

(Approved by Board - February 2019)

## Directors' Interests Policy

The directors of New Zealand Oil & Gas Limited (**New Zealand Oil & Gas or the Company**) are required to recognise that the possibility of conflict of interest exists and are expected to declare and manage conflicts of interest in accordance with this Directors' Interests Policy, the Code of Business Conduct & Ethics and the Company Constitution. This policy recognises that the Board should be made aware of situations where a director may have an interest in a matter affecting the Company, and that some, but not all of those situations, may either generally, or on specific occasions, constitute a **conflict of interest**:

### When does an interest exist?

1. A **disclosable interest** will be considered to exist where:
  - (a) a director (or Associate) derives, or has the potential to derive, a material benefit from the Company; or
  - (b) a director (or an Associate) is "interested" in a transaction (as that term is defined in section 139 of the Companies Act 1993); or
  - (c) a director has received, receives or is likely to receive any information that could reasonably be expected to influence or interfere with the proper exercise of his or her duties as a director of the Company.
2. For the purposes of this Policy, the term **Associate** has the same meaning as given to "Associated Person" in NZ\*/X Listing Rule Part A glossary.

### Which interests are such that a conflict of interest exists

3. A **conflict of interest** exists where:
  - (a) A director or the director's Associate is materially interested in a transaction involving the Company; or
  - (b) The director's (or the his/her Associate's) relationship with a party that is directly or indirectly involved in a transaction involving the Company is such that the director is not able to act solely in the interest of the Company when exercising the director's duties as a director of the Company;

unless the director has taken corrective action to remove that circumstance.

### **Director to inform the Company**

4. Every director who, either directly or through an Associate has or thinks he or she may potentially have a **disclosable interest** with respect to a proposed or current contract, transaction, or decision of the Company shall promptly, and prior to the Company proceeding with any such contract, transaction or decision, disclose either in writing to the Company or by disclosure at a meeting of the Board (which disclosure will be recorded in the minutes of that meeting) the nature and extent of the interest.
5. If the director (or his or her Associate) becomes interested in a contract, transaction or decision after the Board meeting at which the matter is first raised, the director shall make a disclosure of that interest as soon as practicable and not later than at the next Board meeting following the director's apprehension of the existence of that interest.

### **Role of Audit Committee**

6. If a director believes that any other director has not disclosed an interest that should have been disclosed in accordance with this policy, the director should promptly raise the matter with the Chair of the Audit Committee who shall discuss the same with the director concerned and, if the matter is not resolved, then the question should be referred to the said Committee who shall make such further inquiries as it considers appropriate before making a determination and reporting that decision and the circumstances at the next meeting of the Board.

### **Determination of a Conflict of Interest**

7. In the absence of agreement, the question of whether or not a director has a **conflict of interest** shall be determined in the first instance by a simple majority of the Board but is subject to ultimate determination by the High Court of New Zealand.

### **Interests Register**

8. Every disclosure of an interest (whether in relation to a specific transaction or of a general nature) shall be recorded in the Register of Directors' Interests. Every disclosure or determination of a conflict of interest will be recorded in the minutes of the Board and the Register of Directors' Interests will be updated as soon as practicable thereafter by the Company Secretary (by entry of such details as are able to be disclosed, taking into account the director's and/or the Company's confidentiality obligations).
9. The relevant extracts from the Register of Directors' Interests showing the current disclosures of interest will be circulated to directors as part of the papers circulated for each regular meeting of the Board.

## **Participation in Board Deliberations**

10. Where a director has disclosed that he or she is interested in a transaction to be entered into by the Company, the director:
- (a) may attend a meeting of the Board at which any matter relating to the transaction arises;
  - (b) if the nature of the interest is such that the director has a conflict of interest:
    - (i) may be subject to a decision of the Board that the director does not receive all of part of the information relating to the matter that is otherwise provided to the Board;
    - (ii) must provide an opportunity for the Board to consider the matter in the absence of the director; and
    - (iii) may not be included among the directors present at the meeting for the purposes of a quorum and may not vote on any matter relating to that transaction except as provided in clause 26.4 of the Constitution (being a matter in respect of which, pursuant to an express provision of the Companies Act 1993, directors are required to sign a certificate or a matter which relates to the grant of an indemnity pursuant to section 162 of the Companies Act 1993).
11. If a director has made a disclosure of an interest in compliance with this policy and has otherwise complied with the obligations under this policy and at law, the director is not accountable to the Company for any profit he or she or any Associate may obtain from the contract, transaction or decision.

## **REVIEW**

12. This policy is to be reviewed on a regular basis.