



## Seplat Petroleum Development Company Plc

### Conflict of Interest for Employees Policy

Adopted by the Board on 24 March 2015

#### INTRODUCTION AND PURPOSE

- 1.1 SEPLAT is committed to the highest standards of business ethics, honesty, fairness and transparency. Upholding this commitment means that our business decisions cannot be influenced by our private interests or the interests of our Immediate Family Members and Close Associates. The existence or perception of a Conflict can harm the reputation of SEPLAT, undermine the trust that the public has in SEPLAT, and affect the ability of SEPLAT to raise funds in the capital market. Our good reputation is one of our greatest assets and must be protected with the highest level of business ethics.
- 1.2 The purpose of this Conflict of Interest for Employees Policy ("Policy") is to set the parameters within which SEPLAT will deal with Conflicts of Interest.
- 1.3 Conflicts of Interest not specifically addressed in this Policy must be dealt with according to the principles and intent of this Policy.

#### 2. APPLICABILITY

- 2.1 This Policy applies to all Employees.
- 2.2 Members of the Board are covered by a separate conflict of interest policy that addresses their special duties under the law.

#### 3. RESPONSIBILITY

- 3.1. The Board shall have overall responsibility for ensuring that this Policy: (i) is updated as required to reflect current issues related to Conflicts of Interest, and (ii) is implemented and strictly enforced.
- 3.2. The Review Panel shall be responsible for the investigation, review, decision-making, and initiation of disciplinary action pursuant to this Policy.
- 3.3. The General Counsel shall be responsible for the day-to-day implementation and enforcement of this Policy, including the conduct of training and the interpretation of this Policy.
- 3.4. Managers shall be responsible for ensuring that Employees under their supervision comply with this Policy and the decision of the Review Panel.
- 3.5. Each Employee is responsible for reading this Policy carefully, understanding and complying fully with this Policy – in letter and in spirit.

#### 4. DEFINITIONS

For purposes of this Policy, the following definitions of key terms shall apply:

- 4.1 "Board" means the Board of Directors of Seplat Petroleum Development Company Plc.
- 4.2 "Actual Conflict" mean a *direct* conflict between an Employee's duty to SEPLAT and his/her private interests.
- 4.3 "Close Associate" means any person with whom an Employee has a close relationship.

- 4.4 “Conflict of Interest” or “Conflict” means when an Employee has a private interest or relationship that interferes (or could reasonably be perceived to interfere) with the interests of SEPLAT. The private interests of an Employee also includes those of his/her Immediate Family Member and Close Associate. A Conflict can be Actual, Perceived or Potential.
- 4.5 “Conflicted Employee(s)” mean(s) an Employee(s) for whom a Conflict of Interest may exist.
- 4.6 “Employee(s)” for the purpose of simplicity only, means someone employed by SEPLAT and/or its affiliates and non-employees such as: contract staff, agent and consultant working for SEPLAT and/or its affiliates.
- 4.7 “General Counsel” means the General Counsel of SEPLAT. Where the General Counsel is a Conflicted Employee, then the Head of the Business Integrity Department (or any other General Manager nominated by the CEO) shall act in the place of the General Counsel for purposes of applying this Policy to the situation in which the General Counsel is conflicted.
- 4.8 “Immediate Family Member” means the spouse, child, stepchild, parent, grandparent, sibling, niece, nephew, any of the foregoing affiliated by marriage, and any person sharing the household of an Employee.
- 4.9 “Perceived Conflict” means the *appearance or perception* that an Employee’s private interests may improperly influence his/her duty to SEPLAT, whether or not this is in fact the case.
- 4.10 “Potential Conflict” means an Employee’s private interests *could* conflict with his/her duty to SEPLAT.
- 4.11 “Review Panel” means the Conflicts of Interest Review Panel, which shall, at a minimum, consist of the following representatives (or their nominees):
- (a) General Counsel;
  - (b) Head of the Business Integrity Department; and
  - (c) General Manager, Human Resources Department

## **5. RELATED POLICIES**

- 5.1 This Policy should be read together with the Gifts and Hospitality Guidelines, Share Dealing Policy, Anti-Bribery and Corruption Policy, Related Party Transactions Policy, and Related Party Transactions Guidelines.

## **6. FORMS TO BE COMPLETED AND SUBMITTED IN RESPECT OF THIS POLICY**

- 6.1 *Annual Affirmation of Independence Form*: To be completed and submitted by every Employee not later than the 31st of January in each year. If an Employee cannot in good faith sign the *Annual Affirmation of Independence Form*, then he/she must instead complete (or update, as the case may be) and submit the *Conflict of Interest Declaration Form* in accordance with Section 8 below. Every Employee will be bound to his/her signature of the *Annual Affirmation of Independence Form*. Therefore, where a Conflict arises for an Employee during the year, he/she must immediately complete and submit a *Conflict of Interest Declaration Form*.
- 6.2 *Conflict of Interest Declaration Form*: To be completed and submitted by a Conflicted Employee and signed his/her Line Manager or next senior officer, immediately the Conflicted Employee becomes aware of a Conflict of Interest.

6.3 *Affirmation of Compliance Form*: To be completed and submitted by a **Conflicted Employee** and his/her Line Manager or next senior officer, immediately upon conclusion of the transaction/activity involving the **Conflict**.

6.4 All forms required by this Policy must be submitted to the General Counsel.

## **7. POLICY STATEMENT**

7.1 Every Employee owes a duty to SEPLAT to advance the Company's best interest. Decisions made on behalf of SEPLAT must not be influenced by personal or private considerations.

7.2 All Employees are required to avoid Conflict of Interest situations while performing their duties to SEPLAT.

7.3 Where a Conflict cannot be avoided, all Employees must manage the Conflict in strict accordance with this Policy.

7.4 Where an Employee believes that an Actual, Perceived or Potential Conflict exists for himself or for another Employee, he /she must immediately disclose the Conflict in accordance with Section 8 of this Policy.

## **8. PROCEDURE FOR DISCLOSURE, REVIEW AND APPROVAL OF CONFLICTS**

8.1 Before participating in any transaction/activity involving a Conflict, a Conflicted Employee must complete the *Conflict of Interest Declaration Form* and immediately discuss the Conflict with his/her Line Manager (or the next senior officer, in the event that his/her Line Manager shares the same Conflict).

8.2 Any ongoing Conflict of Interest must be disclosed for approval in accordance with this Section 8, and the Conflicted Employee must immediately remove himself/herself from any form of participation in the transaction/activity until approval has been granted by the Review Panel.

8.3 The Line Manager (or next senior officer) of the Conflicted Employee must sign the *Conflict of Interest Declaration Form* to note that a discussion was held with the Conflicted Employee, the outcome of such discussion, and recommendations for avoidance/management of the Conflict.

8.4 Following signature by the Line Manager (or next senior officer), the Conflicted Employee must immediately submit the *Conflict of Interest Declaration Form* to the General Counsel for approval.

8.5 Upon receipt of a *Conflict of Interest Declaration Form* by the General Counsel, who shall immediately notify the CEO, the CEO shall as soon as practicable (but not less than seven (7) days thereafter) summon a meeting of the Review Panel to review and decide on the disclosed Conflict.

8.6 The Review Panel shall have power to initiate an investigation into any Conflict of Interest situation that is not disclosed by the Conflicted Employee.

8.7 The Review Panel shall have the power to summon the Conflicted Employee and any other Employee needed to make a decision in respect of the Conflict of Interest.

8.8 The Review Panel shall have the authority to make any decision in respect of the Conflict and the participation of the Conflicted Employee in the transaction/activity involving the disclosed Conflict. Where the Review Panel approves the participation of the Conflicted Employee in the transaction/activity involving a Conflict of Interest, the Review Panel shall impose cautionary measures and checks and balances to mitigate the declared Conflict.

8.9 The Leadership Team shall have the power to approve and/ or override any decision of the Review Panel in respect of a Conflict of Interest and a Conflicted Employee.

8.10 The decision of the Review Panel shall be recorded in the appropriate section of the *Conflict of Interest Declaration Form*, and the General Counsel shall present the Conflicted Employee and his/her Line Manager and Head of Department with a copy of such decision.

8.11 The Conflicted Employee and his/her Line Manager or next senior officer shall be responsible for ensuring full compliance with the decision and directives of the Review Panel.

## **9. AFFIRMATION OF COMPLIANCE**

9.1 Upon conclusion of the transaction/activity involving a Conflict of Interest, the Conflicted Employee shall promptly complete and submit a *Conflict of Interest Affirmation of Compliance Form*, to affirm his/her compliance with the decision and directives of the Review Panel.

9.2 The *Conflict of Interest Affirmation of Compliance Form* must also be signed by the Line Manager or next senior officer of the Conflicted Employee (as the case may be, pursuant to Section 8.1 above). The Line Manager or next senior officer must verify the Conflicted Employee's compliance with the directives of the Review Panel, indicate any challenges experienced in implementing such directives, and recommend processes for avoiding/managing similar Conflicts in the future.

9.3 The General Counsel shall record details of the completed *Conflict of the Interest Affirmation of Compliance Form* in the Register of Conflicts of Interest.

## **10. REGISTER OF CONFLICTS OF INTEREST AND RECORD KEEPING**

9.1 The General Counsel shall be responsible for maintaining a register of Conflicts of Interest. The register shall, at a minimum, indicate:

- (a) Names of Conflicted Employees;
- (b) Details of the Conflict of Interest;
- (c) Whether the employee made a disclosure or was reported, and applicable dates;
- (d) Date the Review Panel met in respect of the Conflict
- (e) Decision of the Review Panel;
- (f) Recommended cautionary measures; and
- (g) Details of the *Conflict of Interest Affirmation of Compliance Form* completed in respect of the Conflicted Employee.

9.2 The General Counsel shall be responsible for maintaining a record of all forms completed pursuant to this Policy.

## **11. EXCEPTIONS TO THIS POLICY**

11.1 Any exception to this Policy must be approved in advance by the Board.

## **12. VIOLATION**

18.1 Failure to promptly declare or report any Conflict of Interest is a violation of this Policy.

18.2 SEPLAT shall enforce a zero-tolerance policy for any violation of this Policy, including and up to termination of employment.

18.3 Employees are required to comply with this Policy and to immediately report any violation of this Policy. Employees may report suspected violations to:

- i. their Line Manager or General Manager,
- ii. a representative of Seplat Legal,
- iii. a representative of the Business Integrity Department, or

- iv. the Whistleblowing Hotline - +234 800 444 1234 or [SpeakUp@seplatpetroleum.com](mailto:SpeakUp@seplatpetroleum.com)). Please be assured that all reports to the Whistleblowing Hotline will be treated in strict confidence.

### **13. AMENDMENTS**

- 13.1 This Policy may be amended from time to time by the Board.