

**DRAFT 10 MAY 2019**

# **SEQUA PETROLEUM N.V.**

## **Conversion Terms and Regulations**

Adopted by the General Meeting on ● 2019

Approved by the Supervisory Board on ● 2019

## 1. INTRODUCTION AND BACKGROUND

- 1.1 These Conversion Terms and Regulations are established pursuant to article 9.2 of the Articles of Association.
- 1.2 These Conversion Terms and Regulations are posted on the Company's website.
- 1.3 The meaning of certain capitalised or uncapitalised terms used in these Conversion Terms and Regulations are set forth in the List of Definitions attached as Annex 1.

## 2. CONVERSION REQUEST

- 2.1 A holder of an Executive Participation Share is entitled to request the Conversion of Executive Participation Shares:
- (a) if at the moment of the Conversion Request in relation to the Company: MC + DP is greater than EC; and
  - (b) with due observance that the following applies during the first three calendar years after the acquisition of Executive Participation Shares by such holder of Executive Participation Shares:
    - (i) during the first calendar year after the acquisition of Executive Participation Shares by such holder of Executive Participation Shares: the holder of Executive Participation Shares is not entitled to request a Conversion;
    - (ii) during the second calendar year after the acquisition of Executive Participation Shares by such holder of Executive Participation Shares: the holder of Executive Participation Shares is entitled to request a Conversion in respect of no more than one third (1/3) of the Executive Participation Shares held by him; and
    - (iii) during the third calendar year after the acquisition of Executive Participation Shares by such holder of Executive Participation Shares: the holder of Executive Participation Shares is entitled to request a Conversion in respect of no more than two thirds (2/3) of the Executive Participation Shares held by him.
- 2.2 If the number of Executive Participation Shares determined on the basis of paragraph 2.1(a), is not an integer, such number will be rounded down to the next integer.

## 3. CONVERSION

- 3.1 At any time that the Ordinary Shares are listed on a recognised investment exchange the total number of Ordinary Shares in exchange for one Executive Participation Share pursuant to a Conversion by a holder of Executive Participation Shares is as follows:

$$\left( \frac{11.2}{100 - (AS \times 11.2)} \right) \times \left( \frac{MC - EC + DP}{NMS \times PO} \right)$$

whereby the abbreviations used have the following meaning:

**AS** means number of Executive Participation Shares remaining in the share capital of the Company from time to time divided by the number of Executive Participation Shares in the share capital of the Company immediately following the initial issue of the Executive Participation Shares;

**MC** means the aggregate market capital of all Shares in the capital of the Company from time to time, excluding all Executive Participation Shares, being an amount equal to the sum of the number of shares in any given class of share in the Company, multiplied by the market value of a share in such share class (excluding all Executive Participation Shares);

**EC** means the aggregate amount from time to time of any and all equity contributions by way of cash, capital or any other asset made to the Company made by any person other than the holders of Executive Participation Shares;

**DP** means the aggregate amount of any and all proceeds received from time to time (whether by way of dividend, bonus issue, share buy-back or otherwise) by the holder of any Shares in the capital of the Company who is not a holder of Executive Participation Shares in respect of which the holders of Executive Participation Shares have not received dividends proportionate to the percentage of Executive Participation Shares held at the time such dividends were declared;

**NMS** means number of Executive Participation Shares in the share capital of the Company immediately following the initial issue of the Executive Participation Shares; and

**PO** means the list price on the relevant investment exchange of an Ordinary Share from time to time.

- 3.2 If the number of Ordinary Shares calculated on the basis of the Conversion, is not an integer, such number will be rounded down to the next integer.

#### **4. (RESTRICTIONS TO) THE TRANSFER OF EXECUTIVE PARTICIPATION SHARES**

- 4.1 The Ordinary Shares that are issued to a holder of Executive Participation Shares pursuant to Article 10.2(b) of the Articles of Association reflect a right to subscribe for such Ordinary Shares in accordance with Article 10 of the Articles of Association and these Conversion Terms and Regulations. The right referred to in the preceding sentence of this Article 4.1 will be 'stapled' to the Executive Participation Shares upon their issuance and will be attached to and exist with these Executive Participation Shares, subject only to Article 4.2 of these Conversion Terms and Regulations.

- 4.2 A transfer of Executive Participation Shares requires the prior approval of the Supervisory Board. It is the duty of the Supervisory Board to ensure that these Executive Participation Shares transfer only in accordance with the terms and conditions of the rules and regulations that apply to the Executive Participation Shares. To the extent permitted by law such Executive Participation Shares and, for the avoidance of doubt, the rights as referred to in Article 4.1, cannot be transferred (*zijn onoverdraagbaar*) within the meaning of Section 3:83 of the Dutch Civil Code without such approval having first been obtained.

#### **5. INTERNAL RECORDS**

The Company will keep appropriate records in such manner that the number of Ordinary Shares in which an Executive Participation Share can be converted can be ascertained at all times.

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## ANNEX 1

### LIST OF DEFINITIONS

1. In these Conversion Terms and Regulations, the following terms have the following meanings:

**Articles of Association** means the articles of association of the Company.

**Company** means Sequa Petroleum N.V., a public limited liability company under Dutch law (*naamloze vennootschap*), having its seat (*statutaire zetel*) in Amsterdam, the Netherlands, registered with the trade register of the Dutch Chamber of Commerce (*Kamer van Koophandel*) under number 58633618.

**Conversion** has the meaning ascribed thereto in Article [10.2] of the Articles of Association.

**Executive Participation Share** means an executive participation share in the capital of the Company.

**General Meeting of Shareholders** or **General Meeting** means the general meeting of shareholders of the Company.

**Ordinary Share** means an ordinary share in the capital of the Company.

**Share** means a share in the capital of the Company. Unless the contrary is apparent, this shall include each Ordinary Shares and each Executive Participation Share.

**Supervisory Board** means the supervisory board of the Company.

2. Save where the context dictates otherwise, in these Conversion Terms and Regulations:

- (a) unless a different intention clearly appears, a reference to a Clause or Annex is a reference to a clause or annex of these Conversion Terms and Regulations;
- (b) words and expressions expressed in the singular form also include the plural form, and vice versa;
- (c) words and expressions expressed in the masculine form also include the feminine form; and
- (d) a reference to a statutory provision counts as a reference to this statutory provision including all amendments, additions and replacing legislation that may apply from time to time.

3. Headings of articles and other headings in these Conversion Terms and Regulations are inserted for ease of reference and do not form part of these Conversion Terms and Regulations for the purpose of interpretation.