



Corporate Governance Policy

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1 Implementation and reporting on corporate governance

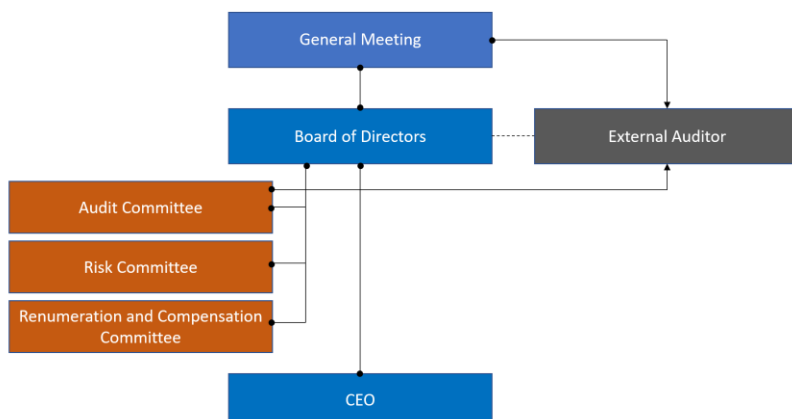
The Board of Directors of OKEA ASA ("OKEA" or "the **Company**") has prepared this corporate governance policy document (the "**Policy**").

This Policy addresses the framework of guidelines and principles regulating the interaction between the Company's shareholders, the Board of Directors (the "**Board**"), the Chief Executive Officer (the "**CEO**") and the Company's executive management team.

The Policy is based on the Norwegian Code of Practice for Corporate Governance issued by the Norwegian Corporate Governance Board, which is available at the Norwegian Corporate Governance Committee's web site www.nues.no. The principal purpose of the Corporate Governance Code is to ensure (i) that listed companies implement corporate governance that clarifies the respective roles of shareholders, the board of directors and executive management more comprehensively than what is required by legislation and (ii) effective management and control over activities with the aim of securing the greatest possible value creation over time in the best interest of companies, shareholders, employees and other parties concerned.

The Company will, from the time of the contemplated listing of its shares on Oslo Børs, be subject to reporting requirements for corporate governance under the Accounting Act section 3-3b as well as Oslo Børs' "Continuing obligations of stock exchange listed companies" section 7. The board of directors will include a report on the Company's corporate governance in each annual report, including an explanation of any deviations from the Corporate Governance Code. The corporate governance framework of the Company is subject to annual reviews and discussions by the board of directors.

OKEA will conduct its business with a good management and control model, with clear division of responsibility and roles between owners, represented by the shareholders in the General Meeting, the Board of Directors including Board Committees and the Company's management.



2 Business

The Company's business as set out in the Articles of Association is petroleum activities on the Norwegian Continental Shelf ("NCS"), including development and production of oil and gas, and all other business activities as are associated with the above objectives, and share subscription or participation by other means in such operations alone or in cooperation with others.

3 Company vision, objectives and strategy

OKEA is a fast-growing Norwegian independent oil producer. All of OKEA's oil and gas assets are located on the NCS. OKEA has a nimble and lower-cost strategy focused on growing its production through;

- 1) exploiting upsides at and around producing fields,
- 2) developing sub-100 mmbob discoveries into production and
- 3) mergers & acquisitions ("M&A") activity.

OKEA's strategy is to identify and target sub-100 million boe fields which are large enough to provide excellent commercial returns but too small for the majors and supermajors still operating in the region. OKEA is a niche player with a clear focus on smaller (sub-100 million boe) field developments, targeting low cost field development through off the shelf concepts, standardisation and use of existing infrastructure. It has a tier 1 operator organization. The corporate landscape on the NCS is rapidly changing with record-high transaction volumes in recent years driven by larger corporate deals and majors selling out of the NCS. This is the same picture as the industry has seen in other maturing areas, such as the UK North Sea. While the NCS is lagging comparable basins and larger fields will account for a large part of production for many years, smaller fields will become more important to replace produced reserves. This provides running room for the growth-oriented independents like OKEA.

The Company will pursue the following main approaches to reach its overall objective:

- Focus activities primarily within the area of subsurface, development and production in the industry value chain,
- Identify undeveloped discoveries with a reasonable commercial potential, where OKEA shall contribute and facilitate cost-effective field development solutions as partner or operator,
- Coordination of discoveries and business incentives to realize value through high degree of standardization, optimal production sequences and good field development solutions,
- Utilise the competence in the offshore service industry and introduce new business models with the service industry in order to better harmonize incentives,
- Use risk-cost-benefit evaluations in all phases of its business activities, and
- Maintain a competent organization with direct management engagement and involvement in its projects.

Through an annual strategy process, the Board defines and evaluates the Company's goals and main strategies and the Company's financial status.

3.1. Ethical guidelines

The Company will maintain high ethical standards in the conduct of its business, relations with its shareholders, customers, suppliers and employees, and work against all forms of corruption. The Company has established a Code of Conduct, stating its policies for the general required ethical conduct of everyone acting for or on behalf of the Company.

3.2. Corporate Social Responsibility and Sustainability

The Company's objective is to have a Corporate Social Responsibility policy that enables the Company to efficiently manage the challenges and requirements society imposes on its activities. The Company aims to earn and maintain the support of society through responsible and sustainable operations and constant focus on safety, risk management and compliance with the applicable regulatory framework.

The Company shall as a part of its Corporate Social Responsibility work:

- Operate its business with integrity and respect laws, different cultures and human dignity and human rights.
- Show consideration for the local community and emphasize spin-off effects of the company's activities.
- Contribute to learning and distribution of knowledge.
- Establish long-term working relationships and utilize the supplier industry's expertise for the further development of the industry.

4 Equity and dividends

The Board aims to maintain a satisfactory equity ratio in the Company in support of the Company's goals, strategy and risk profile, thereby ensuring that there is an appropriate balance between equity and other sources of financing. The Board shall continuously assess the Company's capital requirements in light of the Company's strategy and risk profile.

OKEA is growing its business and any surplus cash is anticipated to be used to fund ongoing and future projects.

The Board of Directors will when deciding whether to propose a dividend, and in determining the dividend amount, take into account:

- Restrictions in any outstanding debt preventing payment of dividend or other payments to its shareholders.
- Legal restrictions, as set out in the Norwegian Public Limited Companies Act
- The Company's capital requirements, including capital expenditure requirements, and its legal obligations under all its contracts.
- The Company's financial condition, general business conditions and any contractual restrictions or arrangements.
- Except for certain specific and limited circumstances set out in the Norwegian Public Limited Companies Act, the amount of dividends paid will not exceed the amount recommended by the Board of Directors.

Any future payments of dividends on the Company's shares will be denominated in the currency of the bank account of the relevant shareholder and will be paid to the shareholders through the VPS Registrar.

Shareholders registered in the VPS who have not supplied their VPS account operator with details of their bank account, will not receive payment of dividends unless they register their bank account details on their VPS account, and thereafter inform the VPS Registrar about said account. The exchange rate(s) that is applied when denominating any future payments of dividends to the relevant shareholder's currency will be the VPS Registrar's exchange rate on the payment date. Dividends will be credited automatically to the VPS registered shareholders' accounts, or in lieu of such registered account, at the time when the shareholder has provided the VPS Registrar with their bank account details, without the need for shareholders to present documentation proving their ownership of the Shares.

Shareholders' right to payment of dividend will lapse three years following the resolved payment date for those shareholders who have not registered their bank account details with the VPS Registrar within such date. Following the expiry of such date, the remaining, not distributed dividend will be returned from the VPS Registrar to the Company.

The Company's policy is to first and foremost use internally generated funds for any new material investments and thereafter to be subject to separate funding through equity, debt or otherwise.

The Board's authorisations to increase the share capital and to buy back the Company's own shares shall normally not be granted for periods longer than until the next Annual General Meeting of the Company.

5 Share classes

There is only one class of shares in the Company and all shares carry equal rights. The Company shall emphasise equal treatment of its shareholders.

6 Equal treatment of shareholders and transactions with close associates

Any transactions, agreements or arrangements between the Company and its shareholders, members of the Board, members of the executive management team or close associates of any such parties shall only be entered into as part of the ordinary course of business and on arm's length market terms. All such transactions shall comply with the procedures set out in the Norwegian Public Limited Liability Companies Act.

The Board shall arrange for a valuation to be obtained from an independent third party unless the transaction, agreement or arrangement in question must be considered to be immaterial. This will not apply if the transaction requires the approval of the general meeting pursuant to the requirements of the Norwegian Public Limited Liability Companies Act. The Company's financial statements shall provide further information about transactions with related parties.

Board Members and members of the executive management team shall immediately notify the Board if they have any material direct or indirect interest in any transaction entered into by the Company and shall abstain from voting in case the Company decides whether or not to enter into such transaction.

7 Shares and negotiability

The shares in the Company are freely transferable.

8 General Meetings

All shareholders have the right to participate in the General Meetings of the Company, which exercise the highest authority of the Company. The Annual General Meeting shall normally be held before 30 April every year.

The notice for a General Meeting shall be sent to the shareholders no later than 21 days prior to the meeting. The notice and support information, as well as a proxy voting form, will normally be made available on the company's website www.okea.no no later than 21 days prior to the date of the general meeting. The notices for such meetings shall include documents providing the shareholders with sufficient detail in order for the shareholders to assess all the cases to be considered as well as all relevant information regarding procedures of attendance and voting. The Board and the Company's auditor shall be present at General Meetings. If a nomination committee is in place, the chairman of the nomination committee should also attend the annual general meeting in order to present the committee's recommendations and answer any questions.

Notices for General Meeting shall provide information on the procedures shareholders must observe in order to participate in and vote at the General Meeting. The notice should also set out: (i) the procedure for representation at the meeting through a proxy, including a form to appoint a proxy, and (ii) the right for shareholders to propose resolutions in respect of matters to be dealt with by the General Meeting.

The cut-off for confirmation of attendance shall be set as short as practically possible and the Board will arrange matters so that shareholders who are unable to attend in person, will be able to vote by proxy. The form of proxy will be distributed with the notice.

9 Board of Directors: composition and independence

In appointing members to the Board, it is emphasised that the Board shall have the requisite competency to independently evaluate the cases presented by the executive management team as well as the Company's operation. It is also considered important that the Board can function well as a collegiate body. Board Members shall be elected for periods not exceeding two years at a time, with the possibility of re-election. Board Members shall be encouraged to own shares in the Company.

The Board shall comply with all applicable requirements as set out in the Norwegian Public Limited Liability Companies Act, the listing rules of Oslo Børs and the recommendations set out in the Norwegian Code of Practice for Corporate Governance.

The Company has agreed with its employees not to establish general assembly, in accordance with the Norwegian Public Limited Liability Companies Act section 6-35 (2).

10 The work of the Board of Directors

10.1. Responsibility of the Board of Directors

The Board of Directors shall issue instructions for its own work as well as for the CEO.

The Board shall prepare an annual plan for its work with special emphasis on goals, strategy and implementation. The Board's primary responsibility shall be (i) participating in the development and approval of the Company's strategy, (ii) performing necessary monitoring functions, and (iii) acting as an advisory body for the executive management team. Its duties are not static, and the focus will depend on the Company's ongoing needs. The Board is also responsible for ensuring that the operation of the Company is in compliance with the Company's values and ethical guidelines. The Chairman of the Board shall be responsible for ensuring that the Board's work is performed in an effective and correct manner.

The Board shall ensure that the Company has a good management with clear internal distribution of responsibilities and duties. A clear division of work has been established between the Board and the executive management team. The CEO is responsible for the executive management of the Company.

All members of the Board shall regularly receive information about the Company's operational and financial development. The Company's strategies shall regularly be subject to review and evaluation by the Board.

The Board shall prepare an annual evaluation of its work.

10.2. Audit Committee

Companies with securities listed on a regulated market shall elect an audit committee. The audit committee is a preparatory and advisory working committee for the Board of Directors. The Company has as of 5 April 2019 established an audit committee in accordance with the rules of the Norwegian Public Limited Liability Companies Act chapter 6 V, and the listing rules of the Oslo Stock Exchange.

The members of the audit committee shall be elected by and amongst the members of the board of directors. Board members who are also members of the executive management in the company may not be elected as members of the audit committee. The audit committee shall collectively have the competence which is necessary from the perspective of the organization and operation of the company in order to fulfil its tasks. A majority of the members shall be independent of the Company's operations, and at least one of the members of the audit committee shall have qualifications within accounting or auditing.

The principal tasks of the audit committee are to:

- prepare the board of directors' supervision of the Company's financial reporting process;
- monitor the systems for internal control and risk management;

- have continuous contact with the Company's auditor regarding the audit of the annual accounts; and
- review and monitor the independence of the Company's auditor, including in particular the extent to which services than auditing provided by the auditor or the audit firm represent a threat to the independence of the auditor.

10.3. Risk Committee

The Company has as of 5 April 2019 established a Risk Committee as a sub-committee to the Board of Directors. The Risk Committee shall follow up the Company's risk management and internal control and regularly report to the Board of Directors. The Risk Committee shall further contribute to the Board's annual review of the Company's most important areas of exposure to risk and its internal control arrangements.

10.4. Remuneration and Compensation Committee

The Company has as of 5 April 2019 established a Remuneration and Compensation Committee as a sub-committee to the Board of Directors. The Remuneration and Compensation committee shall administer the Company's bonus incentive program and provide general compensation related advice to the Board.

11 Risk management and internal control

The Board shall ensure that the Company has sound internal control and systems for risk management that are appropriate in relation to the extent and nature of the Company's activities. The internal control and the systems shall also encompass the Company's corporate values and ethical guidelines. The objective of the risk management and internal control shall be to manage exposure to risks in order to ensure successful conduct of the Company's business and to support the quality of its financial reporting.

The Board shall carry out an annual review of the Company's most important areas of exposure to risk and its internal control arrangements. The Board's Risk Committee shall contribute to this review. The Company has established processes and procedures for follow up through the Company's management system and the work process "handling of non-conformities and improvements".

The Board shall provide an account in the annual report of the main features of the Company's internal control and risk management systems as they relate to the Company's financial reporting.

12 Board remuneration

The General Meeting shall annually determine the Board's remuneration. Remuneration of Board Members shall be reasonable and based on the Board's responsibilities, work, time invested and the complexity of the enterprise.

Board Members, or their affiliated entities, shall as a main rule not undertake assignments or perform tasks for or on behalf of the Company in addition to their role as Board Members. Performance of any such assignments or tasks is subject to a separate agreement with the Company, outlining the scope of work to be performed and the agreed remuneration. All such agreements including proposed scope and remuneration are subject to Board Approval pursuant to procedures established by the Board.

Work in sub-committees may be compensated in addition to the remuneration received for Board membership.

The Company's financial statements shall provide information regarding the Board's remuneration.

13 Remuneration of executive personnel

The Board decides the salary and other compensation to the CEO. Any fringe benefits shall be in line with market practice and should not be substantial in relation to the CEO's basic salary. The Board shall annually carry out an assessment of the salary and other remuneration to the CEO.

The Company's financial statements shall provide further information about salary and other compensation to the CEO and the executive management team.

The Board shall (through the Remuneration Committee) issue guidelines for the remuneration of the executive management team. The guidelines shall lay down the main principles for the Company's management remuneration policy. The salary level should not be of a size that could harm the Company's reputation, or above the norm in comparable companies. The salary level should, however, ensure that the Company can attract and retain executive employees with the desired expertise and experience.

Performance-related remuneration should not be such as might encourage a short-term approach that could be damaging to the Company's long-term interests.

14 Information and communication

The Board and the executive management team assign considerable importance to giving the shareholders timely, relevant and current information about the Company and its activity areas. Emphasis is placed on ensuring that the shareholders receive identical and simultaneous information.

Sensitive information will be handled internally in a manner that minimises the risk of leaks. All contracts to which the Company becomes a party shall contain confidentiality clauses.

The Company shall have clear routines for who is allowed to speak on behalf of the Company on different subjects, and who shall be responsible for submitting information to the market and investor community.

The Board should ensure that the shareholders are given the opportunity to make known their points of view at and outside the General Meeting.

The Board shall establish instructions for the Company's reporting of financial and other information.

15 Take-over situations

In a take-over process, the Board and the executive management team each have an individual responsibility to ensure that the Company's shareholders are treated equally and that there are no unnecessary interruptions to the Company's business activities. The Board has a particular responsibility in ensuring that the shareholders have sufficient information and time to assess the offer.

In the event of a take-over process, the Board shall ensure that:

- a) the Board will not seek to hinder or obstruct any takeover bid for the Company's operations or shares unless there are particular reasons for doing so;
- b) the Board shall not undertake any actions intended to give shareholders or others an unreasonable advantage at the expense of other shareholders or the Company;
- c) the Board shall not institute measures with the intention of protecting the personal interests of its members at the expense of the interests of the shareholders; and
- d) the Board must be aware of the particular duty it has for ensuring that the values and interests of the shareholders are protected.

In the event of a take-over bid, the Board will, in addition to complying with relevant legislation and regulations, seek to comply with the recommendations in the Norwegian Code of Practice for Corporate Governance. This includes obtaining a valuation from an independent expert. On this basis, the Board will make a recommendation as to whether or not the shareholders should accept the bid.

Any transaction that is in effect a disposal of the Company's activities should be decided by a general meeting

16 Auditor

Each year the auditor shall present to the Board a plan for the implementation of the audit work and a written confirmation that the auditor satisfies established requirements as to independence and objectivity.

The auditor shall be present at Board meetings where the annual accounts are on the agenda. Whenever necessary, the Board shall meet with the auditor to review the auditor's view on the Company's accounting principles, risk areas, internal control routines, etc.

The auditor may not be used as a financial advisor unless the Board of Directors decides otherwise, and then only provided that such use of the auditor does not have the ability to affect or question the auditors' independence and objectiveness as auditor for the Company. Only the Company's SVP Accounting & Control and/or SVP Investor Relation & Finance shall have the authority to enter into agreements in respect of such counselling assignments.

At the Annual General Meeting the Board shall present a review of the auditor's compensation as paid for auditory work required by law and remuneration associated with other concrete assignments.

In connection with the auditor's presentation to the Board of the annual work plan, the Board should specifically consider if the auditor to a satisfactory degree also carries out a control function.

The Board shall arrange for the auditor to attend all General Meetings.

17 Financial Policy

The Company shall prepare a statement of its financial policy, providing details of the Company's handling of financial risks, hedging, funding policies, etc.

18 Additional Information

18.1. Changes from previous version

Rev. No.	Date	Sect. No.	Changes from previous version
0	09.05.2019	N/A	Issued as first draft for IDC.
1.0	02.07.2019	N/A	First revision