

**Savannah Energy PLC (the ‘Company’)**  
**(formerly Savannah Petroleum PLC)**

**Compliance Committee**

**Terms of Reference**

Reviewed and approved by the Board on 13 March 2018.

**1. Constitution**

The Compliance Committee (the “**Committee**”) was constituted as a committee of the Board of Savannah Energy PLC in accordance with the articles of association of the Company at a full meeting of the Board of Directors held on 26 January 2018.

**2. Purpose of the Committee**

- 2.1. The purpose of the Committee is to support the Board in fulfilling its responsibilities to promote and oversee legal compliance across all the business activities of the Company and its subsidiaries (the “Group”) and to communicate the Board’s commitment to compliance to the Group’s staff, contractors and other stakeholders.
- 2.2. For the purposes of these terms of reference “compliance” means ensuring the Group meets all applicable legal and regulatory obligations, in particular in relation to bribery, corruption, money laundering and countering the financing of terrorism.

**3. Duties of the Committee**

3.1. The role and responsibilities of the Committee are to:

3.1.1. oversee the development and implementation of, and compliance with, a strategy and framework of policies, procedures, systems and controls to identify, assess, manage and report on compliance matters relating to:

- prevention of bribery, corruption, money-laundering and countering the financing of terrorism;
- gifts and hospitality;
- per diem payments;
- business relationships, including public officials, agents, intermediaries, consultants, advisers and contractors;
- mergers, acquisitions and major new projects;
- whistleblowing arrangements;
- conflicts of interest; and
- legal and regulatory compliance risks;

and promote the appropriate culture, behaviours and decisions (the “**Compliance Framework**”);

- 3.1.2. appoint a senior manager to develop and implement the Compliance Framework and ensure appropriate training on the Compliance Framework is delivered to all employees;
- 3.1.3. review regular reports on the implementation of the Compliance Framework and any instances of material non-compliance together with actions taken by management in response to such irregularities, oversee any significant internal or external investigations and review the corresponding reports;
- 3.1.4. in particular, regularly and at least quarterly, review reports on:
  - incidences of whistleblowing, including details of investigative and remedial action undertaken;
  - the management of agents and intermediaries, including details of commissions paid; and
  - review regular reports on significant compliance issues involving the Group;
- 3.1.5. assess regularly and in any event, at least annually, the decisions and actions taken in respect of compliance matters, the outcomes delivered and their impact on the Group's employees and other stakeholders, as well as the strategic, business and reputational implications for the Group and make recommendations regarding areas for improvement, as appropriate;
- 3.1.6. review regularly and in any event, at least annually, the compliance risks arising from the operations of the Group, monitor the effectiveness of the Group's Compliance Framework and make recommendations regarding areas for improvement, as appropriate;
- 3.1.7. regularly consider legal, regulatory and good practice developments relevant to the Compliance Framework and at least annually, assess whether the Compliance Framework is compliant with applicable legal and regulatory requirements and good practice, as well as the Group's culture, values and expectations, and make recommendations regarding areas for improvement, as appropriate;
- 3.1.8. in particular, review regularly and at least annually the following policies and procedures, having regard to the abovementioned duties:
  - the Group's Anti-Corruption and Money Laundering Policy;
  - the Group's whistleblowing arrangements; and
  - any other existing relevant policies, procedures, guidance, systems and controls;
- 3.1.9. evaluate and oversee, the quality and integrity of any reporting to external stakeholders concerning compliance matters;
- 3.1.10. engage with government, regulatory and other public bodies, industry groups, advisors and other stakeholders on compliance matters;
- 3.1.11. where it deems it appropriate to do so, appoint an independent adviser to review the Group's performance in relation to compliance matters, together with any strategies and action plans developed by management in response to issues raised;
- 3.1.12. keep itself informed of any investigation of activities which are within its terms of reference, oversee such investigation when appropriate and review the findings,
- 3.2. make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

- 3.2.1. consider such other matters as may be requested by the Board, working and liaising as necessary with all other Board Committees;
- 3.2.2. where there is an overlap of responsibilities between the Compliance Committee, the Health, Safety, Security and Environment Committee and the Audit and Risk Committee, the respective committee chairs shall have the discretion to agree the most appropriate committee to fulfil any obligation;
- 3.2.3. give due consideration to applicable laws and regulations and governance good practice, including the general duties of directors set out in the Companies Act 2006, the provisions of the UK Corporate Governance Code, and the requirements of the London Stock Exchange's rules for AIM Companies as appropriate; and
- 3.2.4. arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

#### **4. Reporting**

- 4.1. The Committee shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 4.2. The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is required.
- 4.3. Should the Committee not be satisfied with any aspect of the Group's Compliance policies, procedures, guidance, systems and controls, it shall report its views to the Board of Directors.
- 4.4. The Committee shall make a statement in the Group's annual report and/ or website about its activities.

#### **5. Membership**

- 5.1. The Board of Directors shall appoint the Committee Chairman who shall be an independent non-executive director. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of their number to chair the meeting.
- 5.2. The members of the Committee shall be appointed by the Board of Directors, in consultation with the Chairman of the Committee.
- 5.3. The Committee shall have at least three members, including a member of the Audit and Risk Committee. All of the members of the Committee should be independent non-executive Directors. The Chairman of the Board may be a member of the Committee.
- 5.4. At the date of its formation of the Committee, it was agreed that the Committee shall be chaired by Michael Wachtel and the members of the Committee shall be Mark Iannotti, David Jamison and David Clarkson.
- 5.5. Only members of the Committee have the right to attend and vote at Committee meetings. Other Directors, individuals and representatives may be invited to attend all or part of any meeting as and when appropriate.
- 5.6. Appointments to the Committee shall be for a period of up to three years, which may be extended by no more than two additional periods of up to three years, provided that the members continue to remain independent.
- 5.7. If a regular member of the Committee is unable to act due to absence, illness or any other cause, the Committee Chairman or in his absence the Board, may appoint another Director to

serve as an alternate member provided that all of the members of the Committee are independent non-executive Directors.

## **6. Committee Meetings**

### ***Quorum***

6.1. The quorum necessary for the transaction of business will be at least two members of the Committee including the Chairman of the Committee. Individuals in attendance at Committee meetings by invitation may participate in discussions but do not form part of the quorum for Committee meetings.

6.2. A duly convened meeting of the Committee at which a quorum is present will be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

### ***Voting Arrangements***

6.3. Each member of the Committee shall have one vote which may be cast on matters considered at the meeting. Votes can only be cast by members attending a meeting of the Committee.

6.4. If a matter that is considered by the Committee is one where a member of the Committee, either directly or indirectly has a personal interest, that member will not be permitted to vote at the meeting.

6.5. Save where he has a personal interest, the Chairman of the Committee will have a casting vote.

### ***Frequency of meetings***

6.6. The Committee shall meet regularly and in any event, at least four times a year at appropriate intervals. The Committee may meet at other times during the year as agreed between the members of the Committee or as required.

6.7. Outside the formal meeting programme, the Committee Chairperson shall maintain a dialogue with key individuals involved in the Company's compliance matters including the Chairman of the Board, the Chief Executive Officer, the Chief Financial Officer, the Vice President of Operations and the Compliance Officer or other equivalent positions.

### ***Secretary***

6.8. The Company Secretary or his or her nominee shall be the Secretary of the Committee and shall ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to all issues.

### ***Notice of Meetings***

6.9. Meetings of the Committee shall be called by the Secretary of the Committee at the request of any of its members.

6.10. Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of the matters to be discussed at the meeting will be forwarded to each member and any other person required to attend no later than five working days before the date of the meeting. Any supporting papers will be sent to each member of the Committee and to other attendees (as appropriate) at the same time.

## ***Minutes***

- 6.11. The proceedings and resolutions of meetings of the Committee, including the names of those present and in attendance, shall be minuted.
- 6.12. Draft minutes of each meeting will be circulated promptly to all members of the Committee. Once approved, the minutes of each meeting will be circulated to all other members of the Board of Directors unless it would be inappropriate to do so in the opinion of the Committee Chairman.

## **7. Authority**

- 7.1. The Committee is authorised by the Board of Directors to:
  - 7.1.1. examine any activity within its terms of reference;
  - 7.1.2. seek any information it requires from any employee of the Group or Director of the Company, or any consultant or other provider of services to the Group, in order to perform its duties and all such persons or firms will be directed to co-operate with any request made by the Committee;
  - 7.1.3. call any employee to be questioned at a meeting of the Committee as and when required; and
  - 7.1.4. obtain at the Company's expense outside legal or other professional advice on any matter within its terms of reference provided that the Committee will have due regard to their fiduciary duty to the Company and will only incur such costs as are reasonable in the circumstances.

## **8. General Matters**

- 8.1. The Chairman of the Committee should attend the Annual General Meeting and, where required, any other general meeting of the Company, to answer shareholder's questions on the activities of the Committee.
- 8.2. The Committee shall:
  - 8.2.1. have access to sufficient resources in order to carry out its duties, including access to the Company Secretary for assistance as required; and
  - 8.2.2. be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members.