



# STATEMENT OF CORPORATE GOVERNANCE

This Statement of Corporate Governance has been established by the Board of Directors (the “Board”) of the WEST AFRICA GAS LTD (the “Company”), and is intended, in conjunction with the Company’s Articles of Association, other Corporate Governance documents and all applicable local and international laws, to be a flexible framework within which the Board may conduct its business.

## **The Board of Directors**

The Board oversees the business of the Company and its controlled entities (referred to collectively as the “Group”) and is responsible for the corporate governance of the Company. The Board establishes broad corporate policies, sets the strategic direction for the Group and oversees management with a focus on enhancing the interests of shareholders.

## **Size of the Board**

The Articles of Association provide that the Board shall have the exclusive authority to determine the size of the Board from time to time; provided, however, the Board shall consist of not less than three (3) members. In WEST AFRICA GAS LTD (BVI) the board comprises of a minimum of five (5) members, a Chairman, one (1) Executive Director, and three (3) Non-executive Directors.

## **Meetings of the Board**

Regular meetings of the Board shall be held at such times and places as determined by the Board and special meetings shall be held at other times as the Board may determine is appropriate.

## **Board Meeting Materials**

To the extent practicable, the Directors shall be provided with appropriate materials in advance of each meeting to permit prior review by the Directors.

## **Executive Sessions of Non-Executive Directors**

Directors who are not executives of the Company (the “non-executive Directors”) shall meet in executive session without the participation of management in connection with each regular meeting of the Board, and at other times as they may determine is appropriate.

## **Board Membership Criteria**

The Nominating and Corporate Governance Committee of the Board (the “Nominating and Corporate Governance Committee”) is responsible for developing criteria for filling vacant Board positions, taking into consideration such factors as it deems appropriate. No single factor is determinative. Relevant considerations include the candidate’s education and background; his or her general business experience and familiarity with the Group’s businesses; and whether he



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or she possesses unique expertise which will be of value to the Company. Candidates should not have any interests that would materially impair his or her ability to exercise independent judgment or otherwise discharge the fiduciary duties owed as a director to the Company and its shareholders. All candidates must be individuals of personal integrity and ethical character, and who value and appreciate these qualities in others. It is expected that each Director will devote the necessary time to the fulfillment of his or her duties as a Director. In this regard, the Nominating and Corporate Governance Committee will consider the number and nature of each Director's other commitments, including other directorships. The Nominating and Corporate Governance Committee will seek to promote through the nominations process diversity on the Board of professional background, experience, expertise, perspective, age, gender, ethnicity and country of citizenship.

### **Director Compensation**

The Compensation Committee of the Board (the "Compensation Committee") is responsible for reviewing the compensation of non-executive Directors for their service on the Board and its committees. The Compensation Committee shall periodically review director compensation against the Company's peers and consider the appropriateness of the form and amount of director compensation and make recommendations to the Board concerning director compensation with a view toward attracting and retaining qualified Directors. Directors who are executives or employees of the Company shall not receive any additional compensation for serving as a Director.

### **Directors Emeritus**

The Board may, from time to time, by majority vote, elect one or more of its former Directors to serve as a Director Emeritus for one or more consecutive one-year terms or until such Director Emeritus' earlier resignation or removal by a majority of the Board for any reason or no reason. Directors Emeritus shall serve as consultants to the Board and may be asked to serve as consultants to committees of the Board. Directors Emeritus may be invited to attend meetings of the Board or any committee of the Board and, if present, may participate in the discussions occurring at such meetings. Directors Emeritus shall not be counted for the purpose of determining whether a quorum of the Board or a committee of the Board is present and shall not have any of the responsibilities or liabilities of a Director, nor any of a Director's rights, powers or privileges. Directors Emeritus will be entitled to receive fees for such service in such form and amount as recommended by the Compensation Committee and approved by the Board, and shall be reimbursed for reasonable travel and other out-of-pocket business expenses incurred in connection with attendance at meetings of the Board and its committees.



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## **Director Access to Management and Independent Advisors**

Directors receive operating and financial reports of the Company and have access to senior management at Board and Committee meetings. The Board shall have the authority to retain, terminate and determine the fees and terms of consultants, legal counsel and other advisors to the Board as the Board may deem appropriate in its discretion.

## **Board and Committee Self-Evaluations**

The Nominating and Corporate Governance Committee shall be responsible for conducting an annual review and evaluation of the Board's conduct and performance based upon completion by all Directors of a self-evaluation form that includes an assessment, among other things, of the Board's maintenance and implementation of the Company's standards of conduct and corporate governance policies. The review shall seek to identify specific areas, if any, in need of improvement or strengthening and shall culminate in a discussion by the full Board of the results and any actions to be taken.

Each of the standing committees of the Board shall evaluate its performance at least annually and report to the Board on such evaluation.

## **Attendance at Annual Meeting of Shareholders**

All Directors are encouraged to attend the Company's Annual Meeting of Shareholders.

## **Board Committees**

The Board has three standing committees:

- the Audit Committee;
- the Nominating and Corporate Governance Committee; and
- the Compensation Committee.

These committees are nominated by the board of Directors and consists of at list one Executive Director. Each of the standing committees of the Board has the authority to retain, terminate and determine the fees and terms of consultants, legal counsel and other advisors to such committees as such committee may deem appropriate in its discretion.



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## Chief Executive Officer Evaluation and Succession

The Compensation Committee is responsible for reviewing and approving goals and objectives relevant to the compensation of the Company's Chief Executive Officer (the "CEO"), evaluating the performance of the CEO in light of the goals and objectives and recommending to the Board the compensation of the CEO based on such evaluation. The Board plans for succession to the position of CEO of the Company, which involves consideration of its policies and principles regarding selection and performance review of the CEO, and plans for succession in the event of an emergency or the retirement of the CEO. To assist the Board, the CEO shall provide the Compensation Committee and the Board with an assessment of members of senior management and their succession potential. The Compensation Committee shall report the results of these assessments to the Board.

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## Ethical Standards

The Board has adopted “Standards of Business Conduct.” The full text of the Standards may be found on the Company’s website. The Standards of Business Conduct confirm the Company’s policy to conduct its affairs in compliance with all applicable laws and regulations and observe the highest standards of business ethics. The Company intends that the spirit as well as the letter of those standards is followed by all Directors, officers and employees of the Company, its subsidiaries and divisions. This is communicated to each new Director, officer and employee and has already been communicated to those in positions at the time the Standards of Business Conduct were adopted. The Standards of Business Conduct deal with the following main areas:

- corporate assets and information:
  - (a) Company funds and property;
  - (b) corporate records and accounting;
  - (c) confidential and proprietary information;
  - (d) insider trading;
  - (e) legal disputes;
- conflicts of interest;
- dealings with others:
  - (a) government officials;
  - (b) business hospitality;
  - (c) prohibited payments;
- equal opportunity and unlawful harassment;
- safety of the workplace and environmental protection; and
- relationships with competitors and other trade practices.

Employees are encouraged to raise any matters of concern with their supervisor or the relevant general counsel. The Standards of Business Conduct also apply to ensure compliance with stock exchange disclosure requirements and to ensure accountability at a senior management level for that compliance.

## Code of Ethics for the CEO and Senior Financial Officers

To further promote ethical and responsible decision making, the Board has established a Code of Ethics for the CEO and senior financial officers that is included in the Company’s Standards of Business Conduct.

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## Protection for Company “whistleblowers”

The Company has established procedures which have been incorporated into the Company’s Standards of Business Conduct to facilitate the submission and review of complaints from employees regarding questionable accounting, internal controls or auditing matters on a confidential and anonymous basis. These procedures enable employees to make their concerns known without fear of retaliation and in the knowledge that procedures are in place to act upon their complaints.

## Shareholder Communication / Disclosure

Shareholders play an integral part in corporate governance and the Board ensures that shareholders are kept fully informed through:

- **information** provided on the Company’s website ([www.westafricagas.com](http://www.westafricagas.com)), including its Annual Report which shall be distributed to all shareholders electing to receive it and which shall be available to all shareholders on request;
- **reports** and other disclosures made periodically by the Company to the Shareholders, and all other regulatory bodies that require such information. and
- **notices** and proxy statements of special and annual meetings.

It is the policy of the Company to facilitate communications of shareholders and other interested parties with the Board and its various committees. Shareholders may raise matters of concern at the annual meetings of shareholders. In addition, any shareholder or other interested party wishing to communicate with any Director, any committee of the Board or to the Board as a whole, may do so by submitting such communication in writing and sending it by regular mail to the attention of the appropriate party.