

(Approved by Board – April 2020)

## **Securities Trading Policy and Guidelines for Directors**

*This policy applies to non-executive directors of New Zealand Oil & Gas Limited and its subsidiaries who intend to trade in listed securities. In this policy 'trade' includes buying or selling listed securities, or agreeing to do so, or advising or encouraging any other person to trade or hold listed securities*

### **Introduction and Purpose**

This document details the policy of New Zealand Oil & Gas Limited (**New Zealand Oil & Gas** or the **Company**) for Directors dealing in the following securities (**Restricted Securities**):

- ordinary shares of New Zealand Oil & Gas, any other listed securities of New Zealand Oil & Gas or its subsidiaries and any listed derivatives (including futures contracts listed on an authorised futures exchange) in respect of those securities, from time to time (**New Zealand Oil & Gas Securities**); and
- shares and other listed securities in any other listed company in respect of which Material Information has been received by New Zealand Oil & Gas.

The requirements imposed by this policy are separate from, and in addition to, the legal prohibitions on insider trading in New Zealand, Australia and any other country where those securities may be listed.

**Any Director intending to trade Restricted Securities should complete a Director's Acknowledgment form as attached to this policy prior to trading. A completed Director's Acknowledgment form is to be submitted to the Chief Executive Officer and the Chair of the Audit Committee (or the Chair of the Board in the case of the Audit Chair intending to trade).**

**If you are in any doubt as to whether or not this policy may affect you, you should seek guidance from the Chair of the Audit Committee prior to trading.**

### **Insider Trading Laws**

If you have any **Material Information**, it may be illegal for you to:

- trade listed securities;
- advise or encourage any other person to trade or hold listed securities;
- advise or encourage a person to advise or encourage another person to trade or hold listed securities;
- disclose or pass on **Material Information** to anyone else – including colleagues, family or friends – knowing (or where you ought to have known) that the other person will use that information to trade, continue to hold, or advise or encourage someone else to trade, or hold, listed securities.

This offence, called “**insider trading**”, can subject you to criminal liability including large fines and/or imprisonment (penalties for insider trading include a fine of up to \$500,000 or a term of imprisonment of up to 5 years or both), and civil liability, which may include being sued by another party or New Zealand Oil & Gas, for any loss suffered as a result of illegal trading.

## **What is “Material Information”?**

“**Material Information**” is information that relates to a particular listed issuer (e.g. New Zealand Oil & Gas Limited) that:

- is not generally available to the market; and
- a reasonable person would expect, if it were generally available to the market, would have a material effect on the price of listed securities.

Information is generally available to the market if it has been released as an NZX announcement or investors that commonly invest in listed securities can readily obtain the information (whether by observation, use of expertise, purchase or other means) and a reasonable period for it to be disseminated has expired.

Information includes rumours, matters of supposition, intentions of a person (including New Zealand Oil & Gas), and information which is insufficiently definite to warrant disclosure to the public.

## **What are some examples of Material Information?**

The following list is illustrative only. Material Information could include information concerning:

- the financial performance of New Zealand Oil & Gas;
- a possible change in the strategic direction of New Zealand Oil & Gas;
- results from a drilling programme or reserves re-assessment;
- a possible acquisition or sale of any assets or company by New Zealand Oil & Gas;
- entry into, or the likely entry into, or termination, or likely termination, of material contracts or other business arrangements which are not publicly known;
- a possible change in New Zealand Oil & Gas’ capital structure;
- a change in the historical pattern of dividends;
- senior management changes;
- a material legal claim by or against New Zealand Oil & Gas; or
- any other unexpected liability;

which has not been released to the market.

Please also note that a Broker’s Report in respect of New Zealand Oil & Gas may constitute Material Information in the days following its selective release to the broker’s clients. That position will change once the report has been more generally released.

## **Closed Periods for trading in New Zealand Oil & Gas securities**

New Zealand Oil & Gas has determined that the following periods are Closed Periods during which Directors are not permitted to trade in New Zealand Oil & Gas Securities:

- from the first trading day on which draft full year accounts are provided to the Audit Committee for consideration (as advised by the Company Secretary) following the end of each financial year until the opening of trading on the third trading day after the trading day on which the Company's audited full year accounts have been disclosed to the market via the NZX announcement platform; and
- from the first trading day on which the draft half year accounts are provided to the Audit Committee for consideration (as advised by the Company Secretary) following the end of each half year until the opening of trading on the third trading day after the trading day on which the Company's audited or reviewed half year accounts have been disclosed to the market via the NZX announcement platform.

A Director may not trade New Zealand Oil & Gas Securities during a Closed Period unless there are special circumstances and they have first obtained prior clearance from the Chair of the Audit Committee authorising them to trade (see below).

The restrictions surrounding Closed Periods only apply to the trading of New Zealand Oil & Gas Securities. Trading of other Restricted Securities is not affected by the Closed Periods.

Directors are free to trade New Zealand Oil & Gas Securities outside of the Closed Periods subject to all relevant insider trading laws and the requirement that they first provide a completed Director Acknowledgment form to the Company.

## **Trading not subject to the Closed Periods**

The Closed Period restrictions do not apply to every trade involving New Zealand Oil & Gas Securities. The following types of trades in New Zealand Oil & Gas Securities are not subject to the Closed Period restrictions:

- where the trading results in no change in beneficial interest in the New Zealand Oil & Gas Securities;
- where trading occurs via investments in a scheme or other arrangement where the investment decisions are exercised at the discretion of a third party (including Kiwisaver schemes and other similar superannuation funds), provided that the fund or scheme does not invest exclusively in New Zealand Oil & Gas Securities;
- where the trading occurs under an offer to all or most of the New Zealand Oil & Gas Security holders such as a takeover offer, a rights issue, a security purchase plan, a dividend or distribution reinvestment plan and an equal access buy-back;
- where the Director has no control or influence with respect to trading decisions such as a disposal of New Zealand Oil & Gas Securities that results

- from a secured lender exercising their rights, for example, under a margin lending arrangement;
- the exercise (but not the sale of New Zealand Oil & Gas Securities following exercise) of an option or a right under an employee incentive scheme, or the conversion of a convertible security, where the final date for the exercise of the option or right, or the conversion of the security, falls during a Prohibited Period (being a Closed Period or any additional periods when a Director is prohibited from trading, which are imposed by New Zealand Oil & Gas from time to time) and New Zealand Oil & Gas has been in an exceptionally long Prohibited Period or New Zealand Oil & Gas has had a number of consecutive Prohibited Periods and the Director could not reasonably have been expected to exercise it at a time when free to do so.

If any Director is in any doubt as to whether a proposed trade in New Zealand Oil & Gas Securities is subject to the Closed Period restrictions set out in this policy, they should contact the Chair of the Audit Committee for clarification before trading.

### **Prior clearance to trade in 'exceptional circumstances'**

There may be exceptional circumstances that justify the Chair of the Audit Committee granting a Director, not in possession of Material Information, prior written clearance to trade New Zealand Oil & Gas Securities during a Prohibited Period.

If any Director considers that, due to exceptional circumstances, they should be granted such clearance they must provide a written request for prior clearance to the Chair of the Audit Committee. The written request should contain an explanation of the exceptional circumstances and the reasons why clearance should be granted.

The Chair of the Audit Committee will determine on each occasion whether the circumstances justify clearance. Circumstances that might justify clearance include where financial hardship is involved or there is a pressing financial commitment that cannot be satisfied otherwise than by selling the New Zealand Oil & Gas Securities.

Clearance can be given or refused by the Chair of the Audit Committee in his or her absolute discretion, without giving reasons, and it is final and binding. Any clearance given may be withdrawn if new information comes to light or if there is a change in circumstances. If clearance is refused, the Director must keep that information confidential.

Any clearance will be granted in writing, will specify the period during which trading may occur and will be subject to the requirement that the Director complies with relevant insider trading laws.

### **Director's acknowledgement (prior to trading)**

Prior to trading in Restricted Securities, a Director must send a completed Director's Acknowledgment (as per the form attached to this policy) to:

- in the case of Directors generally, the Chair of the Audit Committee and the CEO;
- in the case of the Chair of the Audit Committee, the Chair of the Board and the CEO;

indicating their intention to trade and confirming that they are not in possession of any Material Information. The relevant recipients will consult and will confirm to the Director whether New Zealand Oil & Gas knows of any reason why such trade should not occur.

The requirement to send a completed Director's Acknowledgement form does not apply to:

- acquisitions and disposals of securities by gift or inheritance;
- acquisitions through an issue of new listed securities such as an issue of new shares on the exercise of options, acquisition under a rights issue or a dividend reinvestment plan.

## **Trading in derivative products**

Directors must not trade in instruments or other financial products which operate to limit the economic risk of any securities held under any equity based incentive schemes provided by the Company while those holdings are subject to performance hurdles or are otherwise unvested. Any sale or other trade involving those securities after they have vested and performance hurdles have been met must be done in compliance with this policy.

## **Further advice from the Company**

If the Chair of the Audit Committee, the CEO or the Chair of the Board (where relevant) is aware that a Director has provided a Director Acknowledgement in respect of an intention to trade Restricted Securities and:

- the trade has not yet occurred; and
- either the Chair of the Audit Committee, the CEO or the Chair of the Board (where relevant) becomes aware that any Material Information that is not known to the director may be announced or otherwise become known by the market within the next 10 trading days;

then the Chair of the Audit Committee, the CEO or the Chair of the Board, as applicable, will notify the Director accordingly.

## **Review**

This policy is to be reviewed on a regular basis.

# New Zealand Oil & Gas Limited

## DIRECTOR'S ACKNOWLEDGEMENT FOR TRADING RESTRICTED SECURITIES

To: Chair of the Audit Committee, New Zealand Oil & Gas Limited (**New Zealand Oil & Gas**)  
Chief Executive Officer  
Chair of the Board  
*(delete as appropriate in accordance with Securities Trading Policy for Directors)*

In accordance with New Zealand Oil & Gas' Securities Trading Policy and Guidelines for Directors, I hereby give notice that I intend to trade in Restricted Securities. I acknowledge New Zealand Oil & Gas is not advising or encouraging me to trade or hold securities and does not provide any securities recommendation.

<b>Name of Restricted Security:</b>	
<b>Name:</b>	
<b>Name of registered holder (if different):</b>	
<b>Description and number of Securities:</b>	
<b>Type of proposed transaction:</b> i.e. Purchase / Sale / Other (specify)	
<b>To be transacted:</b> i.e. on NZX / Off-market trade / Other (specify)	
<b>Likely date or period of transaction (on or about):</b>	

I declare that I do not hold Material Information which is information:

- not generally available to the market; and
- which, a reasonable person would expect, would have a material effect on the price of Restricted Securities.

I am aware that it is a criminal offence to knowingly breach insider trading laws. If convicted of insider trading I acknowledge that I am liable to a term of imprisonment of up to 5 years or a fine not exceeding \$500,000 or both and that civil liability may also apply.

I know of no reason why I should refrain from trading in Restricted Securities and certify that the details given above are complete, true and correct.

\_\_\_\_\_

Signature

\_\_\_\_\_

Date

**New Zealand Oil & Gas hereby confirms that it has considered this notification and is not aware of any Material Information that is not known to the director but which may be announced or otherwise become known by the market within the next 10 trading days and accordingly knows of no reason why the transaction described above should not occur.**

\_\_\_\_\_

Name (on behalf of New Zealand Oil & Gas) Date

\_\_\_\_\_