

**Explanatory notes to the agenda of the General Meeting of Shareholders (GM) of Sequa Petroleum N.V. (the Company) to be held at the 24<sup>th</sup> floor, Rembrandt Tower, Amstelplein 1 (1096 HA) in Amsterdam, the Netherlands on Thursday 7 January 2016 at 14.00 hours p.m. CET.**

## **1 Explanation to agenda item 2**

- 1.1 The management of the Company will explain the audited annual accounts for the financial year 2014, as drawn up by the management board of the Company (the **Management Board**).

## **2 Explanation to agenda item 3**

- 2.1 In accordance with article 2:135 subsection 5a of the Dutch Civil Code, the implementation of the remuneration policy in 2014, as outlined on page 4 of the report for the financial year 2014, will be discussed.

## **3 Explanation to agenda item 4**

- 3.1 The general meeting of the Company (the **General Meeting**) is invited to adopt the annual accounts for the financial year 2014 as drawn up by the Management Board and signed by the Management Board and the supervisory board of the Company (the **Supervisory Board**).

## **4 Explanation to agenda item 5**

- 4.1 It is proposed to discharge the members of the Management Board from liability for the performance of their duties during the financial year 2014. Under Dutch law the release from liability only covers the performance of duties to the extent that such performance is apparent from the annual accounts for the financial year 2014 or has otherwise been disclosed to the General Meeting prior to the adoption of the annual accounts.

## **5 Explanation to agenda item 6**

- 5.1 It is proposed to discharge the members of the Supervisory Board from liability for their supervision of the management during the financial year 2014. Under Dutch law the release from liability only covers the performance of duties to the extent that such performance is apparent from the annual accounts for the financial year 2014 or has otherwise been disclosed to the General Meeting prior to the adoption of the annual accounts.

## **6 Explanation to agenda item 7**

- 6.1 Each of the current members of the Management Board, being Mr J. Broekhuijsen, Mr P.D.M. Haynes, Mr J.M. Luke and Mr J.P. Bosma have been appointed as managing director pursuant to a resolution of the General Meeting dated 23 October 2013. The appointments are due to expire on 31 December 2015.

### **6.2 Reappointment of Mr Broekhuijsen:**

- (a) It is proposed to reappoint Mr Broekhuijsen as managing director of the Company as of 1 January 2016 for a period ending the latter of 30 June 2016 or the date of the 2016 Annual General Meeting. Mr Broekhuijsen has indicated that he is available for reappointment.
- (b) In accordance with article 9.3 of the Company's articles of association (the **Articles of Association**) the Supervisory Board has resolved to nominate Mr Broekhuijsen for reappointment in a meeting of the Supervisory Board held on 26 November 2015.

Mr Broekhuijsen is fifty-three (53) years of age and does not hold any position relevant for the performance of his duties as managing director, other than his current position of managing director and as director of one of the Company's subsidiaries, Sequa

Petroleum UK Ltd. It is proposed to nominate Mr Broekhuijsen for reappointment as managing director as he has significant knowledge and experience in the oil and gas industry. In particular, he has 25 years of international commercial experience in E&P and LNG working for Shell and BG Group.

6.3 Reappointment of Mr Haynes:

- (a) It is proposed to reappoint Mr Haynes as managing director of the Company as of 1 January 2016 for a period ending the latter of 30 June 2016 or the date of the 2016 Annual General Meeting. Mr Haynes has indicated that he is available for reappointment.
- (b) In accordance with article 9.3 of the Company's the Articles of Association the Supervisory Board has resolved to nominate Mr Haynes for reappointment in a meeting of the Supervisory Board held on 26 November 2015.
- (c) Mr Haynes is sixty-one (61) years of age and does not hold any position relevant for the performance of his duties as managing director, other than his current position of managing director. It is proposed to nominate Mr Haynes for reappointment as managing director as he has significant knowledge and experience in the oil and gas industry. He has over 35 years of technical upstream oil and gas experience working for BG Group and other international companies.

6.4 Reappointment of Mr Luke:

- (a) It is proposed to reappoint Mr Luke as managing director of the Company as of 1 January 2016 for a period ending the latter of 30 June 2016 or the date of the 2016 Annual General Meeting. Mr Luke has indicated that he is available for reappointment.
- (b) In accordance with article 9.3 of the Company's the Articles of Association the Supervisory Board has resolved to nominate Mr Luke for reappointment in a meeting of the Supervisory Board held on 26 November 2015.
- (c) Mr Luke is fifty-seven (57) years of age and does not hold any position relevant for the performance of his duties as Managing Director, other than his current position of Managing Director and as director of two of the Company's subsidiaries: Tellus Petroleum Invest AS and Tellus Petroleum AS. It is proposed to nominate Mr Luke for reappointment as managing director as he has significant knowledge and experience in the oil and gas industry. He has over 30 years of experience in the offshore oil and gas industry, holding key positions in management, operations, engineering and marketing.

6.5 Reappointment of Mr Bosma:

- (a) It is proposed to reappoint Mr Bosma as managing director of the Company as of 1 January 2016 for a period ending the latter of 30 June 2016 or the date of the 2016 annual general meeting. Mr Bosma has indicated that he is available for reappointment.
- (b) In accordance with article 9.3 of the Company's the Articles of Association the Supervisory Board has resolved to nominate Mr Bosma for reappointment in a meeting of the Supervisory Board held on 26 November 2015.
- (c) Mr Bosma is fifty-two (52) years of age and does not hold any position relevant for the performance of his duties as Managing Director, other than his current position of Managing Director. It is proposed to nominate Mr Bosma for reappointment as managing director as he has significant knowledge and experience in the oil and gas industry with Shell. He has over 25 years of experience in the oil and gas and LNG industry, holding key positions in management, project development, petroleum engineering, gas marketing and new business development.

## **7 Explanation to agenda item 8**

7.1 Two of the three current members of the Supervisory Board, being Mr J.J. van Rijswijk and Mr L. Windhorst were appointed as of 25 October 2013. Pursuant to article 15.5 of the Articles of Association, a member of the Supervisory Board will retire not later than the day on which the annual general meeting of the Company is held in the second calendar year after the calendar year in which such member was last appointed. Mr E.F. Eichler, the third member of the Supervisory Board does not require re-appointment at this time.

### **7.2 Reappointment of Mr van Rijswijk:**

- (a) It is proposed to reappoint Mr Van Rijswijk as supervisory director of the Company until the day on which the annual General Meeting is held in the calendar year 2017. Mr Van Rijswijk has indicated that he is available for reappointment.
- (b) In accordance with article 15.2 of the Company's the Articles of Association the Supervisory Board has resolved to nominate Mr Van Rijswijk for reappointment in a meeting of the Supervisory Board held on 26 November 2015.
- (c) Mr Van Rijswijk is seventy (70) years of age. He holds no shares in the capital of the Company. He is an independent executive and was formerly employed in senior technical roles with Shell. He is not a member of the supervisory board of any other company. It is proposed to nominate Mr Van Rijswijk for re-appointment as supervisory director of the Company as he has relevant knowledge and experience in the oil and gas industry.

### **7.3 Reappointment of Mr L. Windhorst:**

- (a) It is proposed to reappoint Mr Windhorst as supervisory director of the Company until the day on which the annual General Meeting is held in the calendar year 2017. Mr Windhorst has indicated that he is available for reappointment.
- (b) In accordance with article 15.2 of the Company's the Articles of Association the Supervisory Board has resolved to nominate Mr Windhorst for reappointment in a meeting of the Supervisory Board held on 26 November 2015.
- (c) Mr Windhorst is thirty-nine (39) years of age. He is the ultimate beneficial shareholder of circa 44% of shares in the capital of the Company being 88,387,690 shares. He is an employee of Sapinda Holding B.V., where he holds the position of chairman and non-executive member of the management board. Sapinda Holding B.V. is a significant shareholder of the Company. He is also a member of the board of managers in Sapinda Invest S.a.r.l. and a director of Sapinda Asia Limited. He is not a member of the supervisory board of any other company. It is proposed to nominate Mr Windhorst for re-appointment as supervisory director of the Company as he has relevant knowledge and expertise in investment activities.

## **8 Explanation to agenda item 9**

8.1 The Dutch Corporate Governance Code provides that the policy of a company on additions to reserves and on dividends (the level and purpose of the addition to reserves, the amount of the dividend and the type of dividend) shall be dealt with and explained as a separate agenda item at the general meeting. As there are insufficient distributable reserves, no dividend shall be payable.

## **9 Explanation to agenda item 10**

9.1 The General Meeting is requested to determine the appropriation of the loss for financial year 2014 of USD 44,698 thousand to be added to the retained deficit in the shareholders' equity.

**10 Explanation to agenda item 11**

- 10.1 It is proposed to appoint KPMG Accountants N.V. as the Company's auditor in relation to the financial year 2015.