constitutes a proper investigation shall be assessed on a case by case basis. Primary Insiders are generally expected to keep themselves actively informed about that part of the Company's business that is relevant to their position in the Company. Depending on the circumstances a Primary Insider may be expected to make inquiries of persons it assumes are better informed than the Primary Insider itself.

In addition to the abovementioned, a Primary Insider in the Company shall comply with the following requirements:

- Read communications and check whether there are any unopened or uncollected communications addressed to the Primary Insider, including mail, faxes, e-mails etc.
- Within reasonable time the Primary Insider shall inform itself about the business in which it will participate.
- If the Primary Insider has reason to believe that information relating to business processes in which it is involved will become inside information, the Primary Insider shall ask the relevant persons about the status of the information.
- Relevant persons shall be asked whether they are aware of the existence of inside information.

### 7.3 **Notification to Oslo Børs**

Primary Insiders shall notify Oslo Børs of any trading in Company securities. The notification shall be sent immediately to Oslo Børs after the trading has occurred, and in any event no later than prior to the start of the trading day following the transaction. The obligation to submit notice applies also to convertible loans and trades in warrants, options and equivalent rights connected to the securities.

The trading is deemed to have been executed at the time of entry into a binding agreement. A Primary Insider may not wait until it receives the contract note from the stockbroker before sending the notice. The Primary Insider must therefore keep itself informed of the status of trading orders in order to comply with the notification requirement.

The Company may assist the Primary Insider in preparing and sending the notification to Oslo Børs if the Primary Insider should require assistance.

The Company shall receive a copy of any notifications a Primary Insider sends Oslo Børs that does not concern trades by its close associates.

### 7.4 **Trading by Close Associates and List of Close Associates**

Primary Insiders shall notify Oslo Børs about trading by its close associates, as well as the trading of relatives with whom the Primary Insider has shared a common household for at least one year at the time of the notifiable transaction, in securities of the Company. Close associates are:

1. the spouse or a person with whom the Primary Insider lives in a relationship akin to marriage.
2. the under-age children, and under-age children of a person as mentioned in subsection 1 with whom the Primary Insider lives.
3. any company in which the Primary Insider or a person as mentioned in 1 or 2 above has control. A controlling influence is deemed to exist if the relevant person or persons control more than 50% of the votes in the company.

Primary Insiders are under an obligation to keep records of the from time to time close associates in the meaning referred to above. Primary Insiders shall submit to the Continuous Disclosure Officer a list of any persons and companies as described above which hold Company securities. The list shall without unreasonable delay be updated whenever changes occur, and shall immediately thereafter be submitted to the Continuous Disclosure Officer. The Company will assist with filing the overview to the Norwegian Financial Supervisory Authority and Oslo Børs, respectively, however it is the personal responsibility of a Primary Insider to ensure that this has been submitted. When preparing the list, Appendix One hereto shall be used. Upon receipt of the list, the Continuous Disclosure Officer will register the information in the web-based insider registers of Oslo Børs (**Insider Registers**), in accordance with the instructions settled by Oslo Børs.

## 7.5 **The Contents of the Notification**

The notification regarding the Primary Insider's own or its close associates' trading shall state:

1. Name of the person concerned.
2. Reason for the notification.
3. Name of the issuer.
4. Description of the security.
5. Transaction type.
6. Time and marketplace for the transaction.
7. Transaction price and volume.
8. Holding after the transaction.

The reason for the notification means the circumstances which make the person concerned a Primary Insider (position, member of the board etc.) and if it is the Primary Insider or its close associates which made the trade. If the notice applies to transactions effectuated by a close associate of the Primary Insider, it need not specify the identity of the close associate concerned.

Completion and submission of the form enclosed as Appendix Two satisfies the requirements for notification of sale/purchase of shares and options. The description of the securities shall contain the name and type of the securities, class, terms and key characteristics. This will be particularly relevant in cases where the security is not standardized. Where options are concerned, the notification must state whether it is a buy or sell option, the strike price, redemption period and maturity.

Exercising of options shall be notified as purchase of shares. Allocation of employee options and the exercise of these must also be reported.

## **8. DUTY OF CONFIDENTIALITY**

Pursuant to the Norwegian Securities Trading Act, Directors and employees of the Company that become privy to inside information shall not pass on such information to unauthorised parties.

Inside information can only be passed on to others if it is strictly necessary or otherwise justified based on the interests of the Company, for instance where it is necessary to grant access to inside information to a person who requires it by virtue of his/her position or for an assignment for the Company. In such cases the Director or employee shall always confer with the Continuous Disclosure Officer prior to passing on the inside information, who shall ensure that the relevant documentation requirements are complied with. Inside information that a

person possesses as a Director or employee of the Company shall not be passed on to other Directors or employees of the Company, unless it is necessary for their work.

The duty of confidentiality shall not prevent the disclosure of inside information to public authorities or Oslo Børs if such disclosure is required by law. Nor shall it prevent an authorised person in the Company from making the information publicly available to the market pursuant to the provisions of the Norwegian Securities Trading Act, the Listing Rules or the Corporations Act to take such measures as are required by law or other legislation. The Continuous Disclosure Officer shall be consulted in advance and shall approve such disclosure.

To ensure that the duty of confidentiality is maintained, the following shall be observed:

- Inside information shall not be passed on to others in the Company except where it is necessary for the person concerned to carry out his/her job. Informal conversations about certain matters with other Directors or employees of the Company may also, depending on the circumstances, constitute a breach of the duty of confidentiality. If the information is passed on internally the Continuous Disclosure Officer should be informed.
- If a person receives inside information or is in doubt about whether it has received inside information, it shall contact the Continuous Disclosure Officer in order to enable the Company to comply with its obligations as a listed company towards Oslo Børs and the public authorities.
- If a person is in doubt about whether it may pass on the inside information to others in the Company the person shall discuss the question with the Continuous Disclosure Officer before passing on the information. If the person pass on inside information internally (because it is deemed necessary), the person shall immediately report this to the Continuous Disclosure Officer.
- Prior to passing on inside information to external recipients (i.e. to legal entities and/or persons outside the Company), Directors and employees of the Company shall contact the Continuous Disclosure Officer, who is responsible for ensuring that the recipient receives and confirms the Company's standard statement of confidentiality regarding inside information.

In addition to these instructions, Directors and employees of the Company also have a duty to observe any confidentiality provisions in their employment or consultancy contracts.

## **9. DUTY TO SHOW DUE CARE WHEN HANDLING INSIDE INFORMATION**

Pursuant to the Norwegian Securities Trading Act, Directors and employees of the Company that become privy to inside information have a duty to show due care when handling such information to ensure that the inside information does

not come into the possession of unauthorised parties and is not misused. This means that:

- If a Director or employee of the Company has become privy to inside information, it shall comply with these instructions (including the duty of confidentiality) to ensure that the information does not come into the possession of unauthorised parties.
- In cases where inside information needs to be passed on to another person internally, the recipient shall be informed in advance that he/she will be receiving inside information. The Continuous Disclosure Officer shall be informed that information has been passed internally.
- If the information is passed on to external recipients Directors and employees of the Company shall confer with the Continuous Disclosure Officer prior to passing on the inside information.
- A Director or employee of the Company shall never discuss inside information in public places, in taxis or other places where the information may come into possession of unauthorised parties.
- A Director or employee of the Company shall adequately handle and store inside information, including taking the necessary measures to ensure that the storage of documents, access to databases, copying, archiving, shredding, internal postal services, use of e-mail etc does not allow any inside information to come into possession of unauthorised parties.

## **10. PROHIBITION AGAINST MARKET MANIPULATION**

Pursuant to the Norwegian Securities Trading Act, Directors and employees of the Company must observe the prohibition against market manipulation set out in the Norwegian Securities Trading Act.

The Norwegian Securities Trading Act defines "market manipulation" as:

1. transactions or orders to trade which give, or are likely to give, false, incorrect or misleading signals as to the supply of, demand for or price of securities, or which secure the price of one or several securities at an abnormal or artificial level, unless the person or persons who entered into the transactions or issued the orders to trade establish that their reasons for doing so are legitimate and that these transactions or orders to trade conform to conduct accepted by the Norwegian Financial Supervisory Authority as market practice on the market concerned, or
2. transactions entered into or orders to trade given in relation to any form of misleading conduct, or
3. dissemination of information through the media, including the Internet, or by any other means, which gives, or is likely to give, false, incorrect or misleading signals as to securities, including the dissemination of rumours

and news, where the person who made the dissemination knew, or should have known, that the information was false, incorrect or misleading. In respect of journalists acting in their professional capacity, such dissemination of information is to be assessed taking into account the rules governing their profession, unless those persons derive, directly or indirectly, an advantage or profits from the dissemination of the information concerned.

## **11. CONSEQUENCES OF NON-COMPLIANCE WITH THE PROHIBITIONS AND DUTIES**

Non-compliance with the prohibition against insider trading or market manipulation may be punished by a fine or imprisonment of up to six years under applicable Norwegian law. Non-compliance with the prohibition against giving advice, the duty of confidentiality or the duty to show due care when handling inside information may also give rise to liability to penal sanctions.

## **12. EFFECT OF COMPLIANCE WITH THIS POLICY**

Compliance with these Guidelines for trading in the Company's securities does not absolve that individual from complying with the law, which must be the overriding consideration when trading in the Company's securities.

**APPENDIX ONE**

**List of close associates (Norwegian Securities Trading Act section 4-2, cf. section 2-5 subsection 1, 2 and 4)**

The list shall include close associates who hold securities in African Petroleum Corporation Limited. The list shall be submitted to the Continuous Disclosure Officer of the Company. The list shall be updated continuously, and any amendments shall be submitted to the Continuous Disclosure Officer without unreasonable delay.

Name of issuer: African Petroleum Corporation Limited

Name of Primary Insider: \_\_\_\_\_

Date: \_\_\_\_\_

Date last amendment: \_\_\_\_\_

Name of close associate	Identity no./organisation no	Relation to the Primary Insider



## APPENDIX TWO

### Notification of trading in securities issued by **African Petroleum Corporation Limited**

To be faxed to Oslo Børs on fax. no. +47 22 41 65 90 or sent by e-mail to [ma@oslobors.no](mailto:ma@oslobors.no).

Name of notifier:

Reason for notification: [Notifier's own trading or trading by close associates]

Name of issuer of the financial instrument: [Name of Company]

Description of the financial instrument:

Type of transaction: [Sale, purchase, exchange or subscription]

Time for the transaction:

Marketplace for the transaction: [Oslo Børs/Oslo Axess]

Price per share:

Transaction volume:

New holding after the transaction:

[Place, date]

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[Signature]

## **SCHEDULE 10 SHAREHOLDER COMMUNICATIONS STRATEGY**

### **1. INTRODUCTION**

This Policy has been adopted by African Petroleum Corporation Limited (**Company**) to establish and set out the Company's policy for communicating with, and keeping informed, its shareholders.

### **2. PURPOSE OF THE POLICY**

The Company is committed to dealing fairly, transparently and promptly with its current and prospective shareholders, encouraging and facilitating active participation by shareholders at shareholder meetings and dealing promptly with shareholder enquiries.

The Board recognises that disclosure of information is fundamental to good communication and this Policy is therefore based on the Company's disclosure obligations and policies.

### **3. COMMUNICATION WITH SHAREHOLDERS**

The Board of the Company aims to ensure that the shareholders are informed of all major developments affecting the Company's state of affairs.

Information is communicated to shareholders through:

- (a) the Annual Report delivered by post and which is also placed on the Company's website;
- (b) the half yearly report which is placed on the Company's website;
- (c) the quarterly reports which are placed on the Company's website;
- (d) disclosures and announcements made to the Australian Stock Exchange, the New Zealand Stock Exchange and the Securities and Exchange Commission in the United States, copies of which are placed on the Company's website;
- (e) notices and explanatory memoranda of Annual General Meetings (**AGM**) and Extraordinary General Meetings (**EGM**) copies of which are placed on the Company's website;
- (f) the Chairman's address and the Managing Director's address made at the AGMs and the EGMs, copies of which are placed on the Company's website;
- (g) the Company's website, [www.africanpetroleum.com.au](http://www.africanpetroleum.com.au) on which the Company posts all announcements which it makes to the Exchange; and

- (h) the auditor's lead engagement partner being present at the AGM to answer questions from shareholders about the conduct of the audit and the preparation and content of the auditor's report.

#### **4. CONTINUOUS DISCLOSURE**

The Company is subject to the continuous disclosure obligations of the Exchange's Listing Rules (**Listing Rules**), and has adopted a comprehensive Market Disclosure Protocol to ensure that the Company, and its directors, officers and employees, comply with those obligations.

Compliance with the Company's Continuous Disclosure Policy is the primary basis by which the Company shall keep its current and prospective shareholders informed of material matters relating to the Company and its operations. All market announcements made as a result of the Company's continuous disclosure obligations are to be made available on the Company's website.

Any material presented to market analysts or media is in most cases the subject of a prior market announcement pursuant to the Company's continuous disclosure obligations. An announcement would not be made where the material presented does not contain any new material information beyond that already announced by the Company to the market. In many cases, the Company will make available the material on its website, where practical to do so.

#### **5. ACCESS TO INFORMATION**

The Company has adopted a comprehensive Share Dealing Code to ensure that the Company and its directors, officers and employees comply with those provisions, and to ensure that shareholders are given fair access to any information relating to the Company's securities.

#### **6. COMPANY REPORTING**

The Company complies with its financial and other reporting obligations under the Listing Rules, in order to make important Company information available to its shareholders. The Company aims to comply with these reporting requirements promptly and transparently.

The Company mails copies of these reports to its shareholders. The Company also emails these reports to any shareholders who have provided an email address to the Company and wish to be sent the information electronically. The Company's reports are also made available on the company's website as soon as possible.

#### **7. COMPANY MEETINGS**

The Company aims to hold its shareholders meetings at locations and at times that is convenient to shareholders, but cannot accommodate locations outside of the cities in which it operates. The Company will inform shareholders of shareholders meetings, and conduct those meetings, in accordance with the

requirements of the Act, and endeavours to do so fully and transparently. In most cases, this will involve detailed explanatory statements or memoranda to accompany statutory information.

## **8. ELECTRONIC COMMUNICATION**

The Company makes information available to its shareholders through its website, [www.africanpetroleum.com.au](http://www.africanpetroleum.com.au), as set out in this Policy.

## **9. OTHER INFORMATION**

The Company will from time to time provide other information to shareholders or the media where it considers that that information is of interest to shareholders or the general public, by way of circulars, newsletters or media releases.

## **10. SHAREHOLDER ENQUIRIES**

Shareholders queries should be referred to the Company Secretary in the first instance. The Company aims to deal with all shareholder enquiries promptly, fully and transparently. It has also taken steps to ensure that its share registry does so in relation to the matters to which it is given authority by the Board to administer.

## **11. SHAREHOLDER CONTACT**

The Company, via its share registry, endeavours to maintain an accurate and up to date list of shareholder details to ensure its communication and reporting is effective.

## **12. PRIVACY**

The Company endeavours to comply with applicable statutory privacy requirements in all its dealings with details or information relating to the Company's shareholders.

## **13. REVIEW**

The Board will review this Policy on an annual basis, or as and when appropriate.

**ANNEXURE A**  
**DEFINITION OF INDEPENDENCE**

**1. ASX CORPORATE GOVERNANCE COUNCIL RECOMMENDATIONS**

An independent Director is a non-executive Director (i.e. is not a member of management) and:

- (a) holds less than 5% of the voting shares of the Company and is not an officer of, or otherwise associated directly or indirectly with, a shareholder of more than 5% of the voting shares of the Company;
- (b) within the last three years has not been employed in an executive capacity by the Company or another group member, or been a Director after ceasing to hold any such employment;
- (c) within the last three years has not been a principal of a material professional adviser or a material consultant to the Company or another group member, or an employee materially associated with the service provided;
- (d) is not a material supplier or customer of the Company or other group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- (e) has no material contractual relationship with the Company or another group member other than as a Director of the Company;
- (f) has not served on the board for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company; and
- (g) is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company.

The materiality thresholds are assessed on a case-by-case basis, taking into account the relevant Director's specific circumstances, rather than referring to a general materiality threshold.

**2. SARBANES-OXLEY ACT SECTION 301**

To be independent (for the purposes of the Audit and Risk Committee) a Director must not:

- (a) receive any consulting, advisory or compensatory fee other than in their capacity as Director or Committee member; or
- (b) be an affiliated person of the Company or its subsidiaries other than due to their capacity as a Director or Committee member.