

# LEKOIL LIMITED

## SHARE DEALING CODE

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# Share Dealing Code

## 1 Introduction

This Share Dealing Code (the **Code**) imposes restrictions on dealing in the securities of the Company beyond those imposed by law. Its purpose is to ensure that Restricted Persons do not abuse, and do not place themselves under suspicion of abusing, Inside Information (as defined below) to which they may have access, or may be thought to have access, especially in periods leading up to an announcement of results of Lekoil Limited (**Lekoil** or the **Company**).

Part V of the UK Criminal Justice Act 1993 (the **CJA**) makes insider dealing a criminal offence. This applies to anyone and at any time, even if clearance for the dealing has been given under this Code. In addition, the UK Financial Services and Markets Act 2000 (the **FSMA**) makes market abuse a civil offence. Again, the market abuse regime applies to anyone at any time, even if clearance for the dealing has been given.

Restricted Persons (as defined below) wishing to deal in Lekoil securities must obtain permission before buying or selling shares in the Company by using the application form set out in Appendix 1. If permission is granted, and dealing undertaken, must notify the Company following execution of any permitted dealing using the notification form set out in Appendix 2.

Appendix 3 contains an overview of the notification requirements of AIM Rule 17 relating to Deals by Directors and changes to the holding of significant (3%+) shareholders.

## 2 Definitions

In this Code, the following definitions apply unless the context requires otherwise:

**“Applicable Employee”** includes PDMRs and any employee of the Company, its subsidiary or parent undertaking who is likely to be in possession of unpublished price sensitive information, in relation to the Company, because of his or her employment in the Company, its subsidiary or parent undertaking, irrespective of his or her holding or interest in the shares of the Company;

**“Board”** means the Board of Directors of the Company;

**“Business Day”** means:

- (i) in relation to anything done or to be done in (including to be submitted to a place in) any part of the United Kingdom, any day which is not a Saturday or Sunday or a bank holiday in any part of the United Kingdom; and
- (ii) in relation to anything done or to be done by reference to a market outside the United Kingdom, any day on which that market is normally open for business;

**“CJA”** means the UK Criminal Justice Act 1993;

**“Close Period”** means

- (i) the period of one month immediately preceding the publication of the Company’s annual financial report or, if shorter, the period from the end of the relevant financial year up to and including the time of such publication; and
- (ii) if the Company reports on a half-yearly basis, the period of one month immediately preceding the announcement of its half yearly report or, if shorter, the period from the end of the relevant financial year up to and including the time of the announcement; and
- (iii) if the Company reports on a quarterly basis, the period of one month immediately preceding the announcement of its quarterly results or, if shorter, the period from the end of the relevant financial period up to and including the time of the announcement.

“**Code**” means this Share Dealing Code;

“**Company Securities**” means any publicly traded or quoted securities of the Company or any Group Company or any securities that are convertible into such securities;

“**Connected Person**” means:

- (i) a Restricted Person’s spouse, civil partner and any child or step-child under the age of 18;
- (ii) any company in which:
  - a. a Restricted Person together with any person connected to a Restricted Person has control or more than 20% of that company’s equity or voting rights;
  - b. a trustee, acting in that capacity, where a Restricted Person and/or a person connected with a Restricted Person is a beneficiary of the trust (except for a trust for the purpose of an employee share scheme or a pension scheme);
  - c. a person who is in partnership with a Restricted Person or a person connected with a Restricted Person, and who is acting in his capacity as a partner of that person; and
  - d. a firm that is a legal person under the law by which it is governed and in which:
    - i. a Restricted Person is a partner;
    - ii. a partner is a person who is connected with a Restricted Person; or
    - iii. a partner is a firm in which a Restricted Person is a partner or in which there is a partner who is connected with a Restricted Person.
- (iii) Any other relative who has lived in a PDMR’s house for at least the past 12 months
- (iv) A Restricted Person’s business partner
- (v) A company where the PDMR has power to make managerial decisions affecting the future development and prospects of the business

“**Dealing**” means any change whatsoever to the interests of any Restricted Person in the Company’s shares including:

- (i) any sale or purchase, or any agreement for the sale or purchase of such shares;
- (ii) the grant to, or acceptance by, a Restricted Person or Connected Person of any option relating to the Company’s shares or of any other right or obligation, present or future, conditional or unconditional, to acquire or dispose of any such shares;
- (iii) the acquisition, disposal, exercise or discharge of, or any dealing with, any such option, right or obligation in respect of the Company’s shares;
- (iv) deals between any director of the Company and any Applicable Employee subject to the Code;
- (v) off market deals but excluding any offmarket deal where the beneficial ownership of the Company’s shares is not amended;
- (vi) transfers for no consideration but excluding any such transfer where the beneficial ownership of the Company’s shares is not amended;
- (vii) the taking of any of the Company’s shares into or out of treasury; and
- (viii) the acquisition, disposal or discharge (whether in whole or in part) of a “**related financial product**” referenced to the Company’s shares, which is held by you or by your associates. A related financial product is any financial product whose value in whole or in part is determined directly or indirectly by reference to the price of the Company’s shares, including a contract for difference or a fixed odds bet;

and “**deal**” shall be construed accordingly.

“**Director**” means a person who acts a director on the Board, whether or not officially appointed to such position;

**“Exchange”** means a service approved by the London Stock Exchange plc;

**“FCA”** means the UK Financial Conduct Authority;

**“FSMA”** means the UK Financial Services and Markets Act 2000;

**“Group”** means the Company and its subsidiaries and a **“Group Company”** means any one of them;

**“Inside Information”** means information which:

- (i) is of a precise nature;
- (ii) is not generally available;
- (iii) relates, directly or indirectly, to the Company or to Company Securities; and
- (iv) would, if generally available, be likely to have a significant effect on the price of Company Securities.

Information is “precise” if it:

- (i) indicates circumstances that exist or may reasonably be expected to come in to existence or any event that has occurred or may reasonably be expected to occur; and
- (ii) 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 Company Securities.

Information “would be likely to have a significant effect on price” if and only if it is information of a kind which a reasonable investor would be likely to use as part of the basis of an investment decision;

**“Person Discharging Managerial Responsibility (PDMR)”** means a director of the Company and also includes, a senior executive of the Company who:

- (i) has regular access to inside information relating, directly or indirectly, to the Company; and
- (ii) has power to make managerial decisions affecting the future development and business prospects of the Company;

**“Prohibited Period”** means:

- (i) any Close Period; or
- (ii) any period when there exists any matter which constitutes Inside Information in relation to the Company;

The Company’s Investor Relations Manager shall be responsible communicating Prohibited Periods to the Company’s employees;

**“Regulatory Information Service”** means a service approved by the Exchange for the distribution to the public of AIM announcements and included within the list maintained on the Exchange’s website;

**“Restricted Person”** means a Director; Applicable Employee; or a PDMR;

### **3 Dealings by Restricted Persons**

A Restricted Person must not Deal in any securities of the Company:

- 3.1** during a Close Period;
- 3.2** at any time when he is in possession of unpublished price sensitive information in relation to those securities;
- 3.3** at any time it has become reasonably probable that such information will be required by the AIM rules to be announced; or
- 3.4** where clearance to deal is not given under paragraph 4 of this Code.

The restrictions set out in paragraphs 3.1-3.3 above will not apply where such individuals have entered into a binding commitment before any of the circumstances set out were reasonably foreseeable, and the commitment was made at that time. You must inform the Company Secretary immediately upon entering into any such commitment.

#### **4 Dealings by connected persons and investment managers**

- 4.1** A Restricted Person must take reasonable steps to prevent any dealings by or on behalf of any Connected Person of his in any Company Securities on considerations of a short-term nature.
- 4.2** A Restricted Person must seek to prohibit any dealings in Company Securities during a Close Period:
- 4.2.1** by or on behalf of any Connected Person of his; or
  - 4.2.2** by an investment manager on his behalf or on behalf of any person connected with him where either he or any person connected has funds under management with that investment fund manager, whether or not discretionary.
- 4.3** A Restricted Person must advise all of his Connected Persons and investment managers acting on his behalf:
- 4.3.1** of the name of the listed company within which he is a Restricted Person;
  - 4.3.2** of the Close Periods during which they cannot deal in Company Securities; and
  - 4.3.3** that they must advise the listed company immediately after they have dealt in Company Securities.
- 4.4** PDMRs and their Connected Persons must notify the Company Secretary **and** the FCA<sup>1</sup> of any Dealing that takes place as soon as possible but in any event within 2 calendar days of Dealing. In addition, PDMRs and Connected Persons must also notify the Company Secretary of the following transactions:
- 4.4.1** Every Deal conducted on the PDMR and Connected Person's account relating to the Company Security or to derivatives or other financial instruments linked thereto;
  - 4.4.2** the pledging or lending of financial instruments by or on behalf of the PDMR or Connected Person;
  - 4.4.3** transactions undertaken by persons professionally arranging or executing transactions or by another person on behalf of a PDMR or a Connected Person, including where discretion is exercised;
  - 4.4.4** transactions made under a life insurance policy, defined in accordance with Directive 2009/138/EC of the European Parliament and of the Council (1), where:
    - (i) the policyholder is a person discharging managerial responsibilities or a person closely associated with such a person, as referred to in paragraph 1,
    - (ii) the investment risk is borne by the policyholder, and
  - 4.4.5** the policyholder has the power or discretion to make investment decisions regarding specific instruments in that life insurance policy or to execute transactions regarding specific instruments for that life insurance policy. For the purposes of paragraph 4.4.2, a pledge, or a similar security interest, of financial instruments in connection with the depositing of the

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<sup>1</sup> Notifications to the FCA may be carried out using this link  
<http://www.fca.org.uk/your-fca/documents/forms/pdmr-notification-form>

financial instruments in a custody account does not need to be notified, unless and until such time that such pledge or other security interest is designated to secure a specific credit facility.

- 4.5 The Company shall maintain and monitor a list of PDMRs and Connected Persons on a continuous basis.

## **5 Clearance to deal**

- 5.1 A Restricted Person or Connected Person must receive permission from the Company before dealing in Company Securities, using the application form at Appendix 1 which must be submitted to the Company Secretary who in turn will coordinate with the relevant person in accordance with the following:

5.1.1 a Director (other than the Chairman must not deal in any Company Securities without first notifying the Chairman (or, in his absence, the Chief Executive Officer) using the form at Appendix 1 and receiving clearance to deal from him/her.

5.1.2 The Chairman must not deal in any Company Securities without first notifying the Chief Executive Officer (or, in his absence, the Company Secretary) using the form at Appendix 1 and receiving clearance to deal from him/her.

5.1.3 An Applicable Employee must not deal in any Company Securities without first notifying the Chief Executive Officer (or, in his absence, the Company Secretary) using the form at Appendix 1 and receiving clearance to deal from him/her.

5.1.4 PDMRs (who are not Directors) must not deal in any Company Securities without first notifying the Chief Executive Officer (or, in his absence, the Company Secretary) using the form at Appendix 1 and receiving clearance to deal from him/her.

- 5.2 A response to a submission of an application for clearance to deal will be given to the Restricted Person within five Business Days of the form at Appendix 1 being submitted.

- 5.3 The Company will maintain a record of the response to any dealing request made by a Restricted Person and of any clearance given. A copy of the response and clearance (if any) will be given to the Restricted Person concerned. No dealing can be initiated or take place until the applicant has been informed by the Company that the dealing is permitted.

- 5.4 Any refusal of clearance to deal is final and the Company reserves the right not to offer any explanation of such refusal. In such circumstances, it is likely that clearance to deal will have been refused because a matter generating inside information is under discussion within the Company, of which you may or may not be aware, or because an exceptional announcement is likely or imminent which may affect the Company's share price.

- 5.5 A Restricted Person or Connected Person who is given clearance to deal in accordance with paragraph 5.1 must deal as soon as possible and in any event within two Business Days of clearance being received. If the Restricted Person or Connected Person does not deal within the time allowed under this paragraph 5.5 and still wishes to deal, that person must reapply for clearance.

- 5.6 A Director or his/her Connected Person must notify the Company of the execution of a permitted dealing in Company Securities using the form at Appendix 2 as soon as possible and in any event no later than two Business Days after the transaction takes place. The Company is required to publicly announce the relevant details of any dealing by its Directors or their Connected Persons under the AIM rules.

5.7 Clearance to deal will lapse immediately if the applicant becomes aware of Inside Information.

## 6 Circumstances for refusal

6.1 A Restricted Person must not be given clearance to deal in Company Securities unless the applicant has confirmed as part of the request for clearance under paragraph 5.1 that they are not in possession of, and/or do not have access to, any Inside Information (as set out in the Permission to Deal Form at Appendix 1).

6.2 A Restricted Person must not be given clearance to deal in any Company Securities:

6.2.1 during a Prohibited Period; or

6.2.2 on considerations of a 'short term nature' (an investment with a maturity of one year or less will always be considered to be of a 'short term nature'),

subject to such dealings permitted during a Prohibited Period described in paragraph 7 below.

## 7 Dealings permitted during a Prohibited Period

### Dealings in exceptional circumstances

7.1 A Restricted Person, who does not have access to Inside Information, may be given clearance to deal if he is in severe financial difficulty or if there are other exceptional circumstances. Clearance may be given for such a person to sell (but not purchase) Company Securities when he would otherwise be prohibited by this Code from doing so. A person may be in severe financial difficulty if he has a pressing financial commitment that cannot be satisfied otherwise than by selling the relevant Company Securities. A liability of such a person to pay tax would not normally constitute severe financial difficulty unless the person has no other means of satisfying the liability. A circumstance will be considered exceptional if the person in question is required by a court order to transfer or sell Company Securities or there is some other overriding legal requirement for him to do so.

7.2 Particulars of exceptional circumstances justifying a sale as the only reasonable course of action under paragraph 7.1 above should accompany the relevant clearance request.

7.3 Where the nominated adviser feels that a proposed deal by a Director should be permitted despite the presence of one of the circumstances in paragraph 6, it should contact AIM regulator without delay to discuss.

7.4 Dealings permitted during a Prohibited Period shall only be available to PDMRs where such PDMR is able to demonstrate that the particular Dealing cannot be executed at another moment in time than during the Prohibited Period.

7.5 Where an exemption to Deal in Company Securities is sought by a PDMR under paragraph 7.4 above, prior to any such Dealing, during a Prohibited Period, the PDMR must:

7.5.1 Provide a reasoned written request to the Company for obtaining the Company's permission to proceed with a sale of Company Securities during a Prohibited Period; and

7.5.2 Such written request shall describe the envisaged transaction and provide an explanation of why a sale of Company Securities is the only reasonable alternative to obtain the necessary financing.

- 7.6 The FCA should be consulted at an early stage regarding any application by a Restricted Person to deal in exceptional circumstances.

#### Awards of securities and options

- 7.7 The grant of options by the Board under an employees' share scheme to individuals who are not Restricted Persons may be permitted during a Prohibited Period if such grant could not reasonably be made at another time and failure to make the grant would be likely to indicate that the Company was in a Prohibited Period.
- 7.8 The award by the Company of Company Securities, the grant of options and the grant of rights (or other interests) to acquire Company Securities to Restricted Persons is permitted in a Prohibited Period if:
- 7.8.1 the award or grant is made under the terms of an employees' share scheme and the scheme was not introduced or amended during the relevant Prohibited Period;
  - 7.8.2 either:
    - (i) the terms of such employees' share scheme set out the timing of the award or grant and such terms have either previously been approved by shareholders or summarised or described in a document sent to shareholders; or
    - (ii) the timing of the award or grant is in accordance with the timing of previous awards or grants under the scheme;
  - 7.8.3 the terms of the employees' share scheme set out the amount or value of the award or grant or the basis on which the amount or value of the award or grant is calculated and do not allow the exercise of discretion; and
  - 7.8.4 the failure to make the award or grant would be likely to indicate that the Company is in a Prohibited Period.

#### Exercise of Options

- 7.9 The Company may permit the PDMR to trade on its own account or for the account of a third party during a Prohibited Period including but not limited to circumstances where that PDMR:
- 7.9.1 exercises options or warrants or conversion of convertible bonds assigned to him under an employee scheme when the expiration date of such options, warrants or convertible bonds falls within a closed period, as well as sales of the shares acquired pursuant to such exercise or conversion, provided that all of the following conditions are met:
    - (i) the PDMR notifies the Company of its choice to exercise or convert at least four months before the expiration date;
    - (ii) the decision of the PDMR is irrevocable;
    - (iii) the PDMR has received the authorisation from the Company prior to proceed;

#### Acting as a trustee

- 7.10 Where a Restricted Person is acting as a trustee, dealing in Company Securities by that trust is permitted during a Prohibited Period where:
- 7.10.1 the Restricted Person is not a beneficiary of the trust; and
  - 7.10.2 the decision to deal is taken by the other trustees or by investment managers on behalf of the trustees independently of the Restricted Person.

- 7.11 The other trustees or investment managers acting on behalf of the trustees can be assumed to have acted independently where the decision to deal:
- 7.11.1 was taken without consultation with, or other involvement of, the Restricted Person; or
  - 7.11.2 was delegated to a committee of which the Restricted Person is not a member.

## **8 Responsibility**

- 8.1 The following should be noted:
- 8.1.1 all Restricted Persons are responsible for compliance with this Code; and
  - 8.1.2 failure by any Restricted Person to comply with this Code may result in disciplinary action, up to and including termination of employment. Depending on the circumstances, it may also constitute a civil and/or criminal offence.
- 8.2 If you are unsure whether a dealing you or your Connected Persons wish to undertake is subject to the Code, you should consult with the Company Secretary.

## Appendix 1 Permission to Deal Form

To be signed by a person wishing to deal in Company Securities in accordance with paragraph 5 of the Share Dealing Code (the "Code"). Please send the signed original copy of this form to the Company Secretary.

### Lekoil Limited – Dealing in Company Securities

I, ..... (BLOCK CAPITALS PLEASE)

Location ..... Internal Telephone: .....

in accordance with the Code, hereby request permission to deal in Company Securities (as defined in the Code) as indicated below:

CLASS OF SECURITIES	Please confirm that these are ordinary shares	
NUMBER OF SECURITIES OR AMOUNT TO BE INVESTED/DIVESTED	Please enter the number of shares or the financial consideration to be realised/paid for the purchase or sale of shares	
FULL NAME(S) OF PERSON DEALING	If not you, please give name and relationship to you e.g. spouse	
NATURE OF INTEREST	Please state whether held personally, as a trustee or held in trust on your behalf	
NATURE OF TRANSACTION	Please state whether e.g. sale, purchase, savings investment, exercise under any share option plan etc.	

I am not in possession of any **Inside Information** (as defined in the Code) relating to the above Company Securities. If this should change at any time before the transaction, I undertake not to proceed with the transaction.

I undertake to deal as soon as possible after clearance has been given, and in any event within two Business Days (as defined in the Code) of clearance being received. I understand that this permission to deal is no longer valid beyond that time.

I will submit a 'Notification of Dealing Form' as soon as possible and in any event no later than two Business Days after the transaction takes place.

Please confirm that permission has been granted for the above transaction to take place by counter-signing and returning this Form.

Signed..... Dated.....

### PERMISSION GRANTED TO DEAL

Permission has been granted, for ..... to carry out the above transaction on the basis that it is completed no later than close of business on ....., being two Business Days following the date of this permission.

Signed..... Dated.....

Title ..... on behalf of Lekoil Limited

## Appendix 2 Notification of Dealing Form

To be signed by the person who has dealt. Please send the signed original copy of this form to the Company Secretary.

### Lekoil Limited – Dealing in Company Securities

I, ..... (BLOCK CAPITALS PLEASE)

Location ..... Internal Telephone: .....

in fulfilment of my obligations under the Share Dealing Code (the “Code”), give notice of the following dealing in Company Securities (as defined in the Code) as indicated below:

CLASS OF SECURITIES	Please confirm that these are ordinary shares	
NUMBER OF SECURITIES		
FULL NAME(S) OF PERSON DEALING	If not you, please give name and relationship to you e.g. spouse	
POSITION OF PERSON DEALING		
INITIAL NOTIFICATION/AMENDMENT	Please state whether this is an initial notification or an amendment to a previous notification	
NATURE OF INTEREST	Please state whether held personally or in trust	
DETAILS OF THE ISSUER, EMISSION ALLOWANCE MARKET PARTICIPANT, AUCTION PLATFORM, AUCTIONEER OR AUCTION MONITOR		
NAME		
LEGAL ENTITY IDENTIFIER CODE OF THE ENTITY (LEI)		
NATURE OF TRANSACTION	Please state whether e.g. sale, purchase, ISA investment, exercise under any share option plan etc.	
DATE OF TRANSACTION (Using the date format: YYYY-MM-DD; UTC time.)		
PLACE OF TRANSACTION		
PRICE (per share or stock unit)	PRICE	VOLUME
AGGREGATED INFORMATION	Please state the aggregated volumes of multiple transactions when these transactions: a. relate to the same financial instrument or emission allowance; b. are of the same nature;	

	c. are executed on the same day; and are executed on the same place of transaction	
a. AGGREGATED VOLUME		
AGGREGATED PRICE		

Signed.....

Dated.....

### **Appendix 3**

#### **AIM Rule 17 Notifications**

- 1** Lekoil Limited must announce via a Regulatory Information Service without delay, the information set out in paragraph 2 of this Appendix 3 when:
  - 1.1** any Deal has been carried out by a Director; and
  - 1.2** when there has been any change to the holding of a Significant Shareholder above 3% that increases or decreases such holding through any single percentage.
- 2** The announcement required by paragraph 1 of this Appendix 3 should contain:
  - 2.1** the identify of the Director or Significant Shareholder;
  - 2.2** the date on which the disclosure was made to Lekoil Limited;
  - 2.3** the date on which the Deal or change in shareholding (as per paragraph 1.2 of this Appendix 3) was effected;
  - 2.4** the price, amount and class of the securities concerned;
  - 2.5** the nature of the transaction;
  - 2.6** the nature and extent of the Director's or Significant Shareholder's interest in the transaction;
  - 2.7** where the Deal takes place during a Close Period, the date upon which any previous binding commitment was announced or the date upon which the Exchange granted permission to Deal in order to mitigate severe personal hardship; andwhere the announcement concerns a related financial produced, the detailed nature of the exposure.