

**LEKOIL LIMITED**  
**(the *Company*)**

**INSIDE INFORMATION AND DISCLOSURE POLICY**

Adopted on 19 November 2014

Updated on 27 September 2016

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## 1. Introduction

1.1 As a company admitted to the Alternative Investment Market (**AIM**) of the London Stock Exchange, the Company is required to comply with, among other things, the Market Abuse Regulations (MAR), AIM rules and regulations and the Financial Conduct Authority's ("FCA") Disclosure and Transparency Rules relating to the disclosure and control of inside information (DTR2).

1.2 Definitions:

**"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.

**"Other Electronic Communications Methods"** means blogs, electronic mail messaging, text messaging, audio messaging or video messaging; social media site or website comments; or other communications using messaging systems embedded in software applications (such as LinkedIn In-mail, Google Talk or Facebook Messenger) whether or not viewers of the communications are the general public, or a limited group of individuals granted rights to view the information.

**"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.

**"Publicly Disseminated"** means that information has been made available through the distribution of a press release through a widely disseminated news or wire service, or by another non-exclusionary method of disclosure that is reasonably designed to provide broad public access -- such as an announcement at a conference of which the public had adequate notice and to which the public was granted access, either by personal attendance, or telephonic or electronic access. Notably, information is generally not considered to be Publicly Disseminated if it has only been posted to the Company's website.

**"Third Party"** means securities market professionals (including, but not limited to, analysts, broker-dealers, investment advisers and fund managers), existing or prospective shareholders (including anyone who may be reasonably expected to trade on the basis of Inside Information), reporters and any other party who is not bound by a duty of confidentiality to the Company.

- 1.3 The following procedures are designed to help the Company comply with these rules on an ongoing basis by ensuring orderly communication of key information concerning the Company to shareholders, the stock market as a whole and to the press.

## 2. Basic Rules

- 2.1 The only personnel authorised to speak to shareholders, the press, brokers or others, or to issue communications in relation to the Company's affairs generally, including in particular major announcements such as the preliminary and half-year results and any announcements concerning major business developments, are:

Olalekan Akinyanmi	-	Chief Executive Officer
Lisa Mitchell	-	Chief Financial Officer
Hamilton Esi	-	Head, Corporate Communications
Gloria Iroegbunam	-	Head, Legal
Alfred Castaneda	-	Investor Relations Manager

(together, the **Designated Officers**)

- 2.2 The Chairman and other Non-executive Directors may make general communications in exceptional circumstances or in the absence of the Designated Officers.
- 2.3 Routine regulatory announcements in respect of the Company's continuing obligations under MAR, the AIM Rules or DTR2 may also be made by the Company Secretary, subject to authorisation by the Designated Officers or the Chairman.
- 2.4 The specific time scales for issuing particular communications, e.g. release of annual results, changes to the Board of Directors, Directors' share dealings and corporate transactions, are set out in MAR and the AIM Rules
- 2.5 All questions from shareholders, the press, brokers or others in relation to the Company's affairs should be referred to the Designated Officers.
- 2.6 As a general rule, all other employees are prohibited from making any such communication or releasing regulatory announcements.

## 3 Insider Information

- 3.1 There is an overriding obligation on the Company and its Directors to ensure that any "inside information" is disseminated to the market without delay. Inside information is information which:
- is precise;
  - is not generally available
  - relates directly or indirectly to the Company or its Group; and
  - would, if generally available, be likely to have a significant effect on the price of the Company's shares and/or related investments

Examples of inside information include, but are not limited to:

- (i) the performance or expected performance of the Group's business (earnings statement, forecasts, profit, dividends etc.);
- (ii) preliminary, half-yearly or other announcements of the financial results of the Group;
- (iii) the assets and liabilities of the Group (joint ventures, mergers, acquisitions, sales or disposals of assets);

- (iv) major new developments in the business (significant developments with material contracts);
- (v) proposed or actual governmental actions;
- (vi) significant labour actions;
- (vii) changes to the Board's composition; or
- (viii) major developments in litigation.

These examples are not exhaustive and if there is any uncertainty over whether information constitutes inside information, the Designated Officers should seek advice from the Nominated Adviser.

- 3.2 The Company must control the dissemination of inside information, both internally and externally, in order to prevent market abuse, insider dealing and similar offences by persons in possession of inside information. If any employee or adviser becomes aware of any new developments which they consider may be inside information, or they want/need to disclose information (internally or externally) and are not sure whether or not the information is inside information, they should contact one of the Designated Officers in the first instance. Contact details are given in Appendix A to this policy.
- 3.3 Inside information should only be disclosed to employees or advisers on a “need to know” basis and the name of any employee, adviser or such other person who has access to inside information must be included on a list (the **Insider List**) which is maintained by the Company Secretary or an appropriate appointed representative). Insider Lists must contain the identity of each person with access to insider information, the reason why that person has access to insider information, their national identification number (if available), telephone number, the date and time the person was added to the list and the date on which the Insider List was created or updated. Insider Lists must be updated each time they are amended and retained for five years after creation or the latest update, whichever is later, and must be provided to the Financial Conduct Authority immediately on request.
- 3.4 In addition to employees of the Company who need to know the inside information, under certain circumstances, the Company may be justified in disclosing inside information to certain categories of persons who require the information to perform their functions such as:
- (a) persons with whom the Company is negotiating or intends to negotiate any commercial financial or investment transaction (including prospective underwriters or places of the financial instruments of the Company);
  - (b) any government department, the Bank of England, the Competition Commission or any other statutory or regulatory body or authority;
  - (c) major shareholders of the Company;
  - (d) the Company’s lenders; and
  - (e) credit rating agencies
- 3.5 Any Director or employee who is identified as an insider and named in a general or transactional Insider List will be notified separately.
- 3.6 Inside information must be released to the market in the form of an announcement via a Regulated Information Service as soon as possible, unless an exemption applies. Exemptions include:
- (a) delays for a short while in order to clarify the situation on unexpected and significant events; and
  - (b) where the Company has legitimate interests (such as negotiations in course, or related elements where the outcome or normal pattern of those negotiations would be likely to be affected by public disclosure) to protect

provided that the delay of disclosure is not likely to mislead the public and provided also that that the Company must keep all such information confidential during the period of any delay.

These exemptions do not allow the Company to delay public disclosure because it is in financial difficulty or because a meeting of the Directors cannot be convened. In addition, a Company is not allowed to disclose inside information to any person simply because they owe Company a duty of confidentiality. Kindly contact the Company or Company's nominated adviser in circumstances where disclosure of information may be delayed

As soon as delayed information is announced, the Company must inform the FCA:

- (a) that the disclosure of the information was delayed;
- (b) the date and time when the decision to delay the information was made; and
- (c) provide the names of the persons who made the decision to delay

Such information is to be provided via the FCA's website [[www.fca.org.uk](http://www.fca.org.uk)]. As of the date of this policy, the area of the FCA's website where this information is to be provided has not yet been launched. Designated Officers must check the FCA website regularly in order to ensure compliance with this requirement.

In addition, the FCA may require the Company to explain in writing why it was justified in delaying disclosure. Therefore, under MAR, the Company must keep detailed records of decisions made to delay disclosure of inside information to the market which said records must be in compliance with the provisions of Appendix B to this policy.

- 3.7 When there has been a leak of inside information, or the Board believes that there is a danger of inside information leaking, it may be necessary to release a holding announcement. Where the Board is uncertain as to whether an announcement is needed, including the need for a holding announcement, the advice of the Company's brokers or financial advisers and external legal advisers should be sought at the earliest opportunity.
- 3.8 It is an offence under Part V of the Criminal Justice Act 1993 for an individual who has inside information, and who knowingly has that information as an insider, to deal in securities on a regulated market, or through a professional intermediary. There are also offences of "encouraging dealing" and "disclosure" by persons who have inside information. However, even if dealing does not constitute insider dealing, dealing in breach of the Company's Share Dealing Code is likely to be regarded by the Company as a serious disciplinary offence amounting to gross misconduct. For further information, you should refer to the Company's Share Dealing Code.
- 3.9 A breach of any of these communications procedures will be regarded as a disciplinary offence and dealt with accordingly.

#### **4. Communications in the event of a disaster**

- 4.1 In the event of an incident involving serious injury or fatalities, only the Chairman or the Designated Officers are authorised to make statements or speak to the media. These individuals may authorise the Company's PR consultants to issue statements on the Company's behalf. No other company personnel or consultants engaged by the Company may speak to the media without explicit authority given by the Board and any enquiries must be referred to the Chairman or the Designated Officers.
- 4.2 In the event of a serious emergency and the Chairman or the Designated Officers are unavailable, the remaining Board members will agree amongst themselves a Director or Directors who will be authorised to make statements on behalf of the Company relating to the emergency.

#### **5 Market Soundings**

The Company and its advisers must comply with the procedures set out in Appendices C and D to this policy when conducting a market sounding. It is important that the Company adheres strictly to

**all** of the procedures set out in Appendices C and D to this policy in order to be able to defend itself against any allegation of illegal disclosure.

A market sounding includes when the Company:

- (a) assesses the appetite for a proposed issuance of AIM securities; or
- (b) seeks commitments to accept a takeover offer from a target company's shareholders

The Company must keep adequate records related to market soundings and must make such records available to the FCA on request. The records must include:

- (a) all communications of information which have taken place between the Company and or its advisers and all recipients of the market sounding including any documents provided by the Company to the recipients of the market sounding
- (b) information leading to the assessment that the information communicated during the market sounding has ceased to be inside information and the relevant notifications thereof
- (c) recordings of telephone conversations and video or audio recording of meetings provided that the persons to whom the information is communicated have given their consent to such a recording
- (d) copies of any written correspondence or emails

written minutes or notes of unrecorded meetings or telephone conversations, using the prescribed template in Appendix C to this policy.

The Company must ensure that any minutes of meetings or conversations which are drawn up must be provided to the recipient of the market sounding and agreed and signed off within five (5) days. The Company must retain a copy of the agreed minutes or where agreement cannot be reached on the content of the minutes, copies of the minutes from both parties to the market soundings.

## **6 Analyst Information**

- 6.1 Except as set forth below, no employee of the Company, other than the Designated Officers, may review analysts' reports prior to their being published, send analysts' reports to investors or prospective investors, comment on an analyst's model, provide analysts' phone numbers for people to call them directly, endorse or ratify revenue or earnings projections made by an analyst, or express comfort or disagreement with "the range" or how the analysts arrived at their estimates. A Designated Officer may, however, review an analyst report solely for the purpose of confirming or correcting Publicly Disseminated information that may be contained in such analyst report.

## **7 Press Releases**

- 7.1 The Company will issue press releases from time to time to disclose information that is important or of use to the public. Press releases will be prepared and reviewed in accordance with the Company's established practices, including review by the Company's auditors and counsel, if appropriate. Press releases will be approved by and issued under the supervision of a Designated Officer.
- 7.2 Press releases will be disseminated through an approved news wire service that provides simultaneous worldwide distribution. Press releases will be broadly distributed in accordance with the wire services standard distribution protocols.
- 7.3 Press releases will be posted on the Company's web site promptly upon release.

## **8 Rumours**

- 8.1 No employee of the Company may comment on rumours. A Designated Officer is permitted to state that the Company has a policy against commenting on rumours.

## **9 Indirect Communications; Chat Rooms; Other Electronic Communications Methods**

- 9.1 Any communication that would constitute a violation of this Policy if made directly by an employee to a Third Party shall also constitute a violation if made indirectly to a Third Party. No employee shall contribute to or participate in "chat rooms" or similar online forums or use Other Electronic Communications Methods (as defined ) with respect to Lekoil or companies engaged in business with Lekoil to the extent any such information regarding Lekoil or any other party is gained as a result of the employee's relationship with Lekoil or any other employee. The posts in these forums may contain misleading or unsubstantiated information and may be made by unsophisticated investors who are poorly informed. Accordingly, no employee may discuss the Company or Company-related information in such a forum. Posts in these forums can result in the disclosure of Inside Information and may bring significant legal and financial risk to the Company and are therefore prohibited. Any use of chat rooms or Other Electronic Communications Methods, including blogs or social media sites, must be in strict compliance with this policy.

## **10 General**

- 10.1 All Company personnel are reminded that irrespective of these rules, commercial information about the Company and its operations is confidential and should only be provided to third parties in accordance with these procedures or where an appropriate confidentiality agreement is in place.
- 10.2 If you have any questions regarding the AIM Rules or this Disclosure Policy please contact the Company Secretary.

## APPENDIX A

### LEKOIL LIMITED

#### DESIGNATED OFFICERS

Contact details of those Directors / officers authorised to speak to shareholders, the press, brokers and to approve announcements on behalf of the Company.

Name	Role	Contact Number	Email address
Olalekan Akinyanmi	Chief Executive Officer		<a href="mailto:Lekan@lekoil.com">Lekan@lekoil.com</a>
Lisa Mitchell	Chief Financial Officer		Lisa.mitchell@lekoil.com
Hamilton Esi	Head, Corporate Communications		<a href="mailto:Hamilton@lekoil.com">Hamilton@lekoil.com</a>
Gloria Iroegbunam	Head, Legal		Gloria@lekoil.com
Alfred Castaneda	Investor Relations Manager		Alfred.castaneda@lekoil.com

## APPENDIX B

### RECORD KEEPING REQUIREMENT FOR DELAYS TO DISCLOSURE OF INSIDE INFORMATION

Date and time when:	
1. the inside information first existed within the Company:	
2. the decision to delay the disclosure of inside information was made:	
3. the Company is likely to disclose the inside information:	

The identity of the persons within the Company Responsible for:	<i>First name</i>	<i>Surname</i>	<i>Position</i>
1. Deciding about the start of the delay and its likely end:			
2. Ensuring the ongoing monitoring of the conditions for the delay:			
3. Deciding about the public disclosure of the inside information:			
4. Providing the requested information about the delay and the written explanation to the competent authority:			

Evidence of the initial fulfilment of the conditions referred to in Article 17(4) of Regulation (EU) No 596/2014, and of any change of this fulfilment during the delay period, including:  <ol style="list-style-type: none"><li>1. The information barriers which have been put in place internally to prevent access to inside information by persons other than those who require it for the normal exercise of their employment, profession or duties within the issuer and with regard to third parties;</li><li>2. The arrangements put in place in cases where the confidentiality is no longer ensured.</li></ol>
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## APPENDIX C

### PROCEDURES FOR MAKING MARKET SOUNDINGS

1. The Company, or the Company's adviser, must, prior to conducting a market sounding, specifically consider whether the market sounding will involve the disclosure of inside information.
2. If the market sounding will involve disclosure of inside information, the Company shall then make and update as appropriate a written record of its conclusion and the reasons therefor. This obligation shall apply to each disclosure of information throughout the course of the market sounding.
3. Before making a market sounding and disclosing inside information, the Company is required to:
  - (a) make a statement clarifying that the communication takes place for the purposes of a market sounding;
  - (b) where the market sounding is conducted by recorded telephone lines, or audio or video recording is being used, make a statement indicating that the conversation is recorded and the consent of the person receiving the market sounding to be recorded;
  - (c) make a request to and a confirmation from the contacted person that the Company is communicating with the person entrusted by the person receiving the market sounding to receive the market sounding;
  - (d) make a statement clarifying that, if the contacted person agrees to receive the market sounding, that person will receive information that the Company considers to be inside information and that the person receiving the market sounding shall assess for itself whether it is in possession of inside information or when it ceases to be in possession of inside information;
  - (e) where possible, an estimation of when the information will cease to be inside information, the factors that may alter that estimation and, in any case, information about the manner in which the person receiving the market sounding will be informed of any change in such an estimation;
  - (f) inform the person receiving the market sounding that he is prohibited from using that information, or attempting to use that information, by acquiring or disposing of, for his own account or for the account of a third party, directly or indirectly, financial instruments relating to that information;
  - (g) inform the person receiving the market sounding that he is prohibited from using that information, or attempting to use that information, by cancelling or amending an order which has already been placed concerning a financial instrument to which the information relates; and
  - (h) inform the person receiving the market sounding that by agreeing to receive the information he is obliged to keep the information confidential;

- (i) obtain the consent of the person receiving the market sounding to receive inside information;
  - (j) only then disclose and identify the information that the disclosing party considers to be inside information.
4. The Company shall make and maintain a record of all information given to the person receiving the market sounding, including:
- (a) the information given in accordance with points (a) to (d) of item 3 above;
  - (b) the identity of the potential investors to whom the information has been disclosed, including but not limited to the legal and natural persons acting on behalf of the potential investor; and
  - (c) the date and time of each disclosure.
5. For each market sounding conducted, the Company shall draw up a list containing the following information:
- (a) the names of all natural and legal persons to whom information has been disclosed in the course of the market sounding;
  - (b) the date and time of each communication of information which has taken place in the course of or following the market sounding;
  - (c) the contact details of the persons receiving the market sounding used for the purposes of the market sounding.
6. Disclosing market participants shall draw up another list of any potential investors that have informed them that they do not wish to receive market soundings, in relation to either all potential transactions or particular types of potential transactions. The Company shall refrain from communicating information for the purposes of market soundings to such potential investors.
7. The Company shall inform the recipient as soon as possible where information that has been disclosed in the course of a market sounding ceases to be inside information according to the assessment of the Company and shall provide the following information:
- (a) the identity of the disclosing market participant;
  - (b) an identification of the transaction subject to the market sounding;
  - (c) the date and time of the market sounding;
  - (d) the fact that the information disclosed has ceased to be inside information;
  - (e) the date on which the information ceased to be inside information.

## APPENDIX D

### STANDARD TEMPLATE FOR MINUTES OF A MARKET SOUNDINGS

Item	Text Field
1. Identity of the disclosing market participant	<i>Full names of the disclosing market participant and of the person within the disclosing market participant providing the information and the contact details used for the communication.</i>
2. Identity of the person receiving the market sounding	<i>Full name of the person receiving the communication and the contact details used for the communication.</i>
3. Date and time of the communication	<i>Date and time(s) of the communication specifying the time zone.</i>
4. Clarification of the nature of the conversation in accordance with Article 3(3)(a) of Delegated Regulation (EU) No. xx/xx (RTS on market soundings)	<i>Record of the statement that the communication takes place for the purposes of a market sounding.</i>
5. Confirmation of the identity of the person receiving the market sounding in accordance with Article 3(3)(c) of Delegated Regulation (EU) No. xx/xx (RTS on market soundings)	<i>Record of the information about the confirmation from the contacted person that the disclosing market participant is communicating with the person entrusted by the person receiving the market sounding to receive the market sounding.</i>
6. Clarification in accordance with Article 3(3)(d) of Delegated Regulation (EU) No. xx/xx (RTS on market soundings) that inside information will be communicated	<i>Record of the statement clarifying that, if agreeing to receive the market sounding, the person receiving the communication of information will receive information which the disclosing market participant considers inside information and a reference to the obligation set forth in Article 11(7) of Regulation (EU) No 596/2014.</i>
7. Information on the estimation of when the information ceases to be inside information, in accordance with Article 3(3)(e) of Delegated Regulations (EU) No. xx/xx (RTS on market soundings)	<i>Record of the information given, if any, on the estimated time when the information is expected to be made public or the transaction launched, with an explanation of why this may be subject to change and how the person receiving the market sounding will be informed in case the estimated time is no longer valid.</i>
8. Statement regarding the obligations of the person receiving the communication in accordance with Article 3(3)(f) of Delegated Regulation (EU) No. xx/xx (RTS on market soundings)	<i>Record of the statement explaining the obligations that apply to the possession of inside information, including points (b), (c) and (d) of Article 11(5) of Regulation (EU) No 596/2014 to the person receiving the communication.</i>

<p>9. Confirmation of consent in accordance with Article 3(3)(g) of Delegated Regulation (EU) NO. xx/xx (RTS on market soundings)</p>	<p><i>Record of the information about the consent of the person receiving the market sounding to receive the inside information, as referred to in Article 11(5(a)) of Regulation (EU) No 596/2014 (request and reply).</i></p>
<p>10. Disclosure of information in accordance with Article 4(3)(h) of Delegated Regulation (EU) No. xx/xx (RTS on market soundings)</p>	<p><i>Description of the information disclosed for the purposes of the market sounding, identifying the information considered to be inside information.</i></p>

NB: The Delegated Regulation references above are incomplete because the draft regulation has not yet been issued by the EU Commission in final form.

