

**AfricaOil**  
**Corp.**

NOTICE OF 2016 ANNUAL GENERAL  
AND SPECIAL MEETING  
AND  
MANAGEMENT INFORMATION  
CIRCULAR





## NOTICE OF THE ANNUAL GENERAL AND SPECIAL MEETING TO BE HELD ON APRIL 19, 2016

Notice is hereby given that the Annual General and Special Meeting (the "Meeting") of shareholders of Africa Oil Corp. ("Africa Oil" or the "Corporation") will be held at 9:00 am (Pacific Daylight Time) at the Fairmont Hotel Vancouver, 900 West Georgia Street, Vancouver, BC for the following purposes:

1. To receive the consolidated audited financial statements of the Corporation for the year ended December 31, 2015, together with the report of the auditors thereon.
2. To appoint PricewaterhouseCoopers, LLP as auditor of the Corporation to hold office until the next Annual General Meeting, at a remuneration to be fixed by the directors of the Corporation.
3. To fix the number of directors at five (5).
4. To elect directors to hold office for the ensuing year.
5. To consider and, if deemed advisable, to approve an advisory resolution to accept the Corporation's approach to executive compensation.
6. To consider and, if thought fit, approve an ordinary resolution ratifying and confirming the Corporation's new Long Term Incentive Plan, as more particularly described in the accompanying management information circular.
7. To approve, ratify and confirm the grant of an aggregate of 246,000 restricted share units to certain non-executive directors, and 1,024,000 restricted share units and 1,024,000 performance share units to certain senior executives of the Corporation, as previously approved by the Board and as more particularly described in the accompanying management information circular.
8. To consider and, if thought fit, approve an ordinary resolution ratifying and confirming the Corporation's Proposed Stock Option Plan, as more particularly described in the accompanying management information circular.
9. To approve, ratify and confirm the grant of an aggregate of 2,579,000 stock options to certain Eligible Plan Participants, as previously approved by the Board, subject to shareholder approval, under the Corporation's Proposed Stock Option Plan and as more particularly described in the accompanying management information circular.
10. To transact such other business as may properly be brought before the meeting or at any adjournments or postponements thereof.

Accompanying this Notice of Meeting are: (i) a Management Information Circular (the “Circular”); (ii) an Instrument of Proxy and Notes thereto; and (iii) a reply card for use by shareholders who wish to receive the Corporation’s interim financial statements. Reference is made to the Circular for details of the matters to be considered at the Meeting.

If you are a *registered shareholder* of the Corporation and are unable to attend the Meeting in person, please complete, sign, date and return the enclosed form of Proxy either in the addressed envelope enclosed to Proxy Department, Computershare Investor Services Inc., 8<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, or by fax to 1-866-249-7775. Proxies must be received not less than 48 hours (excluding Saturdays, Sundays and holidays) prior to the Meeting or any adjournment thereof.

If you are a *non-registered shareholder* of the Corporation and receive these materials through your broker or through another intermediary, please complete and return the materials in accordance with the instructions provided to you by your broker or such other intermediary. **If you are a non-registered shareholder and do not complete and return the materials in accordance with such instructions, you may lose the right to vote at the Meeting, either in person or by proxy.**

If you have any questions about the procedures required to qualify to vote at the Meeting or about obtaining and depositing the required form of proxy, you should contact Computershare Investor Services Inc. by telephone (toll free) at 1-800-564-6253, by fax at 1-866-249-7775 or by e-mail at [service@computershare.com](mailto:service@computershare.com).

DATED at Vancouver, British Columbia the 16<sup>th</sup> day of March, 2016.

**BY ORDER OF THE BOARD OF DIRECTORS**

*“Keith C. Hill”*

President and Chief Executive Officer

**CONTENTS**

Notice of Meeting .....7

Currency and Exchange Rates.....7

Appointment of Proxyholder and Voting by Proxy .....8

Voting Shares .....8

Business of the Annual General and Special Meeting .....12

Mandate of the Board of Directors.....25

Independence .....25

Interlocks.....26

Orientation and Continuing Education .....26

Nomination of Directors .....26

Board Committees .....27

Committee Position Descriptions .....28

Assessments.....29

Ethical Business Conduct .....29

Directors’ and Officers’ Liability Insurance .....29

Indebtedness of Directors and Executive Officers.....30

Director Tenure.....30

Diversity .....30

Director Compensation.....31

2015 Director Compensation Program .....33

Fees Earned by Directors in 2015 .....33

Value of Equity Compensation Vested or Earned During Year .....34

Director Share Ownership Guidelines & Compliance .....35

Letter to Shareholders .....36

Introduction .....38

Compensation Philosophy / Executive Compensation Principles.....38

Changes to Executive and Director Compensation Program for 2016 .....38

Pay Comparator Group .....	39
Pay Positioning.....	40
Elements of Africa Oil’s Executive Compensation Program.....	41
Pay Mix.....	41
Currency of Compensation .....	42
Base Salary .....	42
Short Term Incentive Plan.....	43
Changes to 2016 Executive STIP .....	44
2016 STIP Targets.....	44
Corporate Scorecard – 2016 Awards .....	44
2015 Stock Option Grant.....	45
2016 LTIP Targets and Mix .....	46
Restricted Share Units and Performance Share Units .....	46
PSU Performance Metrics .....	46
Summary of Equity Plan Terms.....	48
CEO Compensation .....	55
NEO Compensation .....	56
2015 Executive Compensation - Summary Compensation Table .....	57
Outstanding Option-Based Awards.....	59
Termination and Change of Control Benefits .....	61
Compensation Oversight, Governance and Risk Management .....	63
Appointment and Role of Compensation Consultants .....	65
Compensation Consultant Fees .....	65
Performance Graph.....	66
Equity Compensation Plan Information.....	67
Management Contracts .....	67
Interest of Informed Persons in Material Transactions .....	67
Other Matters .....	67

APPENDIX A - Long Term Incentive Plan

APPENDIX B - Stock Option Plan

APPENDIX C - Board of Directors' Mandate



# MANAGEMENT INFORMATION CIRCULAR

(all information as of March 11, 2016, unless otherwise noted)

---

---

## NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

---

---

### NOTICE OF MEETING

#### PERSONS MAKING THE SOLICITATION

This Management Information Circular (the “Circular”) is furnished in connection with the solicitation of proxies being made by the management of Africa Oil Corp. (“Africa Oil” or the “Corporation”) for use at the Annual General and Special Meeting of the Corporation’s shareholders (the “Meeting”) to be held on Tuesday, April 19, 2016 at 9:00 a.m. (Pacific Daylight Time) at the Fairmont Hotel Vancouver, 900 West Georgia Street, Vancouver, British Columbia and for the purposes set forth in the accompanying Notice of Meeting. While it is expected that the solicitation will be made primarily by mail, proxies may be solicited personally or by telephone by directors, officers and employees of the Corporation. All costs of this solicitation will be borne by the Corporation.

It is anticipated that this Circular, together with the accompanying Notice of Meeting and form of proxy will first be mailed to shareholders of the Corporation on or about March 21, 2016.

#### SOLICITATION OF PROXIES

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Corporation. The Corporation will bear all costs of this solicitation. We have arranged to send meeting materials directly to non-registered shareholders who have consented to their ownership information being disclosed (non-objecting beneficial owners). We have arranged for intermediaries to forward the meeting materials to non-registered shareholders who have objected to their ownership information being disclosed (objecting beneficial owners). The Corporation will reimburse the intermediaries for their reasonable fees and disbursements in regards to the delivery of meeting materials to objecting beneficial owners.

### CURRENCY AND EXCHANGE RATES

Unless otherwise indicated, all monetary amounts referred to herein are stated in United States dollars, the Corporation’s reporting currency. On December 31, 2015, the reported noon exchange rate quoted by the Bank of Canada for USD \$1.00 was CAD \$1.3840.



## APPOINTMENT OF PROXYHOLDER AND VOTING BY PROXY

The individuals named in the accompanying form of proxy (the "Proxy") are directors or officers of the Corporation (the "Management Proxyholders"). **A shareholder wishing to appoint a person or company other than Management Proxyholders to attend and act for the shareholder and on the shareholder's behalf at the Meeting has the right to do so, by striking out the names of the Management Proxyholders and by inserting the desired person's or company's name in the blank space provided in the proxy, or by executing a proxy in a form similar to the enclosed form. In either case, the completed form of proxy must be delivered to Computershare prior to the Meeting or any adjournment thereof. A proxyholder need not be a shareholder.**

You can choose to vote your common shares by proxy by mail, by telephone or on the Internet. If you vote your common shares by proxy by mail, completed forms of proxies must be delivered to the Corporation's transfer agent, Computershare Investor Services Inc. ("Computershare"), at Proxy Department, at 100 University Avenue, 8th Floor, Toronto, Ontario, Canada M5J 2Y1, in the envelope provided for that purpose. Telephone and Internet voting can also be completed 24 hours a day, 7 days a week. For telephone voting call 1-866-732-VOTE (8683) (toll free in Canada and the United States) from a touch-tone telephone and follow the voting instructions. International holders wishing to vote by telephone can dial 1-312-588-4290 to place their vote. If you vote by telephone, you cannot appoint anyone other than the appointees named on the proxy form as your proxyholder. For internet voting, go to [www.investorvote.com](http://www.investorvote.com) and follow the instructions on the screen. For either telephone or internet voting, you will need your 15 digit control number which is noted on your proxy form. Duly completed forms of proxy or a vote using the telephone or over the Internet must be completed no later than forty-eight (48) hours (excluding Saturdays, Sundays, and holidays) before the time of the Meeting, or any adjournment thereof, unless the chairman of the Meeting elects to exercise his discretion to accept proxies subsequently received.

If you are a beneficial shareholder and receive these materials through your broker or through another intermediary, please complete and return the form of proxy in accordance with the instructions provided by your broker or other intermediary contained in the voting instruction form ("VIF").

**If you have any questions concerning the voting of your common shares, please contact Computershare at:**

**Mail:** Computershare Investor Services  
100 University Avenue, 8th Floor  
Toronto, ON M5J 2Y1

**Telephone:** 1-800-564-6253

## VOTING SHARES

### ADVICE TO NON-REGISTERED HOLDERS OF COMMON SHARES

**The information set forth in this section is of significant importance to many shareholders as a substantial number of shareholders do not hold securities of the Corporation in their own name.** Shareholders who hold their securities through their brokers, intermediaries, trustees or other persons, or who otherwise do not hold their securities in their own name (referred to in this Circular as "**Beneficial Shareholders**") should note that only proxies deposited by shareholders who appear on the records maintained by the Corporation's registrar and transfer agent as registered holders of voting securities will be recognized and acted upon at the Meeting. If voting securities are listed in an account statement provided to a Beneficial Shareholder by a broker, those voting securities will, in all likelihood, not be registered in the shareholder's name. Such voting securities more likely will be registered under the name of the shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name of the Canadian Depository for Securities which acts as nominee for many Canadian brokerage firms). Voting securities held by brokers (or their agents or nominees) on behalf of a broker's client can only be voted (for or against resolutions) at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker's clients.

**Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their voting securities are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is substantially similar to the instrument of proxy provided directly to registered shareholders by the Corporation and is commonly referred to as a "**voting instruction form**". However, its purpose is limited to instructing the registered shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communications Solutions, Canada (formerly, ADP Investor Communications, Canada)("Broadridge"). Broadridge typically prepares a machine-readable voting instruction form, mails such forms to Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge or otherwise communicate voting instructions to Broadridge (by way of the Internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder who receives a Broadridge voting instruction form cannot use that form to vote their securities directly at the Meeting. The voting instruction forms must be returned to Broadridge (or instructions respecting the voting of securities must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the securities voted. If you have any questions respecting the voting of securities held through a broker or other intermediary, please contact that broker or other intermediary promptly for assistance.** Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting securities registered in the name of his broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered shareholder and vote the securities in that capacity. **Beneficial Shareholders who wish to attend the Meeting and indirectly vote their securities as proxyholder for the registered shareholder should enter their own names in the blank space on the form of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker.**

## ADVICE TO HOLDERS OF EUROCLEAR SWEDEN REGISTERED SHARES

**The information set forth in this section is of significance to shareholders who hold their securities (“Euroclear Registered Securities”) through Euroclear Sweden AB, which securities trade on Nasdaq Stockholm.**

Shareholders who hold Euroclear Registered Securities are not registered holders of voting securities for the purposes of voting at the Meeting. Instead, Euroclear Registered Securities are registered under CDS & Co., the registration name of the Canadian Depository for Securities.

Holders of Euroclear Registered Securities will receive a VIF by mail directly from Computershare AB (“Computershare Sweden”). Additional copies of the VIF, together with the Corporation’s Management Information Circular, can also be obtained from Computershare Sweden and are available on the Corporation’s website ([www.africaoilcorp.com](http://www.africaoilcorp.com)). The VIF cannot be used to vote securities directly at the Meeting. Instead, the VIF must be completed and returned to Computershare Sweden, strictly in accordance with the instructions and deadlines that will be described in the instructions provided with the VIF.

**If you have any questions concerning how to complete the VIF or respecting the voting of Euroclear Registered Securities, please contact Computershare Sweden at:**

**Mail:** Computershare AB  
“General Meeting of Africa  
Oil Corp.”  
PO Box 610  
SE – 182 16 Danderyd  
Sweden

**Telephone:** +46 (0) 77 24 64 00

**E-mail:** [info@computershare.se](mailto:info@computershare.se)

## REVOCAION OF PROXIES

A registered shareholder who has returned a proxy may revoke it at any time before it has been exercised. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing, including a proxy bearing a later date, executed by the registered shareholder or by his attorney authorized in writing or, if the registered shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized. The instrument revoking the proxy must be deposited at the registered office of the Corporation, at Suite 2600 Oceanic Plaza, 1066 West Hastings Street, Vancouver, British Columbia, V6E 3X1 (Attention: Kevin Hisko, Corporate Secretary) at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof, or with the Assistant Corporate Secretary of the Corporation or the chairman of the Meeting prior to the time of voting at the Meeting. Only registered shareholders have the right to revoke a proxy. **Beneficial Shareholders who wish to change their vote must arrange for their respective intermediaries to revoke the proxy on their behalf.**

## EXERCISE OF DISCRETION

**The Shares represented by Proxy in the form provided to shareholders will be voted or withheld from voting by the Management Proxyholder in accordance with the direction of the shareholder appointing him. If a shareholder does not specify a choice and the shareholder has appointed one of the Management Proxyholders as proxyholder, the Management Proxyholder will vote in favour of the matters specified in the Notice of Meeting and in favour of all other matters proposed by management at the Meeting.**

## RECORD DATE

Shareholders registered as at March 11, 2016 (the "Record Date") are entitled to attend and vote at the Meeting. Shareholders who wish to be represented by proxy at the Meeting must, to entitle the person appointed by the Proxy to attend and vote, deliver their Proxies at the place and within the time set forth in the notes to the Proxy.

## INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Except as may be disclosed herein, no director or executive officer of the Corporation, or any person who has held such a position since the beginning of the last completed financial year end of the Corporation, nor any nominee for election as a director of the Corporation, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than the election of directors, ratifying and confirming the Corporation's new stock option plan, ratifying and confirming certain stock option grants made, subject to shareholder approval, under the new stock option plan, and ratifying and confirming the Corporation's new long term incentive plan.

## VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The Corporation is authorized to issue an unlimited number of common shares of which **456,417,074** common shares are issued and outstanding as at the date hereof. Each common share is entitled to one vote.

To the knowledge of the directors and executive officers of the Corporation, there are no persons who beneficially own, directly or indirectly, or exercise control or direction over, directly or indirectly, 10% or more of the issued and outstanding common shares of the Corporation, except as set forth below:

<b>Name of Shareholder</b>	<b>Common Shares Beneficially Owned, Controlled or Directed</b>	<b>Percentage of the Outstanding Common Shares</b>
Stampede Natural Resources S.a.r.l.	52,623,377	11.53%

## BUSINESS OF THE ANNUAL GENERAL AND SPECIAL MEETING

---

### FINANCIAL STATEMENTS AND AUDITOR'S REPORT

The Corporation's consolidated financial statements for the year ended December 31, 2015 and the report of the auditors thereon will be placed before the Meeting. Copies of the consolidated financial statements, the auditors' report and management's discussion and analysis have been mailed to all registered shareholders and non-registered shareholders (or beneficial shareholders) who have opted to receive such materials. These documents can also be found on the Corporation's website at [www.africaoilcorp.com](http://www.africaoilcorp.com) and are also available on SEDAR at [www.sedar.com](http://www.sedar.com). No vote by shareholders is required to be taken with respect to the consolidated financial statements.

### APPOINTMENT AND REMUNERATION OF AUDITORS

The Board of Directors (the "Board") recommends the re-appointment of PricewaterhouseCoopers LLP Chartered Accountants ("PwC") as auditors of the Corporation to hold office until the termination of the next annual meeting of shareholders.

The common shares represented by the proxies solicited in respect of the Meeting on any ballot that may be called for, unless authority to do so is withheld, will be voted by the persons named therein FOR the appointment of PwC, as auditors of the Corporation until the next annual general meeting of shareholders, and to authorize the directors to fix the remuneration of the auditors. PwC have been the Corporation's auditors since October 8, 2008.

### ELECTION OF DIRECTORS

The Board presently consists of five directors. The Board is recommending that five directors be elected at the meeting. The director nominees are:

- Keith C. Hill
- John H. Craig
- Andrew D. Bartlett
- Bryan Benitz
- Gary Guidry

The term of office of each of the present directors expires at the Meeting. At the Meeting, shareholders will be asked to pass an ordinary resolution to set the number of directors at five and the five persons named above and hereunder will be proposed for election as directors of the Corporation ("Proposed Directors"). Unless authority to vote is withheld, the common shares represented by the proxies hereby solicited will be voted by the persons named therein FOR the election of the Proposed Directors whose names are set forth below. All of the Proposed Directors are presently members of the Board and all of the Proposed Directors, with the exception of Andrew D. Bartlett, were elected to their present term by a vote of shareholders at a meeting which was accompanied by a management proxy circular. The dates on which they were first elected or appointed are indicated below. Management does not contemplate that any Proposed Director will be unable or unwilling to serve as a director.

The Board has adopted a policy on Majority Voting that provides that the Chairman of the Board will ensure that the number of shares voted in favour or withheld from voting for each director nominee is recorded and promptly made public after the meeting. If any nominee for director receives, from the shares voted at the meeting in person or by proxy, a greater number of shares withheld than shares voted in favour of his or her election, the director must immediately tender his resignation to the Chairman of the Board following the meeting, to take effect upon acceptance by the Board. The Corporate Governance and Nominating Committee will expeditiously consider the director's offer to resign and make a recommendation to the Board whether to accept the offer. Within 90 days of the shareholders' meeting, the Board will make a final decision concerning the acceptance of the director's resignation and announce that decision by way of a news release. Any director who tenders his or her resignation will not participate in the deliberations of the Board or any of its committees pertaining to the resignation. The policy applies only to uncontested elections, where the number of nominees as director is equal to the number of directors to be elected. If the director fails to tender his or her resignation as contemplated in the policy, the Board will not re-nominate the director. Subject to any corporate law restrictions, where the Board accepts the offer of resignation of a director and that director resigns, the Board may exercise its discretion with respect to the resulting vacancy and may, without limitation, leave the resultant vacancy unfilled until the next annual meeting of shareholders, fill the vacancy through the appointment of a new director whom the Board considers to merit the confidence of the shareholders, or call a special meeting of shareholders to elect a new nominee to fill the vacant position.

#### *ADVANCE NOTICE PROVISIONS*

Pursuant to the provisions in the Corporation's articles requiring advance notice (the "**Advance Notice Provisions**") adopted by the shareholders of the Corporation on June 3, 2013, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation. Nominations of persons for election to the Board may be made at any annual meeting of shareholders, or at any special meeting of shareholders, if one of the purposes for which the special meeting was called was the election of directors: (a) by or at the direction of the Board, including pursuant to a notice of meeting; (b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the *Business Corporations Act (British Columbia)* S.B.C. 2002 c. 57 (the "BCA"), or a requisition of the shareholders made in accordance with the provisions of the BCA; or (c) by any person (a "**Nominating Shareholder**"): (A) who, at the close of business on the date of the giving of the notice provided for below in the Advance Notice Provisions and on the record date for notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and (B) who complies with the notice procedures set forth below in the Advance Notice Provisions.

In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice in proper written form to the secretary of the Corporation at the principle executive office of the Corporation.

To be timely, a Nominating Shareholder's notice to the Secretary of the Corporation must be made: (a) in the case of an annual meeting of shareholders, not less than 36 nor more than 65 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than 50 days after the date (the "**Notice Date**") on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder is to be made not later than the close of business on the 10th day after the Notice Date in respect of such meeting; and (b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting of shareholders was made. In no event shall any adjournment or postponement of a meeting of shareholders or the announcement thereof commence a new time period for the giving of a Nominating Shareholder's notice as described above.

To be in proper written form, a Nominating Shareholder's notice to the Secretary of the Corporation must set forth:

- (i) For each person the Nominating Shareholder proposes to nominate for election as a director: (a) the name, age, business address and residential address of the person; (b) the principal occupation or employment of the person; (c) the class or series and number of shares in the capital of the Corporation which are controlled or which are owned by the person as of the record date for the meeting of shareholders and as of the date of such notice; and (d) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the BCA and applicable securities laws; and
- (ii) For the Nominating Shareholder giving the notice, any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote any shares of the Corporation and any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the BCA and applicable securities laws.

Pursuant to the Advance Notice Provisions, any additional director nominations for the Meeting must be received by the Corporation in compliance with the Advance Notice Provisions no later than the close of business on March 13, 2016. No such nominations have been received by the Corporation prior to the date hereof.

The persons named in the following tables are management’s nominees to the Board. Each of the nominees, with the exception of Mr. Andrew Bartlett, was elected to his present term of office by a vote of shareholders of the Corporation at a prior meeting, the notice of which was accompanied by a management information circular. The names and places of residence of the persons nominated for office as directors, the number of common shares and stock options of the Corporation beneficially owned, controlled or directed, directly or indirectly as at March 11, 2016, the period served as director, the tenure, independence, committee memberships, meeting attendance, other public board responsibilities and the principal occupation during the last five years of each are as follows:

<b>Keith C. Hill</b>		Mr. Hill is President & Chief Executive Officer and former Chairman of the Board.
Florida, U.S.A.		
Age: 56		
Director since: October 16, 2006		
President & Chief Executive Officer		
Non-Independent Director		
<b>Securities Held<sup>(1)</sup></b>	<b>Number</b>	
Common Shares:	923,341	
Stock Options:	1,960,000	
Shareholding requirements met: <sup>(2)</sup> Yes		

Currently Chairman of ShaMaran Petroleum Corp., Petro Vista Energy Corp. and Africa Energy Corp.; director of BlackPearl Resources Ltd.; director of Tyner Resources Ltd.; director of TAG Oil Ltd.; formerly President and Chief Executive Officer of Pearl Exploration and Production Ltd. (now BlackPearl Resources Ltd.), Valkyries Petroleum Corp. and Bayou Bend Petroleum (now ShaMaran Petroleum Corp.).

<b>Board and Committee Meeting Participation</b>	<b>Meetings Attended During 2015</b>
Board of Directors – Chairman	11 of 11 meetings (100%)
Reserves Committee	1 of 1 meeting (100%)

<b>Other Public Board Directorships<sup>(3)</sup></b>
Africa Energy Corp.
ShaMaran Petroleum Corp.
Tyner Resources Ltd.
BlackPearl Resources Inc.
Petro Vista Energy Corp.
TAG Oil Ltd.

(1) “Securities Held” means beneficially owned, controlled, directed, directly or indirectly and includes Common Shares, Stock Options, restricted share units (“RSUs”) and performance share units (“PSUs”) as of December 31, 2015.

(2) Pursuant to the Corporation’s share ownership policy, Board members are required to accumulate three-times their annual retainer in Common Shares or RSUs within 5 years of the earlier of their date of appointment as a director or implementation of the policy. The director shareholder ownership policy was implemented in 2015. For the purposes of determining compliance is based on the greater of the current market price or the original purchase or grant price of the shares and RSUs, respectively.

(3) Mr. Hill has advised the Board that he proposes to reduce the number of public boards that he is a director of during the course of 2016.



---

**John H. Craig**

Ontario, Canada

Age: 68

Director since: June 19, 2009

Chairman (from April 19, 2016)

Independent Director

Mr. Craig is a practicing securities lawyer and senior counsel to the firm Cassels Brock & Blackwell LLP. He is also currently a director of Lundin Mining Corporation, BlackPearl Resources Ltd., Corsa Coal Corp. and Consolidated HCI Holdings Corporation. He is a former director of Denison Mines Corp., Sirocco Mining Inc. (formerly Atacama Minerals Corp.) and Etrion Corporation.

---

<b>Securities Held<sup>(1)</sup></b>	<b>Number</b>
--------------------------------------	---------------

Common Shares:	104,200
----------------	---------

Stock Options:	490,000
----------------	---------

Shareholding requirements met: <sup>(2)</sup> No

Mr. Craig has until 2021 to comply with such requirements

---

**Board and Committee Meeting Participation****Meetings Attended During 2015**

Board of Directors – Lead Director

11 of 11 meetings (100%)

Compensation Committee – Chairman

6 of 6 meetings (100%)

Corporate Governance and Nominating Committee

2 of 2 meetings

---

**Other Public Board Directorships**

BlackPearl Resources Inc.

Corsa Coal Corp.

Consolidated HCI Holdings Corporation

Lundin Mining Corporation

---

(1) "Securities Held" means beneficially owned, controlled, directed, directly or indirectly and includes Common Shares, Stock Options, restricted share units ("RSUs") and performance share units ("PSUs") as of December 31, 2015.

(2) Pursuant to the Corporation's share ownership policy, Board members are required to accumulate three-times their annual retainer in Common Shares or RSUs within 5 years of the earlier of their date of appointment as a director or implementation of the policy. The director shareholder ownership policy was implemented in 2015. For the purposes of determining compliance is based on the greater of the current market price or the original purchase or grant price of the shares and RSUs, respectively.

---

**Andrew Bartlett**

United Kingdom

Age: 58

Director since: May 27, 2015

Independent Director

Mr. Bartlett has over 35 years of experience in the Oil and Gas Industry, 20 of those with Shell Oil Company. An experienced ex -investment banker based in London, Andrew was both the Global Head of Oil and Gas Project Finance and Global Head of Oil and Gas Mergers and Acquisitions at Standard Chartered Bank until July 2011. He is currently a board member of Impact Oil & Gas Plc, and Managing Director of Bartlett Energy Advisers.

<b>Securities Held<sup>(1)</sup></b>	<b>Number</b>
Common Shares:	Nil
Stock Options:	150,000 <sup>(3)</sup>

Shareholding requirements met: <sup>(2)</sup> No

Mr. Bartlett joined the Board in May 2015 and has until 2021 to comply with such requirements

---

<b>Board and Committee Meeting Participation</b>	<b>Meetings Attended During 2015</b>
Board of Directors	7 of 7 meetings (100%)
Audit Committee – Chair	2 of 2 meetings (100%)
Compensation Committee	5 of 5 meetings (100%)
Corporate Governance and Nominating Committee	1 of 1 meeting (100%)
Reserves Committee	Nil <sup>(4)</sup>

---

**Other Public Board Directorships**

Impact Oil &amp; Gas Plc.

- 
- (1) "Securities Held" means beneficially owned, controlled, directed, directly or indirectly and includes Common Shares, Stock Options, restricted share units ("RSUs") and performance share units ("PSUs") as of December 31, 2015.
  - (2) Pursuant to the Corporation's share ownership policy, Board members are required to accumulate three-times their annual retainer in Common Shares or RSUs within 5 years of the earlier of their date of appointment as a director or implementation of the policy. The director shareholder ownership policy was implemented in 2015. For the purposes of determining compliance is based on the greater of the current market price or the original purchase or grant price of the shares and RSUs, respectively.
  - (3) Stock options granted to Mr. Bartlett in 2015 are subject to shareholder approval.
  - (4) The Reserves Committee did not meet during 2015, subsequent to Mr. Bartlett's appointment to the Board on May 27, 2015.

---

**Gary Guidry**

Alberta, Canada

Age: 60

Director since: June 23, 2008

Independent Director

<b>Securities Held<sup>(1)</sup></b>	<b>Number</b>
Common Shares:	100,000
Stock Options:	490,000

Shareholding requirements met: <sup>(2)</sup> Yes

Mr. Guidry is the President and Chief Executive Officer of Gran Tierra Energy Inc. since May 2015. Previously, Mr. Guidry was the Chief Executive Officer of Onza Energy Inc. from January 2014, until May 2015. From July 2011 to July 2014, Mr. Guidry served as President and Chief Executive Officer of Caracal Energy Inc. Mr. Guidry also served as President and CEO of Orion Oil & Gas Corp. from October 2009 to July 2011, Tanganyika Oil Corp. from May 2005 to January 2009, and Calpine Natural Gas Trust from October 2003 to February 2005. Mr. Guidry currently sits on the boards of ShaMaran Petroleum Corp. (since February 2007), where he also serves as a member of the company's Audit Committee. From September 2010 to October 2011, Mr. Guidry also served on the board of Zodiac Exploration Corp., and from October 2009 to March 2014, he served on the board of TransGlobe Energy Corp. Mr. Guidry has directed exploration and production operations in Yemen, Syria and Egypt and has worked for oil and gas companies around the world in the U.S., Colombia, Ecuador, Venezuela, Argentina and Oman. Mr. Guidry is an Alberta-registered professional engineer (P. Eng.) and holds a B.Sc. in petroleum engineering from Texas A&M University.

---

**Board and Committee Meeting Participation**

---

**Meetings Attended During 2015**

Board of Directors	11 of 11 meetings (100%)
Corporate Governance and Nominating Committee - Chair	2 of 2 meetings (100%)
Reserves Committee - Chair	1 of 1 meeting (100%)

---

**Other Public Board Directorships**

ShaMaran Petroleum Corp.

Gran Tierra Energy Inc.

- 
- (1) "Securities Held" means beneficially owned, controlled, directed, directly or indirectly and includes Common Shares, Stock Options, restricted share units ("RSUs") and performance share units ("PSUs") as of December 31, 2015.
- (2) Pursuant to the Corporation's share ownership policy, Board members are required to accumulate three-times their annual retainer in Common Shares or RSUs within 5 years of the earlier of their date of appointment as a director or implementation of the policy. The director shareholder ownership policy was implemented in 2015. Value for the purposes of determining compliance is based on the greater of the current market price or the original purchase or grant price of the shares and RSUs, respectively.

---

**Bryan Benitz**

United Kingdom

Age: 82

Director since: September 29, 2009

Independent Director

Mr. Benitz is the former Vice Chairman and a director of Longreach Oil and Gas Ltd., the former Chairman of Kirrin Resources, Scandinavian Minerals Ltd., and of MagIndustries Corp. Mr. Benitz was a founding director of Tanganyika Oil Company Limited.

---

**Securities Held<sup>(1)</sup>****Number**

Common Shares: 232,000

Stock Options: 490,000

Shareholding requirements met: <sup>(2)</sup> Yes

---

**Board and Committee Meeting Participation****Meetings Attended During 2015**

Board of Directors 11 of 11 meetings (100%)

Audit Committee 4 of 4 meetings (100%)

Compensation Committee 6 of 6 meeting (100%)

---

**Other Public Board Directorships**

N/A

---

(1) "Securities Held" means beneficially owned, controlled, directed, directly or indirectly and includes Common Shares, Stock Options, restricted share units ("RSUs") and performance share units ("PSUs") as of December 31, 2015.

(2) Pursuant to the Corporation's share ownership policy, Board members are required to accumulate three-times their annual retainer in Common Shares or RSUs within 5 years of the earlier of their date of appointment as a director or implementation of the policy. The director shareholder ownership policy was implemented in 2015. Value for the purposes of determining compliance is based on the greater of the current market price or the original purchase or grant price of the shares and RSUs, respectively.

## CORPORATE CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS

### *CEASE TRADE ORDERS*

Other than as disclosed below, no director or officer or person holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation, is, or within the past ten years before the date of this Circular has been, a director or officer of any other issuer that, while such person was acting in that capacity: (i) was the subject of a cease trade or similar order, or an order that denied the other issuer access to any exemptions under Canadian securities legislation, for a period of more than 30 consecutive days; (ii) was subject to an event that resulted in such an order after the person ceased to be a director or officer; (iii) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver-manager or trustee appointed to hold its assets; or (iv) was subject to such bankruptcy proceedings within a year of that person ceasing to act in that capacity.

Mr. John Craig was a director of Sirocco Mining Inc. ("Sirocco") until November 8, 2013. On October 13, 2014, RB Energy Inc. ("RB Energy"), a successor company to Sirocco, filed for protection under the Companies' Creditors Arrangement Act ("CCAA"). Although John Craig was never a director, officer or insider of RB Energy, he was a director of Sirocco within the 12 month period prior to RB Energy filing under the CCAA.

### *PERSONAL BANKRUPTCIES*

During the ten years preceding the date of this Circular, no director, officer or shareholder holding a sufficient number of shares of the Corporation to affect materially the control of the Corporation, or a personal holding company of any such person, has become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceeding, arrangement or compromise with creditors or had a receiver, receiver-manager or trustee appointed to hold his or her assets.

### *PENALTIES OR SANCTIONS*

No director or officer of the Corporation, or shareholder holding a sufficient number of shares of the Corporation to materially affect control of the Corporation, has been the subject of any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority, or been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable shareholder in deciding whether to vote for a proposed director.

The foregoing information, not being within the knowledge of the Corporation, has been furnished by the respective directors, officers and any control shareholder of the Corporation individually.

## ADVISORY VOTE ON EXECUTIVE COMPENSATION (SAY ON PAY)

Africa Oil undertook a comprehensive review of the Company's compensation and related governance practices in late 2015, with support from our independent compensation consultant, Hugessen Consulting. This review helped inform a significant redesign of our executive compensation and director compensation programs, the details of which are found in the "Compensation Discussion & Analysis" section of this document beginning on page 38.

In order to enhance our dialogue with shareholders with respect to our compensation programs, the Board voted to voluntarily hold an advisory vote on executive compensation on an annual basis, with the first vote to be held at the 2016 annual general meeting. We hope our shareholders will carefully review the details of our compensation program to understand how these revised programs are aligned with our pay-for-performance philosophy.

Accordingly, at the Meeting shareholders will be asked to consider and vote on the following advisory resolution:

"BE IT RESOLVED, on an advisory basis only and not to diminish the role and responsibilities of the Corporation's Board of Directors, that the shareholders of the Corporation accept the approach to executive compensation disclosed in the management information circular of the Corporation dated March 11, 2016 delivered in advance of the 2016 Annual General and Special Meeting of Shareholders of the Corporation."

As this is an advisory vote, the results will not be binding upon the Board. However, the Board will carefully review the outcome of the vote as part of its ongoing review of executive compensation.

The Board unanimously recommends that the shareholders vote FOR the advisory vote on executive compensation and unless instructed otherwise, the persons named in the enclosed form of proxy will vote FOR the advisory vote on executive compensation.

## APPROVAL OF LONG TERM INCENTIVE PLAN

Upon the recommendation of the Compensation Committee, the Board has approved the adoption of the long term incentive plan (the "LTIP") on February 26, 2016. The Long Term Incentive Plan Resolution (as defined and set out below) must be approved by a majority of the votes cast in respect of the Long Term Incentive Plan Resolution by shareholders, present in person or represented by proxy at the Meeting, as well as the Toronto Stock Exchange. The LTIP currently contemplates the granting of restricted share units ("RSUs") and performance share units ("PSUs") to eligible participants of the Corporation.

For more information concerning the Long Term Incentive Plan, refer to the section "Summary of Equity Plan Terms - Long Term Incentive Plan" at page 48.

A discussion of awards previously made under the LTIP can be found under the heading "Approval of Previously Granted RSUs/PRUs" below.

The Board has determined that the LTIP is in the best interests of the Corporation and is fair to the Corporation and the shareholders. Accordingly, the Board recommends that the shareholders vote FOR the Long Term Incentive Plan Resolution for the following reasons:

- *Incentivize.* The LTIP will motivate directors, officers, employees and consultants to contribute to the sustainable, long-term growth of the Corporation. As part of the changes to the director compensation practices of the Corporation for 2016, the Corporation will replace the granting of options to directors with restricted share units under the LTIP.
- *Reward.* The LTIP will reward directors, officers, employees and consultants for their performance and for their demonstrated leadership, while, at the same time, aligning the interests of such individuals with the success of the Corporation, including through the addition of performance conditions for performance share units under the LTIP.
- *Attract.* The LTIP will contribute to the successful recruitment and retention of qualified directors, executive officers and other personnel.

At the Meeting, the shareholders will be asked to approve the following by ordinary resolution (the "Long Term Incentive Plan Resolution"):

WHEREAS on February 26, 2016, the Corporation's Board of Directors approved a long term incentive plan (the "Long Term Incentive Plan") as described in this Circular;

*"BE IT RESOLVED, as an ordinary resolution of the shareholders of the Corporation, that:*

1. *The long term incentive plan (the "Long Term Incentive Plan"), in the form attached to the circular as "Appendix A", is hereby ratified and approved, and as set forth in Appendix A and described in the management information circular of the Corporation dated March 11, 2016, is hereby ratified and approved.*
2. *The Long Term Incentive Plan may be amended in order to satisfy the requirements or request of any regulatory authority, or as may be approved by the Toronto Stock Exchange, in each case without requiring further approval from the shareholders.*

3. *Any one director or officer of the Corporation be and is hereby authorized and directed to do all such acts and things and to execute and deliver, under the corporate seal of the Corporation or otherwise, all such deeds, documents, instruments and assurances as in his or her opinion may be necessary or desirable to give effect to the foregoing resolutions."*

You may either vote for approval of the Long Term Incentive Plan Resolution, as described above, or you can vote against. Unless otherwise instructed, the Management Proxyholders will vote FOR the approval of the Long Term Incentive Plan Resolution.

## APPROVAL OF PREVIOUSLY GRANTED RSUS/PSUS

On March 16, 2016, the Board approved, subject to shareholder approval, the grant of 1,270,000 RSUs to directors and senior officers of the Corporation. For participants who are non-executive directors, RSUs will cliff vest three years after the date of grant. For all other participants, RSUs will vest ratably over three years.

On March 16, 2016, the Board of Directors approved, subject to shareholder approval, the grant of an aggregate of 1,024,000 PSUs to certain senior officers of the Corporation. PSUs will cliff vest three years after the date of grant.

These RSUs and PSUs, if approved by the shareholders, will be subject to the terms of the Long Term Incentive Plan. If the Long Term Incentive Plan is not approved by shareholders, or if the shareholders do not approve the grant of RSUs and PSUs, the grant, and the RSUs and PSUs subject to the grant, will be void.

At the Meeting, shareholders will be asked to approve the following by ordinary resolution (the "Long Term Incentive Grant Resolution"):

"WHEREAS on March 16, 2016, the Corporation's Board of Directors approved the grant of an aggregate of 1,270,000 RSUs to directors and senior officers, and 1,024,000 PSUs to senior officers under the Corporation's proposed Long Term Incentive Plan.

AND WHEREAS the rules of the Toronto Stock Exchange provide that all RSUs and PSUs which are granted under the proposed Long Term Incentive Plan prior to approval of the proposed Long Term Incentive Plan by the Corporation's shareholders be granted subject to shareholder approval.

*BE IT RESOLVED, as an ordinary resolution of the shareholders of the Corporation, that:*

1. *The grant of an aggregate of 1,270,000 RSUs to directors and senior officers, and 1,024,000 PSUs to senior officers is hereby ratified and approved.*
2. *Any one director or officer of the Corporation be and is hereby authorized and directed to do all such acts and things and to execute and deliver, under the corporate seal of the Corporation or otherwise, all such deeds, documents, instruments and assurances as in his or her opinion may be necessary or desirable to give effect to the foregoing resolutions."*

You may either vote for approval of the Long Term Incentive Grant Resolution, as described above, or you may vote against it. Unless otherwise instructed, the Management Proxyholders will vote FOR the approval of the Long Term Incentive Grant Resolution.

## APPROVAL OF STOCK OPTION PLAN

Upon the recommendation of the Compensation Committee, the Board has approved the adoption of a new stock option plan (the "Proposed Stock Option Plan") on February 26, 2016. The Proposed Stock Option Plan Resolution (as defined and set out below) must be approved by a majority of the votes cast in respect of the Proposed Stock Option Plan Resolution by shareholders, present in person or represented by proxy at the Meeting, as well as the Toronto Stock Exchange.

No awards have been granted under the Corporation's current 10% Rolling Stock Option Plan (the "Previous Stock Option Plan") since June 11, 2015, the date of the 2015 Annual General and Special Meeting, when the Corporation failed to obtain shareholder approval for the ratification and confirmation of an amended version of the Previous Stock Option Plan. However, the Previous Stock Option Plan will continue to govern awards previously granted under such plan.

As part of the Corporation's revised executive compensation programs following a review of the Corporation's existing plans, the Proposed Stock Option Plan contains provisions so as to be consistent with the LTIP. In light of the share reserve requested for the LTIP, the Proposed Stock Option Plan will reserve 5% of the Corporation's issued and outstanding shares for issuance upon the exercise of options, which is lower than the number of shares reserved for issuance under the Previous Stock Option Plan. The Board has determined that the Proposed Stock Option Plan is in the best interests of the Corporation and is fair to the Corporation and the shareholders. Accordingly, the Board recommends that the shareholders vote FOR the Proposed Stock Option Plan Resolution.

For more information concerning the Proposed Stock Option Plan, refer to the section "Summary of Equity Plan Terms - Stock Option Plan" at page 50.

At the Meeting, the shareholders will be asked to approve the following by ordinary resolution (the "Proposed Stock Option Plan Resolution"):

WHEREAS on February 26, 2016, the Corporation's Board of Directors approved a new stock option plan (the "Proposed Stock Option Plan") as described in this Circular.

AND WHEREAS the rules of the Toronto Stock Exchange provide that all unallocated options, rights or other entitlements under a security based compensation arrangement which does not have a fixed number of maximum securities issuable, be approved every three years.

*"BE IT RESOLVED, as an ordinary resolution of the shareholders of the Corporation, that:*

- 1. The Proposed Stock Option Plan in the form attached to the circular as "Appendix B" and as described in the management information circular of the Corporation dated March 16, 2016 is hereby ratified and approved.*
- 2. The Corporation has the ability to continue granting options under the Proposed Stock Option Plan until April 19, 2019, which is the date that is three years from the date of the shareholder meeting at which shareholder approval is being sought.*
- 3. Any one director or officer of the Corporation be and is hereby authorized and directed to do all such acts and things and to execute and deliver, under the corporate seal of the Corporation or otherwise, all such deeds, documents, instruments and assurances as in his or her opinion may be necessary or desirable to give effect to the foregoing resolutions."*

You may either vote for approval of the Proposed Stock Option Plan Resolution, as described above, or you can vote against. Unless otherwise instructed, the Management Proxyholders will vote FOR the approval of the Proposed Stock Option Plan Resolution.

## APPROVAL OF PREVIOUSLY GRANTED STOCK OPTIONS

On November 18, 2015, the Board approved, subject to shareholder approval, the grant of 150,000 stock options to Andrew Bartlett, a director of the Corporation, having an exercise price of CAD\$1.98. One-third of the options will vest on the date of shareholder approval of the grant and one-third will vest on each of the first and second anniversary of the date of grant.



On December 22, 2015, the Corporation's Board approved, subject to shareholder approval, the grant of an aggregate of 2,429,000 stock options to certain other Eligible Plan Participants, having an exercise price of CAD\$1.99. One-third of the options will vest on the date of shareholder approval of the grant and one-third will vest on each of the first and second anniversary of the date of grant.

These options, if approved by the shareholders, will be subject to the terms of the Proposed Stock Option Plan. If the Proposed Stock Option Plan is not approved by shareholders, or if the shareholders do not approve the grant of stock options, the grant, and the options subject to the grant, will be void.

At the Meeting, shareholders will be asked to approve the following by ordinary resolution (the "Stock Option Grant Resolution"):

"WHEREAS on November 18, 2015 and December 22, 2015, the Corporation's Board of Directors approved the grant of an aggregate of 2,579,000 stock options to certain Eligible Plan Participants, under the Corporation's Proposed Stock Option Plan.

AND WHEREAS the rules of the Toronto Stock Exchange provide that all stock options which are granted under the Proposed Stock Option Plan prior to approval of the Proposed Stock Option Plan by the Corporation's shareholders be granted subject to shareholder approval.

*BE IT RESOLVED, as an ordinary resolution of the shareholders of the Corporation, that:*

- 1. The grant of an aggregate of 2,579,000 stock options to certain Eligible Plan Participants is hereby ratified and approved.*
- 2. Any one director or officer of the Corporation be and is hereby authorized and directed to do all such acts and things and to execute and deliver, under the corporate seal of the Corporation or otherwise, all such deeds, documents, instruments and assurances as in his or her opinion may be necessary or desirable to give effect to the foregoing resolutions."*

You may either vote for approval of the Stock Option Grant Resolution, as described above, or you may vote against it. Unless otherwise instructed, the Management Proxyholders will vote FOR the approval of the Stock Option Grant Resolution.

---

---

# CORPORATE GOVERNANCE

---

---

The Corporation is committed to effective corporate governance and the Board believes that strong corporate governance improves the Corporation's performance and investor confidence. The following describes the Corporation's current corporate governance practices. The Corporation expects to undertake a review of its current corporate governance practices, as well as ongoing developments in corporate governance best practices in Canada and elsewhere, in order to determine if additional steps are required to improve its corporate governance practices in light of its stage of development and evolving best practices and regulatory guidance.

## MANDATE OF THE BOARD OF DIRECTORS

---

The Board has a formal mandate (See Appendix C) that lists specific responsibilities, including:

- Approve the strategic direction of the Corporation;
- Identify principal risks of the Corporation's business and ensure implementation of appropriate risk management systems;
- Ensure the Corporation has management of the highest caliber; and
- Oversee the Corporation's methods of communication with its shareholders and the public generally.

In addition, the Board holds face-to-face, in person, strategy sessions at least once per year. The Board discharges its responsibilities either directly or through its committees.

## INDEPENDENCE

---

The Board is currently comprised of five directors: Messrs. Keith C. Hill, John Craig, Gary Guidry, Bryan Benitz and Andrew Bartlett. The majority of Africa Oil's current directors and its director nominees are independent for the purposes of Board membership. Mr. Keith Hill is not considered independent as a result of his role as President & Chief Executive Officer, and current Chairman of the Corporation.

Following the 2016 annual general meeting, John Craig, currently Lead Director, will, subject to his re-election, be appointed Chairman of the Board. Following Mr. Craig's appointment as Board Chairman, the Board will no longer require a Lead Director.

The Board has functioned, and is of the view that it can continue to function, independently of management, as required. The Board and its committees meet independent of management where needed, but do not hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. At each meeting of the Audit Committee and Compensation Committee, a determination is made as to whether an in-camera session, without management present, is required. In addition to the standing committees of the Board, independent committees may be appointed from time to time, when appropriate.

## INTERLOCKS

An “interlock” refers to two or more of the Corporation’s directors who sit together on the board of directors of another reporting issuer. The Corporation’s directors have the following interlocks:

- Messrs. Hill and Guidry are each directors of ShaMaran Petroleum Corp.
- Messrs. Hill and Craig are each directors of BlackPearl Resources Inc.

The Board has determined that, in its judgment, the interlocks do not adversely impact the independence of these directors or the ability of these directors to act in the best interests of the Corporation because, among other things, the Corporation is focused on the exploration and development of assets in regions in which each of ShaMaran Petroleum Corp. and BlackPearl Resources Inc. do not operate.

## ORIENTATION AND CONTINUING EDUCATION

The measures that the Board takes in connection with orienting new board members regarding the role of the Board, its directors, the committees of the Board and the nature and operation of the Corporation’s business include providing each new member with information concerning the role and responsibilities of a public company director and discussing with new members the Corporation’s operations. New directors are also provided the opportunity to meet with management of the Corporation. As each director has a different set of skills and professional background, the Board seeks to tailor orientation of new members according to the particular needs and experience of each new director.

The Corporation encourages continued education for its directors. The Board ensures that all directors are kept apprised of changes in the Corporation’s operations and business and changes in the regulatory environment affecting the Corporation’s day to day business. Board members may also attend external education seminars, at the Corporation’s expense, that they determine necessary to keep themselves up-to-date with current issues relevant to their services as directors of the Corporation.

## NOMINATION OF DIRECTORS

The Corporate Governance and Nominating Committee consists of three directors: Gary S. Guidry (Chair), J. Andrew Bartlett and John H. Craig, all of whom are independent as that term is defined in National Instrument 52-110 (“**NI 52-110**”). The Corporate Governance and Nominating Committee is responsible for developing and monitoring the Corporation’s approach to corporate governance issues. The Committee oversees the effective functioning of the Board, oversees the relationship between the Board and management, ensures that the Board can function independently of management at such times as is desirable or necessary, identifies individuals qualified to become new Board members and recommends to the Board the director nominees for each annual meeting of shareholders and, with the assistance of the Board and where necessary, develops an orientation and education program for new recruits to the Board. In identifying possible nominees to the Board, the Corporate Governance and Nominating Committee considers the competencies and skills necessary for the Board as a whole, the skills of existing directors and the competencies and skills each new nominee will bring to the Board, as well as whether or not each nominee will devote sufficient time and resources to the Board. The Corporate Governance and Nominating Committee also annually reviews and makes recommendations to the Board with respect to: (i) the size and composition of the Board; (ii) the appropriateness of the committees of the Board; and (iii) the effectiveness and contribution of the Board, its committees and individual directors, having reference to their respective mandates, charters and position descriptions. The Corporate Governance and Nominating Committee meets at least annually.

## BOARD COMMITTEES

---

### COMPENSATION

The Compensation Committee consists of three directors, namely, Messrs. John Craig (Chair), Bryan M. Benitz and Andrew Bartlett, all of whom are independent as that term is defined in NI 52-110. All members of the Compensation Committee have direct experience which is relevant to their responsibilities as Compensation Committee members. All members are or have held senior executive or director roles within the public company sector and have a good financial understanding which allows them to assess the costs versus benefits of compensation plans. The members combined experience in the resource sector provides them with the understanding of the Corporation's success factors and risks, which is very important when determining metrics for measuring success.

The Compensation Committee's mandate includes reviewing and making recommendations to the Board in respect of compensation matters relating to the Corporation's executives which are identified in the "Summary Compensation Table" below. The Compensation Committee is responsible for:

- evaluating the CEO's performance and establishing executive and senior officer compensation;
- administering the Corporation's policy on remuneration;
- preparing the Board for decisions on matters relating to the principles of remuneration, and other terms of employment of the executive management;
- monitoring and evaluating programs for variable remuneration for the executive management and the current remuneration structures and levels within the Corporation, including the extent and level of participation in incentive programs, in conjunction with the Board; and
- delivering an annual statement on executive compensation.

The Compensation Committee has also been mandated to review the adequacy and form of annual compensation for non-executive directors to ensure that such compensation realistically reflects the responsibilities and risks involved in being an effective director. The Compensation Committee meets at least once annually. The Compensation Committee also meets at other times during the year as necessary, such as when a component of the Corporation's overall compensation package, including the long term incentive plan, is being reviewed or amended.

### AUDIT

The Corporation's Audit Committee is comprised of three directors, namely Andrew Bartlett (Chair), Gary Guidry and Brian Benitz. Each member of the Audit Committee is independent of the Board and financially literate, as those terms are defined in NI52-110 and has the requisite education and experience for the performance of their duties as a member of the Corporation's Audit Committee.

The Audit Committee oversees the accounting and financial reporting processes of the Company and its subsidiaries and all audits and external reviews of the financial statements of the Company on behalf of the Board, and has general responsibility for oversight of internal controls, accounting and auditing activities of the Company and its subsidiaries. All auditing services and non-audit services to be provided to the Company by the Company's auditors are pre-approved by the Audit Committee.

The Committee is responsible for examining all financial information, including annual and quarterly financial statements, prepared for securities commissions and similar regulatory bodies prior to filing or delivery of the same. The Audit Committee also oversees the annual audit process, quarterly review engagements, the Company's internal accounting controls, the Code of Business Conduct and Ethics, any complaints and concerns regarding accounting, internal controls or auditing matters and the resolution of issues identified by the Company's external auditors. The Audit Committee recommends to the Board the firm of independent auditors to be nominated for appointment by the shareholders and the compensation of the auditors. The Audit Committee meets a minimum of four times per year.

As required by National Instrument 52-110, information about the Corporation's Audit Committee is provided in the Corporation's most recent Annual Information Form ("AIF") under "Audit Committee and National Instrument 52-110". The AIF may be obtained from the Corporation's disclosure documents available on the SEDAR website at [www.sedar.com](http://www.sedar.com).

## CORPORATE GOVERNANCE AND NOMINATING

The Corporate Governance and Nominating Committee has the responsibility to take initiatives to ensure that the Board can function independently of management, including, without limitation, recommending to the Board mechanisms, including the appointment of a committee of directors independent of management, to allow directors who are independent of management an opportunity to discuss the Corporation's affairs in the absence of management

The Board's Corporate Governance and Nominating committee is comprised of Gary Guidry (Chair), John Craig and Andrew Bartlett, each of whom is independent as that term is defined in National Instrument 52-110.

The roles and responsibilities of the Corporate Governance and Nominating Committee include the following:

- identify, review the qualifications of, and recommend to the Board possible nominees for the Board;
- assess directors on an ongoing basis and oversee the effective functioning of the Board, including the orientation and education of new recruits to the Board;
- assess the Board's committee structure on an ongoing basis and recommend changes where appropriate;
- oversee the relationship between management and the Board and recommend improvements to such relationship;
- review the size and composition of the Board and committee structure;
- review the appropriateness of the terms of the mandate and responsibilities of the Board and the charters, mandates and responsibilities of each of the committees; and
- undertake such other initiatives as are needed to assist the Board in providing efficient and effective corporate governance for the benefit of shareholders.

The Corporate Governance and Nominating Committee of the Board may engage an outside consultant to assist in identifying qualified candidates for the Board. The nominees for directors are initially considered and recommended by the Corporate Governance and Nominating Committee of the Board, approved by the entire Board and appointed by the Corporation or shareholders, as required.

## RESERVES

The Corporation has a standing Reserves Committee that is comprised of a majority of independent directors; namely, Messrs. Gary S. Guidry (Chairman), Keith C. Hill, and Andrew Bartlett. The Reserves Committee is responsible for developing the Corporation's approach to the reporting of oil and gas resources and/or reserves and the valuation of those resources/reserves. The Reserves Committee meets at least once annually.

## COMMITTEE POSITION DESCRIPTIONS

The Audit Committee, Compensation Committee, and Corporate Governance and Nominating Committee each have a written charter which governs the conduct of such Committee. The Board has not developed written position descriptions for the Chairman of the Board, the CEO, or the Chairman of the standing Board committees.

## ASSESSMENTS

---

The Corporation has not developed a formal assessment process for individual directors or committees. The Board as a whole, its committees, and individual directors are regularly assessed with respect to their effectiveness and contribution through a discussion by the Chairman and the chairmen of the committees regarding the skill sets and effectiveness of the Board as a whole, as well as on an individual member basis. The Board satisfies itself that the Board, its committees, and its individual directors are performing effectively by conducting informal assessments from time to time and by setting aside time as necessary at meetings of the Board to discuss the effectiveness of the Board, its committees and individual directors. The Chairman is also responsible for reporting to the Board on an informal basis as to areas in which improvements can be made. A more formal review and assessment process will be established when and if the Board deems it necessary.

## ETHICAL BUSINESS CONDUCT

---

The Corporation is committed to conducting its business in compliance with the law and the highest ethical standards. Accordingly, the Corporation has adopted a written Code of Business Conduct and Ethics (the “Code”) applicable to all directors, officers and employees of the Corporation. Directors, officers or employees who have concerns or questions about violations of laws, rules or regulations, or of the Code, are required to report them to the Corporation’s external legal counsel. Following the receipt of any complaints submitted hereunder, the Corporation’s legal counsel will investigate each matter so reported and report to the Board which will take corrective disciplinary actions, if appropriate, up to and including termination of employment of those violating laws, rules, regulations or the Code.

The Board oversees compliance with the Code through the Audit Committee, which monitors compliance with the Code. It is the responsibility of all directors, officers, and employees to report promptly any suspected violation of the Code to the Corporation’s legal counsel. The Corporation has also established an Internal Employee Alert Policy (“Whistleblower”) to encourage employees, officers and directors to raise concerns regarding accounting, internal controls or auditing matters, on a confidential basis free from discrimination, retaliation or harassment. The Corporation does not tolerate any retaliation for reports or complaints regarding suspected violations of the Code that were made in good faith. There has been no departure from the Code during the Corporation’s most recently completed financial year.

All directors, officers and employees have an obligation to act in the best interest of the Corporation. Any situation that presents an actual or potential conflict between a director, officer or employee’s personal interests and the interests of the Corporation are to be reported to the Corporation’s legal counsel.

The Code is available under the Corporation’s profile on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company’s website at [www.africaoilcorp.com](http://www.africaoilcorp.com).

## DIRECTORS’ AND OFFICERS’ LIABILITY INSURANCE

---

The Corporation maintains insurance for the benefit of its directors and officers and the directors and officers of its subsidiaries, as a group, in respect of the performance by them of the duties of their offices. The total amount of insurance coverage available is up to \$50,000,000, depending on the type of claim, with a deductible of up to \$75,000, depending on the type of claim, for each claim for which the Corporation grants indemnification. The Corporation bears the entire cost of the premiums payable pursuant to this coverage.

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

---

None of the directors or executive officers of the Corporation, proposed nominees for directors, or associates or affiliates of said persons, has been indebted to the Corporation at any time since the beginning of the last completed financial year of the Corporation.

## DIRECTOR TENURE

---

The Corporation does not currently have a policy for director term limits. The Board believes that it is critical that all directors have a comprehensive understanding of the Corporation's business, and that such an understanding is achieved through and enhanced by length of tenure. While new directors may bring fresh perspectives and new experience, directors who have served for several years accumulate valuable knowledge regarding the Corporation's business, including industry trends and cycles, market conditions and geo-political influences.

## DIVERSITY

---

The Corporation's Board supports the objectives of increasing diversity on boards of directors and at the executive levels of issuers, and recognizes that diversity provides a depth and breadth of viewpoints and perspectives.

While the Board and Corporate Governance and Nominating Committee have not adopted any formal policies, quotas or targets specifically addressing the level of representation of women on its board or in executive officer positions, it is committed to advancing women, and other individuals representing a diversity of backgrounds, into leadership roles through its talent management, learning development, and succession planning processes.

In considering candidates for both board and executive officer appointments, the Board considers skills, knowledge, experience, business requirements and individual character, without reference to age, gender, race, ethnicity or religion, as it believes this approach is in the best interests of its shareholders. A formal written policy has not been adopted as the Corporation is committed to a merit and qualifications-based method of selecting directors and executive officers and believes that imposing quotas or targets would compromise its principle-based candidate selection system.

By continuing to foster opportunities for development and promotion at all levels, the Corporation's objectives of diversity are continually being pursued.

The Corporation does not currently have any women on the Board or in executive officer positions.

## DIRECTOR COMPENSATION

### CHANGES TO DIRECTORS' COMPENSATION FOR 2016

In 2015, Africa Oil became aware of concerns from our shareholders and their proxy advisors regarding our non-executive director ("NE Director") compensation practices. In response to these concerns, and as part of our broader commitment to enhance our governance practices consistent with the growth and development of Africa Oil, the Compensation Committee ("Committee") undertook a review of NE Director compensation practices during the second half of 2015. We reviewed our pay philosophy, including target pay levels, the mix of cash and equity retainers, and use of equity vehicles, relative to the newly established pay comparator group (for more details, see page 39). The Committee considered the responsibilities and expectations of NE Directors, non-executive director pay practices of our closest peers, and current market trends in directors' compensation. Our review resulted in a number of changes to our NE Director compensation practices, notably to materially decrease disclosed NE Director pay levels, increase the portion of the NE Director retainer paid in cash, and replace options with restricted share units, granted under the Corporation's Long-Term Incentive Plan. These Board-approved changes, outlined in more detail below, became effective January 1, 2016.

### ANNUAL RETAINER

When considering revised pay levels, the Committee considered the all Canadian pay peer group, comprised of Canadian Corporations with international operations. Acknowledging the Board's additional responsibility and liability for overseeing Africa Oil's international operations and global shareholder base, the Committee believes the midpoint between median and 75<sup>th</sup> percentile to be an appropriate target pay position. The Committee determined that a flat fee structure continues to be appropriate given the size and makeup of our Board. As such, no meeting fees are paid to directors. Starting in 2016, each director will be entitled to an annual retainer as follows:

<b>Component</b>	<b>2016 Director Compensation</b>
Cash Retainer	CAD\$60,000
Equity Retainer (RSUs)	CAD\$120,000

Following the 2016 annual general meeting, John Craig, currently Lead Director, will, subject to his re-election, be appointed Chairman of the Board. As Board Chairman, Mr. Craig will be entitled to an additional annual retainer to reflect his added level of responsibility:

<b>Component</b>	<b>2016 Board Chairman Additional Retainer</b>
Cash Retainer	CAD\$20,000
Equity Retainer (RSUs)	CAD\$30,000



## LONG-TERM INCENTIVE PLAN

Until 2016, NE Directors received their equity retainer in the form of stock options. As part of the director compensation review, the Committee evaluated alternative equity-based compensation vehicles for NE Directors to improve alignment with the Corporation's shareholders. At the Meeting, shareholders will be asked to approve the proposed Long-Term Incentive Plan ("LTIP"). The Committee recommended and the Board approved a plan for NE Directors to replace the use of stock options.

Under the LTIP, RSUs will track the value of our common shares. RSUs granted to NE Directors vest on the third anniversary of the date of grant, at which time they are settled in shares, with the number of shares to be issued being equal to the number of RSUs vested plus any dividends paid.

## COMMITTEE FEES

Directors serving on a Board Committee will be entitled to an additional cash retainer, depending on whether they serve as a Committee Chairman or as a member as per below:

<b>Committee</b>	<b>Chairman Retainer</b>	<b>Member Retainer</b>
Audit Committee	CAD\$10,000	CAD\$5,000
Compensation Committee	CAD\$7,500	CAD\$5,000
Corporate Governance & Nominating Committee	CAD\$7,500	CAD\$5,000
Reserves Committee	CAD\$7,500	CAD\$5,000

## EXPECTED TOTAL FEES FOR DIRECTORS IN 2016

In the table below, we outline the expected total compensation for our NE Directors for 2016, based on the revised compensation program approved by the Board.

<b>Name</b>	<b>Cash Retainer (CAD\$)</b>	<b>Committee Chairman / Member Fees (CAD\$)</b>	<b>Total Cash Retainer (CAD\$)</b>	<b>Equity Retainer (CAD\$)</b>	<b>Total (CAD\$)</b>
John H. Craig	\$80,000	\$12,500	\$92,500	\$150,000	\$242,500
Gary S. Guidry	\$60,000	\$20,000	\$80,000	\$120,000	\$200,000
Bryan M. Benitz	\$60,000	\$10,000	\$70,000	\$120,000	\$190,000
Andrew Bartlett	\$60,000	\$25,000	\$85,000	\$120,000	\$205,000

## 2015 DIRECTOR COMPENSATION PROGRAM

### CASH AND EQUITY RETAINER

Prior to the review and redesign of director compensation practices effective 2016, directors at Africa Oil received an annual cash retainer and grant of stock options in recognition of their service on the Board. As per our standard practice, options for incumbent directors were granted in the first quarter of 2015 prior to the 2015 annual general meeting and receipt of shareholder voting results (with the exception of Andrew Bartlett, who joined the Board in mid-2015 and was provided an initial equity grant, subject to shareholder approval). Disclosed 2015 pay levels are therefore not reflective of Africa Oil's go-forward pay philosophy or program for NE Directors.

We understand our shareholders' concern over historical option grant sizes for our NE Directors. We also note that the value of the stock option based awards disclosed below are calculated using the Black Scholes model which may assign significant value to stock options at the date of the grant given the volatility of the Corporation's share price. As of March 11, 2016, all option awards granted to our Directors in 2014 and 2015 have no realizable value and have not resulted in any realized gains, with exception of the grant made to Andrew Bartlett in late 2015. **No further option awards will be granted to NE Directors of Africa Oil.** We believe that, given the NE Director's role of corporate oversight at Africa Oil, the 2016 RSU plan will be better suited to building long-term ownership at the NE Director level.

### FEES EARNED BY DIRECTORS IN 2015

Name	Fees Earned/Paid (\$) <sup>(1)</sup>	Option-based Awards (\$) <sup>(2)</sup>	Non-Equity Incentive Plan Compensation (\$)	All Other Compensation (\$)	Total (\$)
Gary S. Guidry	\$22,664	\$154,138	Nil	Nil	\$176,801
Bryan M. Benitz	\$22,664	\$154,138	Nil	Nil	\$176,801
John H. Craig	\$18,756	\$154,138	Nil	Nil	\$172,894
Cameron Bailey <sup>(3)</sup>	\$13,865	Nil	Nil	Nil	\$13,865
Andrew Bartlett <sup>(4)</sup>	\$14,846	\$109,830	Nil	Nil	\$124,676

(1) Fees earned by directors are paid in Canadian dollars and converted to United States dollars for reporting purposes.

(2) These amounts represent the value of stock options granted to the respective director. Africa Oil estimated these amounts using the Black-Scholes Option Pricing Model. This is consistent with the accounting values used in the Corporation's financial statements. The dollar amount in this column represents the total value ascribed to the stock options; however, all of these stock options are subject to vesting as to one-third on the date of grant, one-third one year from the date of grant and the remaining one-third two years from the date of grant.

(3) Cameron Bailey resigned as a director effective June 11, 2015.

(4) Andrew Bartlett was appointed as a director effective May 27, 2015.

## DIRECTORS' OUTSTANDING OPTION-BASED AWARDS AND SHARE-BASED AWARDS

The following table sets forth, for each of our NE Directors, all option-based awards outstanding at the end of the year ended December 31, 2015. Prior to 2016, Options were awarded to the Corporation's NE Directors to promote alignment with shareholders' interests, in recognition of the Board members' stewardship and to ensure such NE Directors continued to add value based on their extensive experience and in-depth knowledge of the international oil and gas business.

Name	Option-based Awards			
	Number of securities underlying unexercised options (#)	Option exercise price (CAD\$)	Option expiration date (Y/M/D)	Value of unexercised in-the-money options <sup>(1)(2)</sup>
Gary S. Guidry	145,000	\$5.94	2016/04/16	Nil
	201,000	\$8.44	2017/02/13	Nil
	144,000	\$2.48	2020/01/23	Nil
Bryan M. Benitz	145,000	\$5.94	2016/04/16	Nil
	201,000	\$8.44	2017/02/13	Nil
	144,000	\$2.48	2020/01/23	Nil
John H. Craig	145,000	\$5.94	2016/04/16	Nil
	201,000	\$8.44	2017/02/13	Nil
	144,000	\$2.48	2020/01/23	Nil
Cameron Bailey	Nil	Nil	Nil	Nil
Andrew Bartlett	150,000	\$1.98	2020/11/18	3,251

<sup>(1)</sup> Calculated using the closing price of the common shares on the Toronto Stock Exchange on December 31, 2015 of CAD\$2.01 and subtracting the exercise price of in-the-money stock options. As at December 31, 2015, these stock options had not been, and may never be, exercised and actual gains, if any, on exercise will depend on the value of the common shares on the date of exercise.

<sup>(2)</sup> The value of the unexercised in-the-money options was calculated in CAD\$ and converted to USD\$ using the exchange rate at December 31, 2015 of USD\$1.00 = CAD\$1.3840.

## VALUE OF EQUITY COMPENSATION VESTED OR EARNED DURING YEAR

Name	Option-based awards – Value vested during the year (\$) <sup>(1)</sup>
J. Cameron Bailey <sup>(2)(3)</sup>	Nil
Gary S. Guidry <sup>(2)(3)</sup>	Nil
Bryan M. Benitz <sup>(2)(3)</sup>	Nil
John H. Craig <sup>(2)(3)</sup>	Nil
Andrew Bartlett	Nil

<sup>(1)</sup> Calculated using the closing price of the common shares on the Toronto Stock Exchange on the dates on which stock options vested during the financial year ended December 31, 2015, and subtracting the exercise price of in-the-money stock options.

<sup>(2)</sup> 48,333 options which were issued at CAD\$5.94 vested during 2015. The Toronto Stock Exchange closing price of the Corporation's shares on the vesting date was CAD\$2.48.

<sup>(3)</sup> 67,000 options which were issued at CAD\$8.44 vested during 2015. The Toronto Stock Exchange closing price of the Corporation's shares on the vesting date was CAD\$2.79.

## DIRECTOR SHARE OWNERSHIP GUIDELINES & COMPLIANCE

As part of the Committee's review of NE Director compensation practices, the Board approved the introduction of share ownership guidelines for NE directors in order to better align NE Director interests with shareholders. NE Directors are required to own shares or restricted share units having a value equal to three times their annual cash retainer within five years following the later of their date of initial election, or implementation of these guidelines. The following table compares each NE Director's common share as at December 31, 2015, relative to their ownership guideline:

Individual	Minimum Share Ownership (3x cash retainer)	Shares Owned at December 31, 2015: <sup>(1)</sup>	Value of Ownership on December 31, 2015 <sup>(2)</sup>	Meets Guidelines <sup>(3)</sup>
John Craig	CAD\$240,000	\$104,200	CAD\$209,441	In progress <sup>(4)</sup>
Gary Guidry	CAD\$180,000	\$100,000	CAD\$201,000	Yes
Bryan Benitz	CAD\$180,000	\$232,000	CAD\$466,320	Yes
Andrew Bartlett	CAD\$180,000	Nil	Nil	In progress <sup>(4)</sup>

(1) Information provided by each individual director.

(2) Based on closing price on December 31, 2015 of CAD\$2.01.

(3) Based on the value of the shares at the original grant or purchase date or the market value of the Shares on December 31, 2015 using the closing price of CAD\$2.01, whichever is greater.

(4) John Craig and Andrew Bartlett have until January 1, 2021 to meet ownership guideline.

---

---

# STATEMENT OF EXECUTIVE COMPENSATION

---

---

## LETTER TO SHAREHOLDERS

---

Fellow Shareholders:

The Compensation Committee of Africa Oil believes in providing transparent disclosure to help our shareholders understand the compensation paid to our executives, and the rationale behind our decisions.

We are pleased to provide you the following Compensation Disclosure and Analysis which will assist you in understanding the Corporation's revised compensation philosophy and practices. In making these revisions, the Committee has carefully considered the 2015 AGM voting results and we have responded with the following actions that enhance our governance and pay practices so that we are now leaders among our peers:

- Amended Board composition to separate the roles of Board Chairman and CEO
- Implemented a structured approach to executive compensation while retaining Committee judgement over the outcomes
- Introduced a performance share unit program ensuring the alignment between pay and performance for the Named Executive Officers and eliminated the use of stock options for NEOs
- Overhauled the director compensation program, which included the elimination of stock options for directors
- Engaged an independent consulting firm, Hugessen Consulting Inc. ("Hugessen"), to provide independent insight to the Committee
- Adopted compensation governance practices such as including stock ownership guidelines, clawback policy, and an advisory Say on Pay vote
- Enhanced disclosure by incorporating plain language and including more meaningful disclosure of corporate performance targets, results, and short term incentive payouts

### 2015 Performance

2015 began with crude prices that had declined dramatically. Entering this period, Africa Oil and its Partner, Tullow Oil plc, were aggressively exploring and evaluating their East African acreage, focused primarily on the Tertiary Rift play, where oil had been discovered in 2012. Entering 2015, Tullow and Africa Oil were considering the best utilization of capital in light of the oil price environment. Despite the market conditions and challenging economic times, the Corporation and the senior management team achieved the following key accomplishments in 2015:

- Increased resource certainty as a result of 2015 activities, including the drilling of appraisal wells, extended well tests, special core analysis and subsurface studies
- Made considerable progress with joint-venture partners and the Kenyan Government on the northern pipeline route.
- Entered into and announced a major farmout transaction with Maersk Olie og GAS A/S despite an extremely challenging upstream oil industry environment
- Raised \$275 million (gross proceeds) pursuant to three equity financings, at a time when equity investment was limited in the international oil exploration sector
- Actively engaged operators in joint ventures
- Considerable progress made on South Lokichar field development plan, realigning the work program in light of industry conditions

In recognition of these accomplishments and in the interest of motivating and retaining key executives as the Corporation moves in to a critical operations phase, the CEO & CFO were awarded above target cash bonuses. Further details on the cash bonuses awarded to all the NEOs are detailed in the following pages.

### **Compensation Philosophy**

In re-evaluating the compensation philosophy, Africa Oil developed a peer comparator group consisting of similarly – sized Canadian corporations with international operations. The Committee retained the target pay position for total direct compensation at the 75th percentile of Canadian peers, which we estimate is at a median pay level when the pay levels of the UK reference group peers are considered. In the Committee’s view, this pay position recognizes the actual pool for executive talent which includes US and UK based executives whose compensation levels generally exceed Canadian market practices.

For 2016, some NEOs received an increase in base pay to recognize the scope and complexity of their roles (previously, all NEOs received approximately the same base pay, a practice which is no longer appropriate for the organization given its stage of development). The Committee also approved short-term and long-term incentive targets based on peer group pay practices – a portion of these incentives are in place to ensure retention of key executives, with a majority of any potential payout dependent on achievement of specific and measureable operational, financial and strategic metrics. The short-term incentive program has the ability to pay out from 0-200% of target. As a result, the vast majority of compensation for the NEOs is variable and at risk, dependent on corporate performance and shareholder value creation.

Africa Oil has amended its director pay practices to no longer grant stock options to directors. The 2015 grants in January and November will be the last grants of director options. Beginning in 2016, independent directors of the Board will receive an annual restricted share unit grant with a value not exceeding CAD\$150,000. The Committee retained the target pay position for directors at the midpoint between median and 75<sup>th</sup> percentile of the Canadian pay peer group, comprised of Canadian corporations with international operations.

The Compensation Committee is committed to aligning executive compensation to corporate performance and strategy while mitigating compensation risk. We are confident that Africa Oil Corp.’s revised director and executive compensation programs will enable the company to attract, motivate and retain top talent while aligning with the interests of shareholders. We will continue to monitor evolving practices and programs.

On behalf of the Board and the Compensation Committee, we thank you for taking the time to read our disclosure, comments and questions are welcome and can be submitted to: [board@africaoilcorp.com](mailto:board@africaoilcorp.com).

Regards,

*“John Craig”*

John Craig  
Lead Director/ Chairman of the Compensation Committee

---

---

# COMPENSATION DISCUSSION AND ANALYSIS

---

---

## INTRODUCTION

In the following section, Africa Oil details the 2015 compensation program for the Corporation's Named Executive Officers ("NEOs"), as well as the overhauled NEO compensation program implemented in 2016. In 2015, NEOs of Africa Oil were:

1. Keith Hill, President & Chief Executive Officer
2. Ian Gibbs, Chief Financial Officer
3. Tim Thomas, Chief Operating Officer
4. Dr. Paul Martinez, Vice President Exploration
5. Alex Budden, Vice President External Relations

## COMPENSATION PHILOSOPHY / EXECUTIVE COMPENSATION PRINCIPLES

The Corporation's compensation structure is designed to attract highly qualified and motivated individuals, reward performance, and to be competitive with the compensation arrangements of other resource companies of similar size and scope of operations. The Committee considers a variety of factors when determining both compensation programs and individual compensation levels. These factors include the long-term interests of the Corporation and its shareholders, overall financial and operating performance of the Corporation, individual performance and contribution towards meeting corporate objectives, responsibilities, and compensation practices of industry competitors.

## CHANGES TO EXECUTIVE AND DIRECTOR COMPENSATION PROGRAM FOR 2016

In response to feedback to shareholders and our recognition of evolving market practices, in 2015 the Committee implemented a number of changes to Africa Oil's executive compensation programs to enhance the alignment with the interests of shareholders and market best practices. This included a review of executive officer pay levels relative to a revised pay comparator group, an update of the metrics within the short term incentive program ("STIP") to better align with the Corporation's operational objectives and strategic priorities, and the introduction of a restricted share unit and performance share unit plan to fully replace the use of options for senior executives. Another area of focus for the Committee was to improve the level of transparency, detail and readability of our compensation disclosure. We will also be seeking shareholder feedback on our compensation programs at the Meeting through an inaugural advisory vote on executive compensation ("say on pay").

## PAY COMPARATOR GROUP

In 2015, the Committee, with support from our independent compensation consultant, Hugessen, developed a pay comparator group to provide competitive market context to support pay level and pay mix decision-making, and to provide context regarding compensation design practices. The comparator group was developed based on the following criteria:

- Oil & gas exploration and production companies
- Companies with international operations (however, to ensure an adequately-sized comparator group, similar-sized domestic companies are also included)
- Market capitalization: between approximately 1/3x – 3x that of Africa Oil as at October 1, 2015
- Geography: Canadian headquartered

### 2016 Canadian Comparator Group

Bankers Petroleum Ltd.	Mart Resources Inc.	Raging River Exploration Inc.
Canacol Energy Ltd.	NuVista Energy Ltd.	Surge Energy Inc.
Crew Energy Ltd.	Oando Energy Resources Inc.	TORC Oil & Gas Ltd.
Gran Tierra Energy Ltd.	Parex Resources Inc.	TransGlobe Energy Corporation

In addition to referencing the Canadian peer group, the Committee also considered pay levels and practices of UK-based international exploration and production companies. The Committee believes that the UK remains an important source of executive talent for Africa Oil; particularly considering the location of our assets, our partners and that our ownership includes a significant proportion of European-based shareholders. While we do not directly target pay levels based on UK peers, we reference UK pay practices alongside other factors such as executive experience, skills and education.

### 2016 UK Reference Group

Ophir Energy Plc.	Seplat Petroleum Development Company Plc.	Premier Oil plc.
SOCO International plc.		Exillon Energy plc.

The Committee will regularly review the pay comparator group to ensure the constituents remain appropriate.



## PAY POSITIONING

---

When setting pay levels for Africa Oil's executive team, the Committee targets pay positioning including base salary, short-term incentive plan and long-term incentive plans at the 75<sup>th</sup> percentile relative to Canadian exploration and production companies with domestic and international assets. Having considered the pay levels of UK peers, the Committee estimates that this target pay position approximates the median overall. The Committee believes this pay position is most appropriate given:

- A significant portion of African-focused energy companies are based in the UK, resulting in the UK being an important source of talent for the Corporation. The Committee seeks to have a pay program which is competitive with both the Canadian and UK markets, acknowledging that total pay levels among Africa Oil's UK reference group are significantly higher than pay levels of Canadian peers.
- Our Canadian peer group is comprised of both domestic and international energy companies. Given the increased complexity of managing international operations, the Committee believes pay levels above median are warranted relative to peers operating only in North America.

Notwithstanding UK pay levels, the Committee continues to award Canadian-style compensation arrangements that include lower base salaries and greater variable pay and pay at risk relative to UK peers.

**[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]**

## ELEMENTS OF AFRICA OIL'S EXECUTIVE COMPENSATION PROGRAM

Africa Oil's executive compensation program consists of three major components: i) base salary, ii) short-term incentive plan ("STIP"), and iii) LTIP. The value of perquisites received by each of the NEOs were not in aggregate equal to or greater than \$50,000 or 10% of the NEO's total salary for the financial year. Africa Oil does not provide executives with a savings plan or pension plan.

### PAY MIX

NEOs have the opportunity to receive compensation that is both fixed (guaranteed) and variable (at-risk). The majority of our NEOs' target compensation is variable, at-risk pay that is dependent upon performance relative to operational, financial, and strategic objectives approved by the Committee, as well as stock price. Over 50% of total direct compensation is delivered in the form of long-term incentives. Based on the revised compensation program introduced in 2016, the pay mix for our CEO and other NEOs is as follows:

Component	Risk	Objectives	Time Frame	Description
<b>Components Total Direct Compensation (TDC)</b>				
Base Salary	Fixed (not at risk)	Provide market competitive level of fixed compensation	Reviewed annually	<ul style="list-style-type: none"> <li>• Only fixed component of TDC</li> <li>• Intended to remunerate the NEO for discharging job responsibilities</li> <li>• Individual NEO salary reflects level of responsibility, skills and experience</li> </ul>
Short-Term Incentive Program ("STIP")	Variable (at risk)	Acknowledge progress on strategic priorities and rewards for achievement of annual performance goals	One year	<ul style="list-style-type: none"> <li>• Cash-based performance incentive</li> <li>• Payout based on combination of Board-approved financial, operational metrics, strategic objectives, and individual performance</li> </ul>
LTIP - Restricted Share Units	Variable (at risk)	Incentivize the creation of shareholder value	Three years	<ul style="list-style-type: none"> <li>• Annual grants</li> <li>• Effective 2016: 100% of RSUs granted to non-executive directors cliff vest 3 years after the date of grant; RSUs granted to all other participants vest over 3 years (1/3 on the first, second, and third anniversary of the date of grant)</li> </ul>
LTIP - Performance Share Units	Variable (at risk)	Reward for performance and incentivizes the creation of shareholder value	Three years	<ul style="list-style-type: none"> <li>• Annual grants</li> <li>• Effective 2016: 100% cliff vest 3 years after the date of grant (0-200% of units granted) based on Board-approved operational and strategic performance measures</li> </ul>
Pension Plan & Savings Plan	Not provided to NEOs			
Perquisites & Other Benefits	Market competitive to other small and mid-cap issuers			

## CURRENCY OF COMPENSATION

In recognition of our cross-border talent pool and significant international operations, the Committee may grant NEO compensation in non-Canadian dollar currencies. For 2016, Keith Hill will be awarded cash compensation in US dollars, and Alex Budden will be awarded cash compensation in British Pounds. Long-term incentive awards are targeted in the same currency as base salary.

Target compensation levels for Mr. Hill and Mr. Budden are determined using the Canadian peer group data as per our established pay philosophy, and converted to the equivalent value in US dollars/Pounds to limit our executive's exposure to currency fluctuations.

## BASE SALARY

Base salaries are provided to executives to provide a fixed level of compensation. In determining base salary levels, the Committee references the 75<sup>th</sup> percentile of the Canadian comparator group. The base salary of each executive officer is determined by the Committee based on an assessment of his responsibilities and consideration of competitive compensation levels for the markets in which the Corporation operates. In making its recommendations to the Board, the Compensation Committee also considers the particular skills and experience of the individual. Historically, given the size and development phase of our Company, base salaries had little differentiation among our executive team. The Committee has increased differentiation of base salaries for 2016 in recognition of the growth and maturity of the Company, with reference to relative pay levels among our compensation peers.

Executive	Position	2015 Base	2016 Base	% Change <sup>(1)</sup>
Keith Hill	President & CEO	\$304,000 <sup>(2)</sup>	\$375,000	23.4%
Ian Gibbs	Chief Financial Officer	CAD\$350,000	CAD\$375,000	7.1%
Tim Thomas	Chief Operating Officer	CAD\$300,000	CAD\$350,000	16.7%
Paul Martinez	Vice President Exploration	CAD\$350,000	CAD\$350,000	0%
Alex Budden	Vice President External Relations	CAD\$275,000	GBPE175,000 <sup>(3)</sup>	24.3%

(1) Based on equivalent currencies calculated using average 2015 exchange rate.

(2) Mr. Hill's base salary of CAD\$350,000 was revised effective 1-July-2015 to \$304,000

(3) As at January 1, 2016, Mr. Alex Budden's base salary will be paid in British Pounds ("GBP").

A NEO's base salary is intended to remunerate the NEO for discharging job responsibilities and reflects the executive's performance over time. Individual salary adjustments take into account performance contributions in connection with their specific duties. The base salary of each executive officer is determined by the Compensation Committee based on an assessment of his sustained performance and consideration of competitive compensation levels for the markets in which the Corporation operates. In making its recommendations to the Board, the

Compensation Committee also considers the particular skills and experience of the individual. The base salaries of executive officers are reviewed annually.

## SHORT TERM INCENTIVE PLAN

Our executives participate in Africa Oil’s STIP, which is designed to reward short-term performance relative to key financial, strategic and operational goals with an annual cash bonus.

Despite challenges from low crude oil prices, particularly in the second half of 2015, the Board believes management exceeded performance expectations for the year, namely through:

- three equity financings completed during the year raising \$275 million, at a time when equity investment was very limited in the international oil exploration and appraisal sector
- actively seeking and engaging interested industry participants in attracting a new joint venture partner, resulting in entering into the Maersk farmout agreement
- aligning Kenya JV Partners and Kenyan Government on a pipeline route, and actively participating in meetings with Kenya/Uganda upstream partners and governments leading to the joint announcement of the Northern Route by Kenya and Uganda Governments

The Board believes that management’s actions and leadership have positioned the Corporation to remain well-funded throughout the downturn and thrive upon the eventual oil price recovery. When determining 2015 bonuses, the Committee considered performance over the year both in terms of corporate accomplishments and individual executive performance.

Executive	2015 Bonus
Keith Hill	\$437,500
Ian Gibbs	CAD\$437,500
Tim Thomas <sup>(1)</sup>	CAD\$157,500
Paul Martinez	CAD\$262,500
Alex Budden	CAD\$175,000

(1) Mr. Thomas joined Africa Oil as Chief Operating Officer on April 17, 2015. His bonus was pro-rated to reflect a partial year of service.

## CHANGES TO 2016 EXECUTIVE STIP

As a part of our Board review of executive compensation practices, the Committee introduced a more structured bonus plan and corporate performance scorecard for executives in 2016. The Committee developed 2016 bonus targets based on peer group pay practices as well as each executive's role, responsibility and experience level.

## 2016 STIP TARGETS

Executive	2016 Base	2016 Bonus Target	
		% of Salary	\$
Keith Hill	\$375,000	80%	\$300,000
Ian Gibbs	CAD\$375,000	80%	CAD\$300,000
Tim Thomas	CAD\$350,000	60%	CAD\$210,000
Paul Martinez	CAD\$350,000	50%	CAD\$175,000
Alex Budden	GBP£175,000	50%	GBP£87,500

Actual performance bonus awards may range from 0%-200% of target levels depending on the corporate and each executive's individual performance evaluation. Performance evaluations for executives are submitted to the Board by the CEO for approval, with the exception of the CEO's performance, which is evaluated independently by the Committee. The Board reserves final judgment over all STIP payouts.

## CORPORATE SCORECARD – 2016 AWARDS

In early 2016, the Committee approved a new short-term corporate scorecard which will be used to determine the final bonus payout for each NEO. As the key goals in the 2016 corporate scorecard require a collective effort from all NEOs, there is no formal individual performance component for each executive. Notwithstanding this, when approving final performance scores for each NEO, the Committee may apply discretion to reflect the individual performance of each NEO during the year.

Below we have summarized key components of the 2016 STIP performance scorecard:

Component	2016 Weighting	Key Measures
Strategic Measures	40%	<ul style="list-style-type: none"> <li>Stakeholder engagement</li> <li>JV partner engagement</li> <li>Development related commercial agreements &amp; structuring</li> </ul>
Finance and Administration Measures	20%	<ul style="list-style-type: none"> <li>Manage budget and costs</li> <li>Human resource management</li> <li>Regulatory approvals</li> </ul>
Operational Measures	40%	<ul style="list-style-type: none"> <li>Capital allocation and resource management</li> <li>Prospect generation and subsurface modeling</li> <li>Health, safety, environmental, and community action plan</li> </ul>

Further details of the performance scorecard, including a detailed breakdown of targets, are not disclosed at this time to protect the confidentiality of our strategic plan.

## LONG TERM INCENTIVE PLAN

Executives are entitled to participate in Africa Oil’s LTIP, which is designed to promote the long-term motivation and retention of executives. Historically, Africa Oil’s LTIP consisted solely of stock options, and we believe this structure was best suited for our Corporation during our earlier exploration stage. However, recognizing our growth and maturity in recent years, the Compensation Committee set out to evaluate alternative long-term incentive vehicles for our executives. As a result of this review, the Committee recommended, and the Board approved, a 2016 LTIP mix for our NEOs of 50% restricted share units (“RSUs”) and 50% performance share units (“PSUs”). Going forward, options will no longer be granted to NEOs. We believe these changes will serve to better align our executives to our strategic goals and long-term shareholder return in the future.

## 2015 STOCK OPTION GRANT

In 2015, Africa Oil granted our NEOs stock options as their annual long-term incentive grant. The stock option component served to both motivate the executive toward increasing share value and to enable the executive to share in the future success of the Corporation.

Our 2015 option grants to our NEOs and NE Directors were made prior to the 2015 annual general meeting, and prior to receiving feedback from our shareholders regarding our executive compensation plan. Beyond those option grants made in 2015, no further option awards will be granted to NEOs of Africa Oil.

Name	Options Granted In 2015 (#)	Value of outstanding options (\$) <sup>(1)</sup>
Keith Hill	575,000	0
Ian Gibbs	460,000	0
Tim Thomas	500,000	0
Dr. Paul Martinez	360,000	0
Alex Budden	330,000	0

(1) Calculated using the closing price of the common shares on the Toronto Stock Exchange on the dates on which stock options vested during the financial year ended December 31, 2015 and subtracting the exercise price of in-the-money stock options.

## 2016 LTIP TARGETS AND MIX

Per the Corporation's updated pay philosophy, the Committee developed 2016 LTIP targets having considered peer group pay practices as well as each executive's role, responsibility and experience level. Annual long-term incentive targets for 2016 will be as follows:

Executive	2016 Base	2016 LTIP Target	
		% of Salary	\$
Keith Hill	\$375,000	300%	\$1,125,000
Ian Gibbs	CAD\$375,000	220%	CAD\$825,000
Tim Thomas	CAD\$350,000	200%	CAD\$700,000
Paul Martinez	CAD\$350,000	175%	CAD\$612,500
Alex Budden	GBP£175,000	175%	GBPE306,250

Note that Mr. Hill and Mr. Budden's target LTI values will be converted to Canadian dollars at the time of grant using average foreign exchange rates.

## RESTRICTED SHARE UNITS AND PERFORMANCE SHARE UNITS

Africa Oil's long-term incentive plan was introduced in 2016 (subject to shareholder approval at the 2016 annual general meeting) to provide executives with long-term retention and motivation. RSUs are a notional share instrument which tracks that value of common shares. RSUs granted to NE Directors cliff vest three years after the date of grant and RSUs granted to persons other than NE Directors vest over three years (1/3 on the first, second and third anniversary of the grant date). Upon payout, RSUs may be settled in cash or treasury shares.

Similar to RSUs, PSUs are notional share instruments which track the value of common shares. However PSUs are subject to additional performance conditions that serve to enhance the alignment of executives to key strategic, financial and operational milestones of the company. PSUs will cliff vest three years from the date of grant, at which point the Committee will assign a performance multiple ranging from 0x – 2x, based on actual results relative to the PSU performance scorecard (subject to Committee discretion). PSUs may be settled in cash or treasury shares.

## PSU PERFORMANCE METRICS

When determining performance metrics for the 2016 PSU plan, the Committee evaluated a number of alternatives, including relative total shareholder return ("TSR"). The Committee decided that relative TSR would not be an effective measure of Africa Oil's performance given the limited number of Canadian-based, international exploration and production companies that would be suitable as performance peers. The Committee instead developed a performance scorecard based on long-term strategic, financial and operational milestones suited to measure and reward long-term value creation and reflecting Africa Oil's current stage of development.

The performance framework for 2016 PSU grants was developed by the CEO and reviewed and approved by the Compensation Committee. The metrics chosen were primarily focused on achieving key milestones required to continue progressing development of the South Lokichar Basin (Blocks 10BB and 13T in Kenya) through a final investment decision and towards first oil, including actions required to complete the Maersk farmout transaction and maximize the value realized from the contingent development carry terms. Broadly, metrics for the 2016 PSU plan reflect the following categories:

<b>Component</b>	<b>Weighting</b>	<b>Description</b>
Farmout Completion and Resource Confirmation	37%	Evaluation criteria aligned with completion of the Maersk farmout agreement and confirming resource quantities providing access to advance carry
Resource Growth	20%	Growth in contingent resources and reserves, increasing realized value from contingent carries
Operational & Development Milestones	33%	Key accomplishments needed to meet timeline to production, including pipelines, government approvals, and other development goals
Financial and First Oil Milestones	10%	Evaluation criteria related to South Lokichar planned first oil date, development project costs and related financing requirements



## SUMMARY OF EQUITY PLAN TERMS

The Corporation currently has a 10% Rolling Stock Option Plan (the “Previous Stock Option Plan”). However, no options have been granted under the Previous Stock Option Plan since June 11, 2015, the date of the Corporation’s 2015 Annual General and Special Meeting, when the Corporation failed to obtain shareholder approval for the ratification and confirmation of an amended version of the Previous Stock Option Plan.

Shareholders are now being asked to approve the LTIP and the Proposed Stock Option Plan. The Previous Stock Option Plan will continue to govern awards previously granted under such plan and will be retained until the outstanding stock options that were granted pursuant to the Previous Stock Option Plan have been exercised or expire, however no new options will be granted under the Previous Stock Option Plan.

### ***Long Term Incentive Plan***

The following summarizes the key terms of the LTIP as adopted by the Board, subject to the approval of the LTIP by the shareholders. This summary is qualified in its entirety by the full text of the LTIP which is set forth in Appendix A. Capitalized terms used in the summary of the LTIP below that are not otherwise defined herein, shall have the meanings given to such terms in the LTIP.

*Administration.* The Board will administer the LTIP and has the right to delegate the administration and operation of the LTIP, in whole or in part, to a committee of the Board.

*Awards Available for Grant.* Pursuant to the LTIP, the Board may grant restricted share units (“RSUs”) and performance share units (“PSUs”) and any combination of the foregoing.

*Eligible Participants.* As designated by the Board, RSUs and PSUs may be granted to any officer, director or employee of the Corporation or a Consultant of the Corporation or any Affiliates and any such person’s personal holding company.

*Number of Shares.* The maximum number of Shares which may be reserved for issuance under the LTIP in respect of grants of RSUs and PSU Participants and for dividend-equivalent payments in respect thereof cannot exceed 18,256,682, being 4% of the issued and outstanding Shares. As of March 16, 2016, there were 456,417,074 Shares issued and outstanding. Also as of March 16, 2016, there were 1,270,000 RSUs and 1,024,000 PSUs outstanding under the LTIP (subject to shareholder approval), representing, in aggregate, 0.5% of the number of Shares outstanding. Therefore, 15,962,683 Shares, being 3.5% of the number of Shares outstanding, are available to be reserved for issuance under the LTIP. See “Ratification” below.

*Participation Limits.* Unless the Corporation has received requisite shareholder approval, under no circumstances shall the LTIP, together with all other Share Compensation Arrangements of the Corporation, result, at any time, in: (i) the aggregate number of Shares reserved for issuance to insiders (as a group) at any point in time exceeding 10% of the Corporation’s issued and outstanding Shares; (ii) the issuance to insiders (as a group), within a one-year period, of an aggregate number of Shares exceeding 10% of the Corporation’s issued and outstanding Shares; (iii) the aggregate number of Shares reserved for issuance to all non-employee directors of the Corporation exceeding 1% of the Corporation’s issued and outstanding Shares; or (iv) the grant to any individual non-employee director of the Corporation of more than CAD\$150,000 worth of Shares annually.

Subject to compliance with the foregoing limitations, the LTIP does not provide for a maximum number of Shares which may be issued to an individual pursuant to the LTIP.

*Vesting.* Each Grant Agreement will describe the vesting dates for RSUs and PSUs. The Corporation intends that for non-executive directors, RSUs will cliff vest three years after the date of grant and for all other participants, RSUs will have ratable vesting over three years. PSUs will cliff vest three years after the date of grant.

*Term and Settlement.* RSUs and PSUs will be settled on the first business day following the applicable vesting date but in all events in the calendar year in which such first business day occurs. RSUs and PSUs will be settled by the Corporation in Shares issued from treasury, unless the Participant elects to settle in cash in which case the cash payment will be determined by the number of Shares the Participant would be eligible to receive multiplied by the Market Value. The Corporation has the right to override the Participant's election and settle such RSUs or PSUs in shares issued from treasury.

*Cessation.* Unless as provided in the applicable Grant Agreement, if a Participant ceases to be an Eligible Person due to his or her termination or resignation without good reason, any unvested Units held by that Participant shall expire. The expiration of a Unit renders it void and incapable of settlement.

If the Participant ceases to be an Eligible Person because of a resignation with good reason or his or her death, then any unvested Units held by that Participant will immediately vest and become available for settlement. If the Participant ceases to be an Eligible Person because of his or her retirement, such Participant will continue to participate in the LTIP as if the Participant continued to be actively employed with the Corporation. If the Participant ceases to be an Eligible Person because of a disability, all unvested Units held by such Participant will vest based on a pro-rated amount of months between the date of grant and the termination date and be settled in accordance with the LTIP. In respect of PSUs, the Board will calculate the actual performance criteria for the purposes of settlement.

*Assignability.* In no event may the Units under the LTIP be assigned or transferred in any way, except to the extent such Units may pass to a beneficiary or legal representative upon death of a participant.

*Amendments.* The Board may amend, revise or discontinue the terms and conditions of the LTIP in its sole discretion subject to certain limitations under the LTIP. The Board may, from time to time, in its discretion and without the approval of shareholders, make changes to the LTIP which do not require shareholder approval, which may include an amendment that: (i) is necessary to comply with any applicable law or any requirement of a stock exchange; (ii) is in respect of the administration of or eligibility for participation in the LTIP; (iii) is to alter, extend or accelerate the vesting or settlement terms of any Unit; or (iv) is of a "housekeeping nature", including those which are made to clarify the meaning of an existing provision of the LTIP, is to correct or supplement any provision of the LTIP that is inconsistent with any other provision of the LTIP, correct any grammatical or typographical errors or amend the definitions in the LTIP regarding administration of the LTIP.

The Board may not amend the LTIP without approval from the shareholders if any applicable law, or stock exchange rule, regulation or policy, requires that the amendment be approved by the Shareholders. Shareholder approval of an amendment to the LTIP is specifically required where the amendment: (i) increases the maximum number of Shares issuable under the LTIP; (ii) alters the participation limits for insiders or non-employee directors; (iii) extends the time for which a Unit expires beyond its original expiry date; (iv) permits the assignment or transfer of a unit other than for normal estate settlement purposes; or (v) amends the amendment provisions of the LTIP.

*Ratification.* The Board has granted 246,000 RSUs to certain non-executive directors and 1,024,000 RSUs and 1,024,000 PSUs to certain senior executive officers. These grants, which were made subsequent to the LTIP's approval by the Board on February 26, 2016, are subject to ratification by shareholders at the Meeting. The RSUs and PSUs will vest in accordance with the vesting schedule set forth in their Grant Agreements. Shares cannot be issued in connection with the settlement or redemption of these awards until such time that shareholders of the Corporation have approved and ratified the LTIP and the grants thereunder.

*Market Value.* Market Value means, in relation to a Share, the volume weighted average trading price of the Share on the Toronto Stock Exchange (the "TSX") for the five immediately preceding trading days.

*Adjustments.* The LTIP provides that appropriate adjustments, if any, will be made by the Board in connection with a reclassification, reorganization, or other change of shares, consolidation, distribution, merger or amalgamation, in order to maintain the participant's economic rights in respect of their units in connection with such change in capitalization.

*Dividend Equivalents.* If a dividend becomes payable by the Corporation on its Shares, participants will be entitled to be credited with dividend equivalent payments in the form of additional RSUs and/or PSUs, as applicable, which additional units will be settled at the same time that the underlying RSUs and/or PSUs, as applicable, are settled.

*Black-out period.* A Participant that receives Shares in satisfaction of a Unit during a black-out period may not sell or otherwise dispose of those Shares during the black-out period. If a Participant chooses to receive cash on the settlement of Units and the settlement date falls during a black-out period, then the Cash Equivalent will be calculated with a Market Value on the date that is seven days following the date the relevant black-out period is lifted, terminated or removed.

*Change of Control.* In the event of a change of control transaction in which there is an acquiring or surviving entity, the Board may provide for substitute or replacement units of similar value from the acquiring or surviving entity or one or more of its subsidiaries. In addition, if a participant is terminated without cause or resigns with good reason, within twelve months following a change of control, unvested Units or replacement equivalents become fully vested. In addition, on a change of control, the Market Value of a Share underlying a Unit will be determined on the date of the change of control and such Unit will convert into the entitlement to receive a cash payment in accordance with the terms of the LTIP.

*Clawback.* The Board has adopted a clawback policy that will apply to all incentive payments awarded on or after January 1, 2016, including bonus payments, stock options, and PSU awards. The clawback policy will apply to the CEO and CFO of the Corporation, and provides the Board discretion to recover any or all incentive compensation that would have otherwise not been paid if the Board determines that: (i) there has been a material misstatement in the Corporation's financial statements resulting in the awarding of more PSUs and/or options, or the awarding of a larger bonus than would have otherwise occurred; and (ii) the participant engaged in gross negligence or intentional misconduct, fraud or other misconduct or willful act engaged in by the applicable executive which resulted in the financial restatement by the Corporation. The actual clawback of incentive awards, if any, will be at the sole discretion of the Board. The Board will have up to a one year period following the date the incentive payment is settled to enforce the clawback policy, if necessary.

### ***Stock Option Plan***

The following summarizes the key terms of the Proposed Stock Option Plan as adopted by the Board, subject to the approval of the plan by the shareholders. This summary is qualified in its entirety by the full text of the Proposed Stock Option Plan which is set forth in Appendix B. Capitalized terms used in the summary of the Proposed Stock Option Plan below that are not otherwise defined herein, shall have the meanings given to such terms in the Proposed Stock Option Plan.

*Administration.* The Board will administer the Proposed Stock Option Plan and has the right to delegate the administration and operation of the Proposed Stock Option Plan, in whole or in part, to a committee of the Board.

*Eligible Participants.* As designated by the Board, options may be granted to any employees, directors, officers and consultants of the Corporation and its Affiliates.

*Number of Shares.* The Proposed Stock Option Plan provides that the maximum number of Shares issuable upon the exercise of options shall not exceed 5% percent of the issued and outstanding Shares from time to time (on a non-diluted basis). As a result, should the Corporation issue additional Shares in the future, the number of Shares issuable pursuant to the Proposed Stock Option Plan will increase accordingly. Any Shares subject to an option which has been exercised by a Participant or for any reason is cancelled or terminated without having been exercised, will again be available for grants under the Proposed Stock Option Plan. As of March 11, 2016, there were 456,417,074 Shares issued and outstanding. As of March 11, 2016, there were 18,452,500 options outstanding under the Proposed Stock Option Plan, being 4.04% of the number of Shares issued and outstanding. Therefore, as of the date of the Circular, a balance of 4,368,353 Shares, representing 0.96% of the number of Shares issued and outstanding are potentially issuable under the Proposed Stock Option Plan.

*Participation Limits.* Unless the Corporation has received requisite shareholder approval, under no circumstances will the Proposed Stock Option Plan, together with all other Share Compensation Arrangements of the Corporation, result, at any time, in: (i) the aggregate number of Shares reserved for issuance to insiders (as a group) at any point in time exceeding 10% of the Corporation's issued and outstanding Shares; (ii) the issuance to insiders (as a group), within a one-year period, of an aggregate number of Shares exceeding 10% of the Corporation's issued and outstanding Shares; (iii) the aggregate number of Shares reserved for issuance to all non-employee directors of the Corporation exceeding 1% of the Corporation's issued and outstanding Shares; or (iv) the annual grant to any individual non-employee director of the Corporation under all Share Compensation Arrangements exceeding a grant value of CAD\$100,000 in options or CAD\$150,000 in full value equity awards.

*Exercise Price.* The exercise price may not be less than the closing price of the Shares on the TSX on the trading day that immediately preceded the date of the grant.

*Vesting.* The vesting schedule for any option outstanding under the Proposed Stock Option Plan is determined by the Board, acting in its sole discretion, and is stated in the Stock Option Certificate. Once vested, an option holder may exercise such options and the Corporation will issue Shares from treasury in accordance with the Proposed Stock Option Plan.

*Term.* An option granted under the Proposed Stock Option Plan has a maximum term of five years from the date it was granted.

*Cessation.* Unless the Board decides otherwise, options granted under the Proposed Stock Option Plan expire at the earlier of their expiry date and: (i) 30 days after the option holders' termination by the Corporation with cause or resignation without good reason; (ii) 3 years after the option holders' retirement; (iii) 12 months after the option holders' death; and (iv) 90 days after resignation with good reason or termination by the Corporation without cause.

*Assignability.* Options are not assignable or transferrable by an option holder and may only be exercised during the lifetime of the option holder by the option holder personally. Options may be transferred upon the death of an option holder (subject to the cessation limitations above).

*Amendments.* Subject to compliance with TSX rules, the Board may, without shareholder approval, amend, suspend or terminate the Proposed Stock Option Plan or the terms of any option previously granted, provided that such amendments do not require approval of the shareholders, which may include amendments: (i) to amend the vesting provisions of an option; (ii) as is necessary to comply with any applicable law or any requirement of a stock exchange; or (iii) as is of a "housekeeping nature", including those which are made to clarify the meaning of an existing provision of the Proposed Stock Option Plan, is to correct or supplement any provision of the Proposed Stock Option Plan that is inconsistent with any other provision of the Proposed Stock Option Plan, correct any grammatical or typographical errors or amend the definitions in the Proposed Stock Option Plan regarding administration of the Proposed Stock Option Plan.

However, shareholder approval (as well as compliance with applicable TSX rules) is required if the Board seeks to amend the Proposed Stock Option Plan for any of the following purposes: (i) to increase the maximum reserve of Shares permitted under the Proposed Stock Option Plan; (ii) to reduce the exercise price of outstanding options, cancel and reissue options or extend the expiry date of an option or a substitution of options with cash or other awards on terms more favourable to a participant; (iii) to amend the insider participation limits; (iv) any change that would materially modify the eligibility requirements for participation in the Proposed Stock Option Plan; (v) any amendment relating to the grant of options to non-employee directors; (vi) any amendment to the amendment provisions; or (vii) to allow for an option to be transferable or assignable, other than for normal estate settlement purposes.

*Ratification.* Any options that are granted under the Proposed Stock Option Plan, but are made subject to the acceptance and approval by the TSX, cannot be exercised until, and unless, acceptance and approval is so given. The Board has granted an aggregate of 2,579,000 options to certain Eligible Plan Participants. These grants are subject to ratification by shareholders at the Meeting. Shares cannot be issued in connection with the exercise of these options until such time that shareholders of the Corporation have approved and ratified the Proposed Stock Option Plan and the grants thereunder.

*Adjustments.* The Proposed Stock Option Plan provides that appropriate adjustments, if any, will be made by the Board in connection with a reclassification, reorganization, or other change of shares, consolidation, distribution, merger or amalgamation, in order to maintain the participant's economic rights in respect of their options in connection with such change in capitalization, including adjustments to the exercise price or the number of Shares to which a participant is entitled upon exercise of options, or permitting the immediate exercise of any outstanding options that are not otherwise exercisable.

*Black-out Period.* No option will be granted during a black-out period or other trading restriction imposed by the Corporation or any other time when the Board or the Corporation has material undisclosed information. An option holder may not exercise an option if the Corporation has imposed a black-out period. If an option would expire during or within nine days of a black-out period, then the expiry date of that option will automatically extend to the date that is 10 business days following the date that the black-out period ends.

*Change of Control.* In the event of a change of control transaction in which there is an acquiring or surviving entity, the Board may provide for substitute or replacement options of similar value from the acquiring or surviving entity or one or more of its subsidiaries. In addition, if a participant is terminated without cause or resigns with good reason, within twelve months following a change of control, unvested options or replacement equivalents become fully vested.

*Clawback.* The Board has adopted a clawback policy that will apply to all incentive payments awarded on or after January 1, 2016, including bonus payments, stock options, and PSU awards. The clawback policy will apply to the CEO and CFO of the Corporation, and provides the Board discretion to recover any or all incentive compensation that would have otherwise not been paid if the Board determines that: (i) there has been a material misstatement in the Corporation's financial statements resulting in the awarding of more PSUs and/or options, or the awarding of a larger bonus than would have otherwise occurred; and (ii) the participant engaged in gross negligence or intentional misconduct, fraud or other misconduct or willful act engaged in by the applicable executive which resulted in the financial restatement by the Corporation. The actual clawback of incentive awards, if any, will be at the sole discretion of the Board. The Board will have up to a one year period following the date the incentive payment is settled to enforce the clawback policy, if necessary.

### ***The Rolling Plan***

The Corporation's current Rolling Plan (the "Previous Stock Option Plan") governing the issuance of stock options was initially adopted by shareholders at the annual and special meeting held on June 23, 2008 and most recently ratified and approved by shareholders on June 3, 2014. However, the Corporation failed to obtain shareholder approval for the ratification and confirmation of an amended version of the Previous Stock Option Plan at the 2015 Annual General and Special Meeting on June 11, 2015, and no options have been granted under the Previous Stock Option Plan since that date.

As of the date hereof, an aggregate of 15,873,500 options under the Previous Stock Option Plan are currently under grant, representing 3.5 % of the issued and outstanding Shares of the Corporation on a non-diluted basis.

The Previous Stock Option Plan will continue to govern awards previously granted under such plan and be retained until the outstanding options that were granted pursuant to the Previous Stock Option Plan have been exercised or expire. Capitalized terms used in the summary of the Previous Stock Option Plan below that are not otherwise defined herein, shall have the meanings given to such terms in the Previous Stock Option Plan.

*Administration.* The Previous Stock Option Plan is administered by the secretary of the Corporation, or such director or senior officer or employee of the Corporation as may be designated as the administrator of the Previous Stock Option Plan from time to time, on the instructions of the Board.

*Eligible Participants.* Stock options may be granted to an employee, director, officer or management company, employee of the Corporation, or other persons who perform management or consulting services or investor relations services for the Corporation or any of its subsidiaries on an ongoing basis.

*Number of Shares.* The aggregate number of shares issuable upon the exercise of all stock options granted under the Previous Stock Option Plan is not to exceed 10% of the issued and outstanding share capital of the Corporation on a non-diluted basis at any time, and such aggregate number of shares shall automatically increase or decrease as the number of issued and outstanding shares changes. If any option granted under the Previous Stock Option Plan expires or terminates for any reason in accordance with the terms of the Previous Stock Option Plan without being exercised, the shares will again be available for the purpose of the Previous Stock Option Plan. The aggregate number of shares reserved for issuance pursuant to the Previous Stock Option Plan or any other share compensation arrangement to any one participant within a one-year period is not to exceed 5% of the shares outstanding at the time of the grant, unless disinterested shareholder approval is obtained. The aggregate number of shares reserved for issuance pursuant to the Previous Stock Option Plan or any other share compensation arrangement to insiders is not to exceed 10% of the shares from time to time, unless disinterested shareholder approval is obtained. The aggregate number of options which may be granted pursuant to the Previous Stock Option Plan or any other share compensation arrangement to insiders within a one-year period is not to exceed 10% of the shares outstanding from time to time, unless disinterested shareholder approval is obtained.

*Vesting.* Options granted pursuant to the Previous Stock Option Plan will vest and become exercisable by an option holder at such time or times as may be determined by the Board at the date of the option grant and as indicated in the option grant and related option agreement. Subject to any vesting restrictions imposed by the TSX, the Board may, in its sole discretion, determine the time during which options shall vest and the method of vesting, or that no vesting restrictions shall exist. Notwithstanding the foregoing, options granted to consultants providing investor relations services will vest in stages over a period of no less than 12 months with a maximum of one-quarter of such options vesting in any three month period.

*Term.* The term of any option granted is fixed by the Board and may not exceed five years from the date of grant, except that in the event that the expiry date of an Option falls during or within two business days following the end of a blackout period of the Corporation pursuant to its policies, the expiry date of such Option shall be extended for a period of ten business days following the end of the blackout period.

*Cessation.* In the event that an option holder should die while he or she is still a director or employee of the Corporation, the expiry date of the option is one year from the date of death of the option holder.

In the event that an option holder who has received stock options in his or her capacity as a director of the Corporation ceases to be a director of the Corporation other than by reason of death, the expiry date of the options will be the 30th day following the date the option holder ceases to be a director of the Corporation unless the option holder continues to be engaged by the Corporation as an employee, in which case the expiry date will remain unchanged, or where the option holder ceases to be a director of the Corporation as a result of ceasing to meet the qualifications under section 124 of the Business Corporations Act (British Columbia) (the "Act"), a special resolution being passed by the shareholders of the Corporation pursuant to subsection 128(3) of the Act, or by order of the British Columbia Securities Commission, the TSX or any regulatory body having jurisdiction to do so, in which case the expiry date will be the date the option holder ceases to be a director of the Corporation.

In the event that an option holder who has received stock options in his or her capacity as an employee of the Corporation ceases to be an employee of the Corporation other than by reason of death, or if the employee is a party providing investor relations services or management or consulting services to the Corporation and ceases to continue providing such services to the Corporation, the expiry date of the option will be the 30th day following the date the option holder ceases to be an employee of the Corporation or ceases to continue providing such investor relations, management and consulting services to the Corporation, subject to the terms and conditions of the Plan.

*Exercise Price.* The exercise price per share is determined by the Board at the time the options are granted provided that the exercise price cannot be lower than the last closing price of the Company's shares on the TSX prior to the award date.

*Assignability.* Options may not be assigned or transferred other than by will or by the applicable laws of descent and may only be exercised by the option holder.

*Adjustments.* The Previous Stock Option Plan provides that appropriate adjustments, if any, will be made by the Board in connection with a reclassification, reorganization, or other change of shares, consolidation, distribution, merger or amalgamation, in order to maintain the participant's economic rights in respect of their options in connection with such change in capitalization, including adjustments to the exercise price or the number of Shares to which a participant is entitled upon exercise of options, or permitting the immediate exercise of any outstanding options that are not otherwise exercisable.

*Change of Control.* In the event that a change of control occurs, each option will become fully vested and may be exercised by the option holder. After such change of control the option may be exercised as to all or any of the optioned shares in respect of which the option has not been exercised, on or before the earlier of the expiry of the option and that date which is 60 days after the date of notice to the holder of such change of control event. After such date the provisions of the option shall reapply with respect to the balance of the optioned shares in respect of which the option has not been exercised, subject to the terms of the Previous Stock Option Plan.

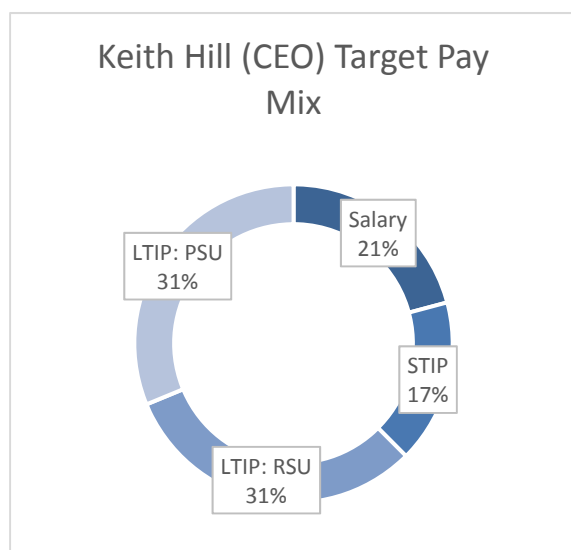
*Termination.* The Board may terminate the Previous Stock Option Plan at any time provided that such termination will not alter the terms or conditions of any option or impair any right of any option holder pursuant to any option awarded prior to the date of such termination and notwithstanding such termination the Corporation, such options, option holders, directors and employees and shares shall continue to be governed by the provisions of the Previous Stock Option Plan.

*Amendments.* Without shareholder approval, but subject to compliance with TSX rules, the Board may amend, suspend or terminate the Previous Stock Option Plan or the terms of any option previously granted for the following purposes: (i) making minor or technical modifications to any of the provisions of the Rolling Plan; (ii) to correct any ambiguity, defective provisions, error or omission; (iii) to add or change provisions relating to any form of financial assistance provided by the Corporation to Eligible Persons that would facilitate the purchase of securities under the Rolling Plan; or (iv) to add a cashless exercise feature to any option or to the Previous Stock Option Plan, providing for the payment in cash or securities upon the exercise of options.

However, disinterested shareholder approval (as well as compliance with applicable TSX rules) is required if the Board would like to amend the Previous Stock Option Plan for any of the following purposes: (i) to increase the maximum reserve of Shares permitted by the Previous Stock Option Plan; (ii) to reduce the exercise price of outstanding options; (iii) to extend the term of any option; (iv) to remove or exceed the insider or non-employee director participation limits; (v) to allow for an option to be transferable or assignable, other than for normal estate settlement purposes; or (vi) an amendment to the amendment provisions of the Previous Stock Option Plan.

## CEO COMPENSATION

The Committee understands the importance of CEO compensation in setting the standard for compensation structure for the entire organization. Nearly 80% of our CEO's total target direct compensation is "at risk".



The table below summarizes 2016 target pay levels and 2015 actual pay levels for Keith Hill.

Year	Base	Bonus		LTI		TDC
		% of Salary	\$	% of Salary	\$	
<b>2016 Target</b>	\$375,000	80%	\$300,000	300%	\$1,125,000	\$1,800,000
<b>2015 Actual<sup>(1)</sup></b>	\$288,857	151%	\$437,500	213%	\$615,480	\$1,341,837

(1) Salary and bonus paid in United States dollars and converted to Canadian dollars using average 2015 Bank of Canada exchange rate (1.27871080)

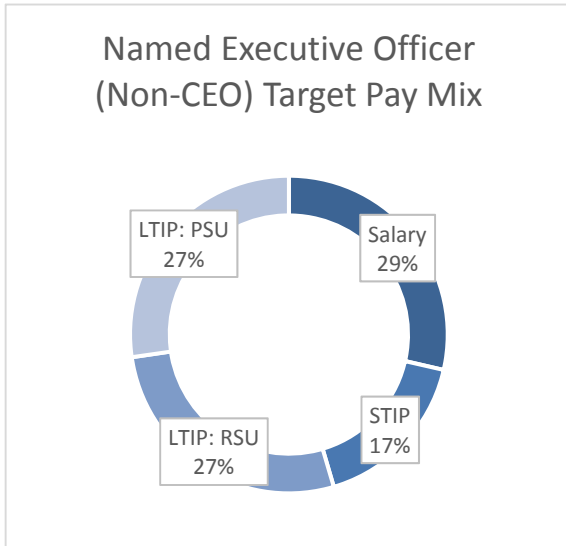
2015 pay outcomes are reflective of Africa Oil's strong operational and financial performance over the year, which the Committee believes is a direct result of Mr. Hill's leadership as CEO of the Corporation. Key 2015 CEO accomplishments include:

1. Secured financing to move forward with the South Lokichar development project by completing numerous private placements of equity raising \$275 million and entered into the Maersk farmout agreement. Equity investors included International Finance Corporation ("IFC"), a member of the World Bank Group, who is the world's largest development institution focused exclusively on the private sector in developing countries;
2. Realigned corporate objectives to focus on increasing resource volume and certainty in the discovered South Lokichar Basin while reducing frontier exploration activity;
3. Continued engagement with the numerous and varied stakeholder groups with an upstream and midstream oil development in Kenya;
4. Worked closely with JV Partners to reduce costs and extend terms on exploration licenses in light of challenging upstream oil industry environment.



## NEO COMPENSATION

Similar to CEO compensation, on average more than 70% of our NEO's total target compensation is "at-risk".



Below is a summary of 2016 target pay levels among AOI's named executive officers:

Executive	2016 Base	2016 Bonus Target		2016 LTI Target		2016 Target TDC
		% of Salary	\$	% of Salary	\$	
Ian Gibbs	CAD\$375,000	80%	CAD\$300,000	220%	CAD\$825,000	CAD\$1,500,000
Tim Thomas	CAD\$350,000	60%	CAD\$210,000	200%	CAD\$700,000	CAD\$1,260,000
Paul Martinez	CAD\$350,000	50%	CAD\$175,000	175%	CAD\$612,500	CAD\$1,137,500
Alex Budden	GBP£175,000	50%	GBP£87,500	175%	GBP£306,250	GBP£568,750

## 2015 EXECUTIVE COMPENSATION - SUMMARY COMPENSATION TABLE

The following table sets forth, for the fiscal years ended December 31, 2015, December 31, 2014, and December 31, 2013, the compensation paid by the Corporation to the NEOs for services rendered. All currency values are in US dollars for reporting purposes.

Name and principal position	Year	Salary <sup>(1)</sup>	Option-based awards <sup>(2)</sup>	Non-equity incentive plan compensation (\$)		All other compensation <sup>(3)</sup>	Total compensation
				Annual incentive plans	Long-term incentive plans		
Keith Hill <sup>(4)</sup>	2015	\$288,857	\$615,480	\$437,500	N/A	\$3,158	\$1,344,995
<i>President &amp; CEO</i>	2014	\$271,624	\$2,658,271	\$194,664	N/A	\$77,013	\$3,201,573
	2013	\$291,286	\$1,434,920	\$582,572	N/A	\$94,165	\$2,402,944
Ian Gibbs <sup>(5)</sup>	2015	\$273,713	\$492,384	\$342,141	N/A	\$7,354	\$1,115,593
<i>Chief Financial Officer</i>	2014	\$271,624	\$1,519,012	\$135,812	N/A	\$8,258	\$1,934,707
	2013	\$291,286	\$1,434,920	\$364,108	N/A	\$8,468	\$2,098,782
Tim Thomas <sup>(6)</sup>	2015	\$185,734	\$483,850	\$123,171	N/A	\$7,881	\$800,636
<i>Chief Operating Officer</i>	2014	Nil	Nil	Nil	N/A	Nil	Nil
	2013	Nil	Nil	Nil	N/A	Nil	Nil
Dr. Paul Martinez <sup>(7)</sup>	2015	\$273,713	\$385,344	\$209,195	N/A	\$10,622	\$878,874
<i>Vice President Exploration</i>	2014	\$271,624	\$1,664,309	\$126,758	N/A	\$12,042	\$2,074,733
	2013	\$291,286	\$1,145,462	\$364,108	N/A	\$12,419	\$1,813,275
Alex Budden <sup>(8)</sup>	2015	\$215,063	\$353,232	\$136,857	N/A	Nil	\$705,152
<i>Vice President External Relations</i>	2014	\$226,354	\$554,770	\$63,379	N/A	Nil	\$844,502
	2013	\$242,738	\$618,500	\$182,539	N/A	Nil	\$1,043,778

- (1) Salaries for the NEOs are paid in Canadian dollars and converted to United States dollars for reporting purposes, except for Mr. Hill whose salary was denominated in USD commencing July 1, 2015.
- (2) These amounts represent the value of stock options granted to the respective NEO. The fair value of each option granted is estimated on the date of grant using the Black-Scholes options pricing model taking into account the following assumptions on a weighted average basis: (i) risk-free interest rate (%); (ii) expected life (years); and (iii) expected volatility (%). This is consistent with the accounting values used in the Corporation's financial statements. The dollar amount in this column represents the total value ascribed to the stock options; however, all of these stock options are subject to vesting as to one-third on the date of grant, one-third one year from the date of grant and the remaining one-third two years from the date of grant.
- (3) Amounts reflected under this column typically consist of benefits such as life insurance premiums, parking benefits, and the payment of host country taxes when on long-term foreign assignment.

- (4) Amounts reflected under the column “Non-equity incentive plan compensation – Annual incentive plans” reflect the cash bonuses received by Mr. Hill in the amount of: \$437,500 for the financial year ended December 31, 2015; CAD\$215,000 for the financial year ended December 31, 2014; CAD\$600,000 for the financial year ended December 31, 2013. During the financial year ended December 31, 2015, Mr. Hill was awarded incentive stock options to purchase 575,000 common shares of the Corporation over a period of five years at an exercise price of CAD\$2.48 per share, vesting as to one-third on the date of grant, one-third one year from the date of grant and the remaining one-third two years after the date of grant. During the financial year ended December 31, 2014, Mr. Hill was awarded incentive stock options to purchase 805,000 common shares of the Corporation over a period of three years at an exercise price of CAD\$8.44 per share, vesting as to one-third on the date of grant, one-third one year from the date of grant and the remaining one-third two years after the date of grant. During the financial year ended December 31, 2013, Mr. Hill was awarded incentive stock options to purchase 580,000 common shares of the Corporation over a period of three years at an exercise price of CAD\$5.94 per share, vesting as to one-third on the date of grant, one-third one year from the date of grant and the remaining one-third two years after the date of grant. These awards are reflected under the column “Option-based Awards”.
- (5) Amounts reflected under the column “Non-equity incentive plan compensation – Annual incentive plans” reflect the cash bonuses received by Mr. Gibbs in the amount of: CAD\$437,500 for the financial year ended December 31, 2015; CAD\$150,000 for the financial year ended December 31, 2014; CAD\$375,000 for the financial year ended December 31, 2013. During the financial year ended December 31, 2015, Mr. Gibbs was awarded incentive stock options to purchase 460,000 common shares of the Corporation over a period of five years at an exercise price of CAD\$2.48 per share, vesting as to one-third on the date of grant, one-third one year from the date of grant and the remaining one-third two years after the date of grant. During the financial year ended December 31, 2014, Mr. Gibbs was awarded incentive stock options to purchase 460,000 common shares of the Corporation over a period of three years at an exercise price of CAD\$8.44 per share, vesting as to one-third on the date of grant, one-third one year from the date of grant and the remaining one-third two years after the date of grant. During the financial year ended December 31, 2013, Mr. Gibbs was awarded incentive stock options to purchase up to 580,000 common shares of the Corporation over a period of three years at an exercise price of CAD\$5.94 subject to vesting as to one-third on the date of grant, one-third one year from the date of grant and the remaining one-third two years after the date of grant. These awards are reflected under the column “Option-based Awards”.
- (6) Mr. Thomas has been employed by the Corporation as Chief Operating Officer since April 2015. Amounts reflected under the column “Non-equity incentive plan compensation – Annual incentive plans” reflect the cash bonuses received by Mr. Thomas in the amount of CAD\$157,500 for the financial year ended December 31, 2015. Mr. Thomas was awarded incentive stock options to purchase 500,000 common shares of the Corporation over a period of five years at an exercise price of CAD\$2.25 per share, vesting as to one-third on the date of grant, one-third one year from the date of grant and the remaining one-third two years after the date of grant. This award is reflected under the column “Option-based Awards”.
- (7) Amounts reflected under the column “Non-equity incentive plan compensation – Annual incentive plans” reflect the cash bonus received by Dr. Martinez in the amount of: CAD\$262,500 for the financial year ended December 31, 2015; CAD\$140,000 for the financial year ended December 31, 2014; CAD\$375,000 during the financial year ended December 31, 2013. During the financial year ended December 31, 2015, Dr. Martinez was awarded incentive stock options to purchase 360,000 common shares of the Corporation over a period of five years at an exercise price of CAD\$2.48 per share, vesting as to one-third on the date of grant, one-third one year from the date of grant and the remaining one-third two years after the date of grant. During the financial year ended December 31, 2014, Dr. Martinez was awarded incentive stock options to purchase 504,000 common shares of the Corporation over a period of three years at an exercise price of CAD\$8.44 per share, vesting as to one-third on the date of grant, one-third one year from the date of grant and the remaining one-third two years after the date of grant. During the financial year ended December 31, 2013, Dr. Martinez was awarded incentive stock options to purchase up to 463,000 common shares of the Corporation over a period of three years at an exercise price of CAD\$5.94 subject to vesting as to one-third on the date of grant, one-third one year from the date of grant and the remaining one-third two years after the date of grant. These awards are reflected under the column “Option-based Awards”.
- (8) Amounts reflected under the column “Non-equity incentive plan compensation – Annual incentive plans” reflect the cash bonuses received by Mr. Budden in the amount of: CAD\$175,000 for the financial year ended December 31, 2015; CAD\$70,000 for the financial year ended December 31, 2014; and CAD\$188,000 for the financial year ended December 31, 2013. During the financial year ended December 31, 2015, Mr. Budden was awarded incentive stock options to purchase 330,000 common shares of the Corporation over a period of five years at an exercise price of CAD\$2.48 per share, vesting as to one-third on the date of grant, one-third one year from the date of grant and the remaining one-third two years after the date of grant. During the financial year ended December 31, 2014, Mr. Budden was awarded incentive stock options to purchase 168,000 common shares of the Corporation over a period of three years at an exercise price of CAD\$8.44 per share, vesting as to one-third on the date of grant, one-third one year from the date of grant and the remaining one-third two years after the date of grant. During the financial year ended December 31, 2013, Mr. Budden was awarded incentive stock options to purchase 250,000 common shares of the Corporation over a period of three years at an exercise price of CAD\$5.94 per share, vesting as to one-third on the date of grant, one-third one year from the date of grant and the remaining one-third two years after the date of grant. These awards are reflected under the column “Option-based Awards”.

Other than as set out above, no perquisites have been included as they do not reach the prescribed threshold of the lesser of CAD\$50,000 or 10% or more of total salary for the financial year.

In addition, as of March 16, 2016: (i) Ian Gibbs, Chief Financial Officer, held 781,038 Common Shares and 1,500,000 Stock Options; (ii) Tim Thomas, Chief Operating Officer, held 500,000 Stock Options; (iii) Paul Martinez, Vice-President Exploration, held 252,000 Common Shares and 1,327,000 Stock Options; and (iv) Alex Budden, Vice-President External Relations, held 748,000 Stock Options.

## OUTSTANDING OPTION-BASED AWARDS

The following table sets forth the outstanding option-based awards for the Corporation held by the NEOs at the end of the most recently completed financial year:

Name	Option-based Awards			
	Number of securities underlying unexercised options (#)	Option exercise price (CAD\$)	Option expiration date (Y/M/D)	Value of unexercised in-the-money options (\$) <sup>(1)</sup>
Keith C. Hill	580,000	\$5.94	2016/04/16	Nil
President and Chief Executive Officer	805,000	\$8.44	2017/02/13	Nil
	575,000	\$2.48	2020/01/23	Nil
Ian Gibbs	580,000	\$5.94	2016/04/16	Nil
Chief Financial Officer	460,000	\$8.44	2017/02/13	Nil
	460,000	\$2.48	2020/01/23	Nil
Tim Thomas Chief Operating Officer	500,000	\$2.25	2020/03/12	Nil
Paul Martinez	463,000	\$5.94	2016/04/16	Nil
Vice President Exploration	504,000	\$8.44	2017/02/13	Nil
	360,000	\$2.48	2020/01/23	Nil
Alex Budden	250,000	\$5.94	2016/04/16	Nil
Vice President External Relations	168,000	\$8.44	2017/02/13	Nil
	330,000	\$2.48	2020/01/23	Nil

- (1) Calculated using the closing price of the common shares on the Toronto Stock Exchange on December 31, 2015 of CAD\$2.01 and subtracting the exercise price of in-the-money stock options. As at December 31, 2015, these stock options had not been, and may never be, exercised and actual gains, if any, on exercise will depend on the value of the common shares on the date of exercise.

## INCENTIVE PLAN AWARDS

The following table sets forth details of the value vested or earned for all incentive plan awards during the most recently completed financial year by each NEO:

Name	Option-based awards – Value vested during the year (\$) <sup>(1)</sup>
Keith C. Hill <sup>(2)</sup> <i>President &amp; Chief Executive Officer</i>	Nil
Ian Gibbs <sup>(3)</sup> <i>Chief Financial Officer</i>	Nil
Tim Thomas <sup>(4)</sup> <i>Chief Operating Officer</i>	Nil
Paul Martinez <sup>(5)</sup> <i>Vice President Exploration</i>	Nil
Alex Budden <sup>(6)</sup> <i>Vice President External Relations</i>	Nil

- (1) Calculated using the closing price of the common shares on the Toronto Stock Exchange on the dates on which stock options vested during the financial year ended December 31, 2015 and subtracting the exercise price of in-the-money stock options.
- (2) 193,333 options which were issued at CAD\$5.94 vested during 2015. The Toronto Stock Exchange closing price of the Corporation's shares on the vesting date was CAD\$2.48. 268,333 options which were issued at CAD\$8.44 vested during 2015. The Toronto Stock Exchange closing price of the Corporation's shares on the vesting date was CAD\$2.79.
- (3) 193,333 options which were issued at CAD\$5.94 vested during 2015. The Toronto Stock Exchange closing price of the Corporation's shares on the vesting date was CAD\$2.48. 153,333 options which were issued at CAD\$8.44 vested during 2015. The Toronto Stock Exchange closing price of the Corporation's shares on the vesting date was CAD\$2.79.
- (4) Mr. Thomas has been employed by the Corporation as Chief Operating Officer since April 2015. Mr. Thomas was granted 500,000 options at CAD\$2.25 on March 12, 2015; 1/3 of which vested immediately on the date of grant.
- (5) 154,333 options which were issued at CAD\$5.94 vested during 2015. The Toronto Stock Exchange closing price of the Corporation's shares on the vesting date was CAD\$2.48. 168,000 options which were issued at CAD\$8.44 vested during 2015. The Toronto Stock Exchange closing price of the Corporation's shares on the vesting date was CAD\$2.79.
- (6) 83,333 options which were issued at CAD\$5.94 vested during 2015. The Toronto Stock Exchange closing price of the Corporation's shares on the vesting date was CAD\$2.48. 56,000 options which were issued at CAD\$8.44 vested during 2015. The Toronto Stock Exchange closing price of the Corporation's shares on the vesting date was CAD\$2.79.

## OPTIONS EXERCISED DURING 2015

NEO	Amount	Grant Price	Date of Exercise
Keith Hill	667,000	\$1.49	March 17, 2015
Ian Gibbs	374,000	\$1.49	March 17, 2015
	293,000	\$1.49	March 27, 2015
Paul Martinez	222,000	\$1.49	March 17, 2015

## TERMINATION AND CHANGE OF CONTROL BENEFITS

The Corporation and its subsidiaries have not entered into any compensatory plan or arrangement in respect of compensation received or that may be received by any of the NEOs in the event of the termination of employment (resignation, retirement, change of control) or in the event of a change in responsibilities following a change in control, except for those disclosed below.

### Keith Hill, President and Chief Executive Officer

On December 10, 2015 the Corporation entered into an open-ended executive employment agreement with Mr. Keith Hill, the President and Chief Executive Officer of the Corporation, at an annual salary of \$375,000, replacing the previous executive employment agreement dated January 15, 2010.

Pursuant to the terms of Mr. Hill's employment agreement, the Corporation may terminate Mr. Hill's employment without notice or payment in lieu of notice for cause. Additionally, the agreement may be terminated by the Corporation by notice to Mr. Hill if he becomes permanently disabled. Upon the termination of Mr. Hill's employment for cause or if Mr. Hill voluntarily elects to terminate his agreement, Mr. Hill shall not be entitled to any severance payment other than compensation earned by Mr. Hill before the date of termination.

Mr. Hill may be terminated by the Corporation for any reason other than specified above, upon one year's written notice of the termination of his employment agreement. If Mr. Hill elects to resign as a result of a change of control, he is entitled to a continued benefit package, at the Corporation's expense, for two years, of all benefits provided to the Executive at the highest level provided to him at any time within the one-year period prior to the change of control (an estimated value of approximately \$6,316).

In the event that there is a change of control of the Corporation, Mr. Hill is entitled to resign within 180 days of such change of control, and to receive the equivalent of two years' base salary in a lump sum (equivalent to \$750,000) plus the continuation of all of benefits for two years, at the highest level provided to Mr. Hill at any time within the one year period prior to the change of control. In addition, Mr. Hill's outstanding incentive stock option awards in the Corporation would fully vest and become immediately exercisable upon a change of control occurring (valued at Nil as at December 31, 2015).

A "change of control" is deemed to occur if: (i) there is a direct or indirect sale or transfer of beneficial ownership of all or substantially all of the assets of the Corporation; (ii) there is a consolidation, merger, amalgamation or similar transaction as a result of which shareholder of the Corporation prior to the transaction hold less than fifty percent (50%) of the outstanding shares after completion of the transaction; (iii) there is a sale or transfer of beneficial ownership of securities of the Corporation possessing more than fifty (50%) of the combined voting power; or (iv) the right to appoint a majority of the Corporation's Board to an acquirer, as a result of which a majority of the Board elected at the next shareholders' meeting are non-incumbent directors who are nominees of such acquirer.

Ian Gibbs, Chief Financial Officer

On December 10, 2015 the Corporation entered into an open-ended executive employment agreement with Mr. Ian Gibbs, the Chief Financial Officer of the Corporation at an annual salary of CAD\$375,000, replacing the previous executive employment agreement dated September 14, 2009.

Pursuant to the terms of Mr. Gibbs' employment agreement, the Corporation may terminate Mr. Gibbs' employment without notice or payment in lieu of notice for cause. Additionally, the agreement may be terminated by the Corporation by notice to Mr. Gibbs if he becomes permanently disabled. Upon the termination of Mr. Gibbs' employment for cause or if he voluntarily elects to terminate his agreement, Mr. Gibbs shall not be entitled to any severance payment other than compensation he earned before the date of termination.

Mr. Gibbs may be terminated by the Corporation for any reason other than specified above, upon one year's written notice of the termination of his employment agreement. If Mr. Gibbs elects to resign as a result of a change of control, he is entitled to a continued benefit package, at the Corporation's expense, for two years, of all benefits provided to the Executive at the highest level provided to him at any time within the one-year period prior to the change of control (an estimated value of approximately CAD\$14,708).

In the event that there is a change of control of the Corporation, Mr. Gibbs is entitled to resign within 180 days of such change of control and to receive the equivalent of two years' base salary in a lump sum (equivalent to CAD\$750,000) plus the continuation of all of benefits for two years, at the highest level provided to Mr. Gibbs at any time within the one year period prior to the change of control. In addition, Mr. Gibbs' outstanding incentive stock option awards in the Corporation would fully vest and become immediately exercisable upon a change of control occurring (valued at Nil as at December 31, 2015).

A "change of control" is deemed to occur if: (i) there is a direct or indirect sale or transfer of beneficial ownership of all or substantially all of the assets of the Corporation; (ii) there is a consolidation, merger, amalgamation or similar transaction as a result of which shareholder of the Corporation prior to the transaction hold less than fifty percent (50%) of the outstanding shares after completion of the transaction; (iii) there is a sale or transfer of beneficial ownership of securities of the Corporation possessing more than fifty (50%) of the combined voting power; or (iv) the right to appoint a majority of the Corporation's Board to an acquirer, as a result of which a majority of the Board elected at the next shareholders' meeting are non-incumbent directors who are nominees of such acquirer.

Tim Thomas, Chief Operating Officer

On March 9, 2015 the Corporation entered into an open-ended executive employment agreement with Mr. Thomas at an annual salary of CAD\$300,000. Effective January 1, 2016, Mr. Thomas' base annual salary was increased to CAD\$350,000 per annum.

Pursuant to the terms of Mr. Thomas' employment agreement, the Corporation may terminate Mr. Thomas' employment without notice or payment in lieu of notice for cause. Additionally, the agreement may be terminated by the Corporation by notice to Mr. Thomas if he becomes permanently disabled. Upon the termination of Mr. Thomas' employment for cause or if he voluntarily elects to terminate his agreement, Mr. Thomas shall not be entitled to any severance payment other than compensation he earned before the date of termination.

Mr. Thomas may be terminated by the Corporation for any reason other than specified above, upon six months written notice of the termination of his employment agreement. If Mr. Thomas elects to resign as a result of a change of control, he is entitled to a continued benefit package, at the Corporation's expense, for two years, of all benefits provided to the Executive at the highest level provided to him at any time within the one-year period prior to the change of control (an estimated value of approximately CAD\$15,762).

In the event that (i) the Corporation sells a controlling interest in all or substantially all of its assets or of one or more of its subsidiaries that owns, taken together, substantially all of the assets of the Corporation, or (ii) there is a change of control of the Corporation, Mr. Thomas is entitled to resign and to receive the equivalent of two years' base salary in a lump sum (equivalent to CAD\$700,000) plus the continuation of all of benefits for two years, at the highest level provided to Mr. Thomas at any time within the one year period prior to the change of control. In addition, Mr. Thomas' outstanding incentive stock option awards in the Corporation would fully vest and become immediately exercisable upon a change of control occurring.

A "change of control" is deemed to occur if there is a successful take-over of the Corporation.

#### Dr. Paul Martinez, Vice President Exploration

On August 1, 2015 the Corporation entered into an open-ended executive employment agreement with Dr. Martinez at an annual salary of CAD\$350,000.

Pursuant to the terms of Dr. Martinez's employment agreement, the Corporation may terminate Dr. Martinez's employment without notice or payment in lieu of notice for cause. Additionally, the agreement may be terminated by the Corporation by notice to Dr. Martinez if he becomes permanently disabled. Upon the termination of Dr. Martinez's employment for cause or if he voluntarily elects to terminate his agreement, Dr. Martinez shall not be entitled to any severance payment other than compensation he earned before the date of termination.

Dr. Martinez may be terminated by the Corporation for any reason other than specified above, upon 60 days written notice of the termination of his employment agreement. If Dr. Martinez elects to resign as a result of a change of control, he is entitled to a continued benefit package, at the Corporation's expense, for two years, of all benefits provided to the Executive at the highest level provided to him at any time within the one-year period prior to the change of control (an estimated value of approximately CAD\$21,244).

In the event that (i) the Corporation sells a controlling interest in all or substantially all of its assets or of one or more of its subsidiaries that owns, taken together, substantially all of the assets of the Corporation, or (ii) there is a change of control of the Corporation, Dr. Martinez is entitled to resign and to receive the equivalent of two years' base salary in a lump sum (equivalent to CAD\$700,000) plus the continuation of all of benefits for two years, at the highest level provided to Dr. Martinez at any time within the one year period prior to the change of control. In addition, Dr. Martinez' outstanding incentive stock option awards in the Corporation would fully vest and become immediately exercisable upon a change of control occurring.

A "change of control" is deemed to occur if there is a successful take-over of the Corporation.

#### Alex Budden, Vice President External Relations

In accordance with the Corporation's Previous Stock Option Plan, Mr. Budden's outstanding incentive stock option awards in the Corporation would fully vest and become immediately exercisable upon a change of control occurring (valued at Nil as at December 31, 2015).

## **COMPENSATION OVERSIGHT, GOVERNANCE AND RISK MANAGEMENT**

The Corporation's executive compensation program is administered by the Compensation Committee of the Board. Risk management is a primary consideration of the Compensation Committee when implementing its compensation program. It does not believe that its compensation program results in unnecessary or inappropriate risk taking including risks that are likely to have a material adverse effect on the Corporation.

The Corporation's directors and executive officers are not permitted to purchase financial instruments, including for greater certainty, prepaid variable forward contracts, equity swaps, collars or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the director or officer.



## CLAWBACK POLICY

The Corporation's Board has adopted a clawback policy that will apply to all incentive payments awarded on or after January 1, 2016, including bonus payments, stock options, and PSU awards. The clawback policy will apply to the CEO and CFO of the Corporation, and provides the Board discretion to recover any or all incentive compensation that would have otherwise not been paid if the Board determines that:

- a) There has been a material misstatement in the Corporation's financial statements resulting in the awarding of more PSUs and/or options, or the awarding of a larger bonus than would have otherwise occurred; AND
- b) The participant engaged in gross negligence or intentional misconduct, fraud or other misconduct or willful act engaged in by the applicable executive which resulted in the financial restatement by the Corporation.

The actual clawback of incentive awards, if any, will be at the sole discretion of the Board. The Board will have up to a one year period following the date the incentive payment is settled to enforce the clawback policy, if necessary.

## SHARE OWNERSHIP GUIDELINES

The Board approved the introduction of share ownership guidelines for the CEO and CFO. The CEO will be required to hold shares equal in value to three times salary, and the CFO will be required to hold shares equal in value to two times salary, within 5 years following implementation of these guidelines or promotion to the role, whichever is later. The following table compares the CEO and CFO's common share ownership relative to their ownership guidelines:

Individual	Minimum Share Ownership	# of Shares and RSUs Currently Owned	\$ Value of Current Ownership <sup>(2)(3)</sup>	Meets Guidelines <sup>(4)</sup>
Keith Hill <sup>(5)</sup>	CAD\$1,438,550 <sup>(1)</sup>	923,341	CAD\$1,855,915	Yes
Ian Gibbs <sup>(6)</sup>	CAD\$750,000	781,038	CAD\$1,569,886	Yes

(1) Converted to Canadian dollars using average 2015 Bank of Canada exchange rate (1.27871080)

(2) Information provided by each individual CEO or CFO.

(3) Based on closing price on December 31 2015 of CAD\$2.01.

(4) Based on the value of the Shares as at the original grant or purchase date or the market value of the Shares on December 31, 2015 using the closing price of CAD\$2.01, whichever is greater.

(5) Mr. Hill is required to hold shares equal in value to three times salary.

(6) Mr. Gibbs is required to hold shares equal in value to two times salary.

## APPOINTMENT AND ROLE OF COMPENSATION CONSULTANTS

Following concerns raised by shareholders and proxy advisors in 2015 regarding Africa Oil's compensation practices, and the failure to receive shareholder approval of the Corporation's Previous Stock Option Plan at the annual general meeting, the Compensation Committee engaged the services of Hugessen Consulting Inc. ("**Hugessen**"). As an independent advisor, Hugessen supports the Committee by providing independent insight.

Hugessen's mandate involved an initial diagnostic review of Africa Oil's pay and pay governance practices. The results of these findings lead to a redesign of Africa Oil's compensation plans, including:

- Development of compensation peer groups (Canadian peers and UK reference peers)
- Benchmarking of pay levels for Named Executive Officers, and non-executive directors of Africa Oil, relative to compensation peers and development of a formal pay structure
- Design and implementation of incentive plans, including Long Term Incentive Plan
- Support with implementation of pay governance policies, including share ownership guidelines, say on pay, and clawback provisions
- Support in drafting of compensation disclosure in the 2016 management information circular

The Compensation Committee reviews information and advice provided by Hugessen, among other factors, in making its executive compensation decisions. The Committee also has the authority to hire and fire its independent advisor and reviews Hugessen's performance regularly.

## COMPENSATION CONSULTANT FEES

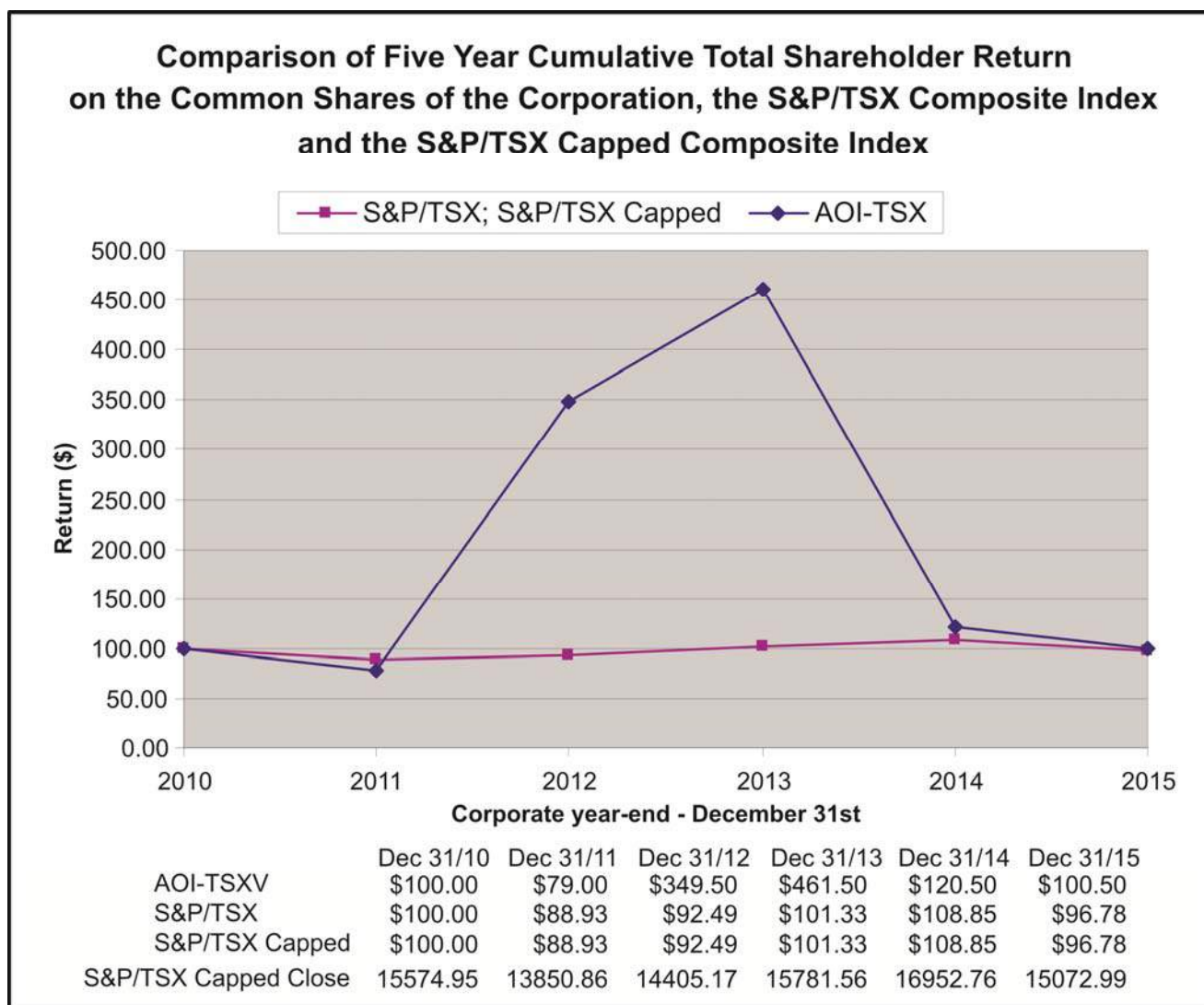
The table below summarizes all fees paid to Hugessen, our compensation consultant, in 2015. At no time prior to engaging Hugessen has any other compensation consultant or advisor been retained by Africa Oil.

Executive / Director Compensation Related Fees	Year	Consultant	Fees <sup>(1)</sup>
	2015	Hugessen Consulting	\$95,626
	2014	N/A	Nil

(1) Converted to United States dollars using 2015 average Bank of Canada exchange rate (USD\$1 - CAD\$1.278710).

## PERFORMANCE GRAPH

The following graph illustrates Africa Oil's five-year cumulative shareholder return, as measured by the closing price of the Common Shares at the end of each financial year, assuming an initial investment of C\$100 on December 31, 2010, compared with the S&P/TSX Composite Index and the S&P/TSX Capped Energy Index, assuming the reinvestment of dividends where applicable.



Over the past five years, Africa Oil has matured as an organization, growing from a venture-listed speculative exploration company to a TSX-listed company nearing "first oil". The management team has focused and delivered upon its key strategic priorities, namely growing a portfolio of high-quality assets, securing sufficient levels of financing to fund investments needed to reach first oil, and reaching the necessary regulatory and industry agreements to begin production of our assets.

The Committee and Board are committed to ensuring Africa Oil's executive compensation program is aligned with the growth and maturity of the Company, while also considering the experience of our shareholders. By providing a significant portion of our NEO pay in the form of equity-based compensation (stock options prior to 2016), the take home pay of our executives has been aligned with Africa Oil's share price performance. As of March 11, 2016, the

majority of outstanding stock options had no realizable value (out of the money) due to the significant decline in the Company's share price, which the Board believes is largely a result of the significant decline in oil prices which began in late 2014.

Africa Oil has revamped the NEO compensation program for 2016, transitioning from stock options to full-value shares, and adjusting pay levels and pay mix to better reflect a company of our current size. For full details of our revised compensation program, see the "Compensation Discussion and Analysis" section of this document starting at page 38.

## EQUITY COMPENSATION PLAN INFORMATION

The Corporation failed to obtain shareholder approval for the ratification and confirmation of an amended version of the Previous Stock Option Plan at the 2015 Annual General and Special Meeting on June 11, 2015 and no options have been granted under the Previous Stock Option Plan since that date. However, the Previous Stock Option Plan will continue to govern awards previously granted under such plan.

Plan Category	Number of securities to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding option (CAD\$)	Number of securities remaining available for future issuance under the Plan (excluding securities reflected in column (a))
Equity Compensation Plans approved by securityholders (the "Previous Stock Option Plan") <sup>(1)</sup>	15,873,500	5.71	Nil
Equity Compensation Plans not approved by securityholders (the "Proposed Stock Option Plan")	2,579,000	1.985	4,368,353
<b>Total</b>	<b>18,452,500</b>		<b>4,368,353</b>

(1) No options have been granted under the Previous Stock Option Plan since June 11, 2015 and no new awards will be made pursuant to this plan.

## MANAGEMENT CONTRACTS

Other than as disclosed herein, management functions of the Corporation and its subsidiaries are performed by directors, executive officers or senior officers of the Corporation and not, to any substantial degree, by any other person with whom the Corporation has contracted.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

During the fiscal year ended December 31, 2015, none of the insiders of the Corporation or any proposed nominee for election as director, nor any associate or affiliate of said persons has had any material interest, direct or indirect, in any transaction, which has materially affected or will materially affect the Corporation or any of its subsidiaries.

## OTHER MATTERS

Management of the Corporation knows of no other matters which will be brought before the Meeting, other than those referred to in the Notice of Meeting.

## ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on SEDAR under the Corporation's profile at [www.sedar.com](http://www.sedar.com). Financial information regarding the Corporation is provided in the consolidated annual financial statements and related management's discussion and analysis ("MD&A") for its most recently completed financial year.

Copies of the consolidated financial statements and related MD&A, as well as a copy of the Corporation's Annual Information Form ("AIF") for the fiscal year ended December 31, 2015, may be accessed on the Corporation's website at [www.africaoilcorp.com](http://www.africaoilcorp.com) or shareholders may contact the Corporation to request copies of the consolidated financial statements, MD&A and AIF, as follows:

e-mail: [africaoilcorp@namdo.com](mailto:africaoilcorp@namdo.com)  
telephone: 604-689-7842  
mail: Africa Oil Corp. - Attn: Investor Relations  
Suite 2000, 885 West Georgia Street  
Vancouver, B.C., V6C 3E8

---

---

## **APPENDIX A – LONG TERM INCENTIVE PLAN**

---

---



**LONG TERM INCENTIVE PLAN**

**Effective as of ●, 2016**

<b>ARTICLE 1 INTERPRETATION .....</b>	<b>1</b>
SECTION 1.1 DEFINITIONS .....	1
SECTION 1.2 INTERPRETATION .....	6
<b>ARTICLE 2 GENERAL PROVISIONS .....</b>	<b>6</b>
SECTION 2.1 ADMINISTRATION.....	6
SECTION 2.2 GRANT OF UNITS, SHARES RESERVED AND PARTICIPATION LIMITS.....	7
SECTION 2.3 AMENDMENT AND TERMINATION.....	8
SECTION 2.4 COMPLIANCE WITH LEGISLATION.....	9
SECTION 2.5 EFFECTIVE DATE .....	10
SECTION 2.6 APPLICABLE TAX WITHHOLDINGS AND DEDUCTIONS. ....	10
SECTION 2.7 NO INTEREST.....	11
SECTION 2.8 NON-TRANSFERABILITY .....	11
SECTION 2.9 PARTICIPATION IN THIS PLAN.....	11
SECTION 2.10 NOTICE.....	13
SECTION 2.11 RIGHT TO ISSUE OTHER SHARES.....	13
SECTION 2.12 CONFORMITY TO PLAN.....	13
SECTION 2.13 DIVIDEND EQUIVALENT .....	13
SECTION 2.14 ADJUSTMENTS.....	13
SECTION 2.15 CANCELLATION OF UNITS.....	14
SECTION 2.16 GOVERNING LAW .....	14
<b>ARTICLE 3 RESTRICTED SHARE UNITS .....</b>	<b>14</b>
SECTION 3.1 GRANT OF RESTRICTED SHARE UNITS .....	14
SECTION 3.2 CALCULATION.....	14
SECTION 3.3 VESTING.....	14
<b>ARTICLE 4 RESTRICTED SHARE UNITS SETTLEMENT &amp; EXPIRY .....</b>	<b>15</b>
SECTION 4.1 SETTLEMENT OF RESTRICTED SHARE UNITS.....	15
SECTION 4.2 DETERMINATION OF AMOUNTS.....	16
SECTION 4.3 TERMINATION.....	16
SECTION 4.4 TERMINATION FOLLOWING A CHANGE OF CONTROL .....	17
<b>ARTICLE 5 PERFORMANCE SHARE UNITS.....</b>	<b>17</b>
SECTION 5.1 GRANT OF PERFORMANCE SHARE UNITS .....	17
SECTION 5.2 CALCULATION.....	18
SECTION 5.3 VESTING.....	18
<b>ARTICLE 6 PERFORMANCE SHARE UNITS SETTLEMENT &amp; EXPIRY .....</b>	<b>18</b>
SECTION 6.1 SETTLEMENT OF PERFORMANCE SHARE UNITS.....	18
SECTION 6.2 DETERMINATION OF AMOUNTS.....	19
SECTION 6.3 TERMINATION.....	20
SECTION 6.4 TERMINATION FOLLOWING A CHANGE OF CONTROL.....	20
<b>ARTICLE 7 CHANGE OF CONTROL.....</b>	<b>21</b>
SECTION 7.1 EFFECT OF CHANGE OF CONTROL .....	21



**AFRICA OIL CORP.  
LONG TERM INCENTIVE PLAN**

The purpose of this Plan is to advance the interests of the Corporation and its shareholders by providing to the directors, officers, employees and consultants of the Corporation a performance incentive for continued and improved services with the Corporation and its Affiliates.

**ARTICLE 1  
INTERPRETATION**

**Section 1.1 Definitions**

For the purposes of this Plan, the following terms shall have the following meanings:

- (a) **“Adjustment Factor”** means the Adjustment Factor set out in the Grant Agreement for an award of Performance Share Units;
- (b) **“Affiliate”** or **“Affiliated”** means, with respect to any specified Person, any other person which directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, such specified person (for the purposes of this definition, “control” (including, with correlative meanings, the terms “controlling,” “controlled by” and “under common control with”), as used with respect to any person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such person, whether through the ownership of voting securities, by agreement or otherwise);
- (c) **“Applicable Withholding Taxes”** has the meaning given to that term in Section 2.6(1);
- (d) **“Board”** means the Board of Directors of the Corporation or, as applicable, such committee of the Board to which the Board may choose to delegate authority to administer the Plan;
- (e) **“Business Day”** means any day other than a Saturday, Sunday or statutory or civic holiday in the City of Vancouver, British Columbia;
- (f) **“Cause”** (i) if the Participant has a written employment agreement with the Corporation or an Affiliate in which “cause” is defined, “cause” as defined therein; or otherwise (ii) (A) the inability of the Participant to perform his or her duties due to a legal impediment such as an injunction, restraining order or other type of judicial judgment, decree or order entered against the Participant; (B) any material breach by the Participant of his or her obligations under any code of ethics, any other code of business conduct or any lawful policies or procedures of the Corporation; (C) excessive absenteeism, flagrant neglect of duties, serious misconduct, or conviction of crime or fraud; and (D) any other act or omission of the Participant which would in law permit an employer to, without notice or payment in lieu of notice, terminate the employment of an employee;

- (g) **“Cash Equivalent”** means the amount of money expressed in Canadian dollars equal to the Market Value multiplied by the number of vested Units in the Participant’s notional account, net of any Applicable Withholding Taxes, on the PSU Settlement Date or RSU Settlement Date, as applicable;
- (h) **“Change of Control”** means, unless the Board determines otherwise, the happening, in a single transaction or in a series of related transactions, of any of the following events:
- (i) the sale to a person, other than a subsidiary of the Corporation, of all or substantially all of the Corporations’ assets;
  - (ii) the acquisition by any person (whether from the Corporation or from any other person) of Shares or other securities of the Corporation having rights of purchase, conversion or exchange into Shares of the Corporation which together with securities of the Corporation held by such person, together with persons acting jointly or in concert with such person, exceeds fifty percent (50%) of the issued and outstanding Shares of the Corporation on a fully diluted basis (i.e. for either test, the purchase, conversion or exchange of such other securities, whether then purchasable, convertible or exchangeable or not, into the highest number of Shares of the Corporation, such person or persons would be entitled to);
  - (iii) the amalgamation or merger of the Corporation with or into any one or more other corporations (other than: (a) an amalgamation or merger of the Corporation with or into a Subsidiary of the Corporation; or (b) an amalgamation or merger of the Corporation unanimously recommended by the Board provided that the former holders of Shares receive, in the aggregate and in their capacities as such, shares of the amalgamated or merged corporation having attached thereto not less than 51% of the votes attached to all shares of such amalgamated or merged corporation);
  - (iv) the election at a meeting of the Corporation’s shareholders of that number of persons which would represent a majority of the Board as directors of the Corporation, who are not included in the slate for election as directors proposed to the Corporation’s shareholders by the Board;
  - (v) the completion of any transaction or the first of a series of transactions which would have the same or similar effect as any transaction or series of transactions referred to in subsections (i), (ii), (iii) or (iv) above; or
  - (vi) a reasonable determination by the Board that there has been a change, whether by way of a change in the holding of the Shares, in the ownership of the Corporation’s assets or by any other means, as a result of which any person or group of persons acting jointly or in concert is in a position to exercise effective control of the Corporation;

- (i) “**Consultant**” has the meaning ascribed to that term in National Instrument 45-106 of the Canadian Securities administrators;
- (j) “**Corporation**” means Africa Oil Corp., a corporation existing under the laws of the Province of British Columbia, and includes any successor corporation thereto;
- (k) “**Date of Grant**” means the date on which a particular Unit is granted by the Board as evidenced by the Grant Agreement pursuant to which the applicable Unit was granted;
- (l) “**Disability**” means the inability of a Participant to perform the duties associated with his position for one hundred and eighty (180) consecutive days as a result of his incapacity due to physical or mental illness;
- (m) “**Eligible Person**” means any officer, director, or employee of the Corporation or a Consultant of the Corporation or any of its Affiliates and any such person’s personal holding company, as designated by the Board, in its sole and absolute discretion;
- (n) “**Expire**” means, with respect to a Unit, the termination of such Unit, on the occurrence of which such Unit is void, incapable of settlement, and of no value whatsoever; and Expires and Expired have a similar meaning;
- (o) “**Good Reason**” means the occurrence of any of the following events without the Participant’s written consent:
  - (i) Any material adverse change in the Participant’s position, duties, authority or responsibilities;
  - (ii) A reduction by the Corporation in the Participant’s salary or bonus, if applicable;
  - (iii) A material change to the Corporation’s health and welfare benefit plans; and
  - (iv) A change in the Participant’s principal place of employment by a distance of 35 kilometers or more, unless the new principal place of employment is within 35 kilometers of the Participant’s then current residence.
- (p) “**Grant Agreement**” means an agreement between the Corporation and a Participant under which a Unit is granted, substantially in the form attached hereto as Schedule “A” in reference to RSUs for Participants who are not directors, Schedule “B” in reference to RSUs for Participants who are directors, and Schedule “D” in reference to PSUs, as each may be amended from time to time;
- (q) “**Insider**” means a “reporting insider” as defined in National Instrument 55-104 *Insider Reporting Requirements and Exemptions*;
- (r) “**ITA**” means the *Income Tax Act* (Canada), and the regulations thereunder;

- (s) **“Market Value”** means, in relation to a Share, as at any date, the volume weighted average trading price of the Share on the Stock Exchange for the five (5) immediately preceding trading days. In the event that the Shares are not listed and posted for trading on a Stock Exchange, the Market Value shall be the fair market value of the Shares as determined by the Board in its sole discretion, acting reasonably and in good faith;
- (t) **“Participant”** means an RSU Participant or a PSU Participant, as applicable;
- (u) **“Performance Criteria”** shall mean criteria, if any, established by the Board which, without limitation, may include criteria based on the financial performance and operational performance, including significant milestones of the Corporation and/or an Affiliate;
- (v) **“Performance Period”** has the meaning as set out in the Grant Agreement for Performance Share Units;
- (w) **“Performance Share Unit”** or **“PSU”** means a unit granted or credited to a PSU Participant’s notional account pursuant to the terms of this Plan that, subject to the provisions hereof, entitles a PSU Participant to receive one Share or the Cash Equivalent in accordance with the terms set forth in the Plan;
- (x) **“Plan”** means this Long Term Incentive Plan (including Appendix “A”) as amended from time to time;
- (y) **“PSU Participant”** means an Eligible Person who has been designated by the Corporation for participation in the Plan and who has agreed to participate in the Plan and to whom a Performance Share Unit has been granted or will be granted thereunder;
- (z) **“PSU Settlement Date”** has the meaning given to that term in Section 6.1(1)(a);
- (aa) **“PSU Settlement Notice”** means a notice, in the form contained in Schedule “E” attached hereto, by a PSU Participant to the Corporation electing the desired form of settlement of vested Performance Share Units;
- (bb) **“PSU Vesting Date”** means the date or dates determined in accordance with the terms of the Grant Agreement entered into in respect of such Performance Share Units (as described in Section 5.3), on and after which a particular Performance Share Unit can be settled, subject to amendment or acceleration from time to time in accordance with the terms hereof;
- (cc) **“Restricted Share Unit”** or **“RSU”** means a unit granted or credited to an RSU Participant’s notional account pursuant to the terms of this Plan that, subject to the provisions hereof, entitles an RSU Participant to receive one Share or the Cash Equivalent in accordance with the terms set forth in the Plan;

- (dd) **“Retirement”** means, unless otherwise determined by the Board on or before the Date of Grant and as set forth in the Grant Agreement, the cessation of the employment of a Participant with the Corporation on or after the date the Participant has attained the age of 60 and completed ten (10) years of continuous service with the Corporation and its subsidiaries;
- (ee) **“RSU Participant”** means an Eligible Person who has been designated by the Corporation for participation in the Plan and who has agreed to participate in the Plan and to whom a Restricted Share Unit has been granted or will be granted thereunder;
- (ff) **“RSU Settlement Date”** has the meaning ascribed thereto in Section 4.1(1);
- (gg) **“RSU Settlement Notice”** means a notice, in the form contained in Schedule “C” attached hereto, by an RSU Participant to the Corporation electing the desired form of settlement of vested Restricted Share Units;
- (hh) **“RSU Vesting Date”** means the date or dates determined in accordance with the terms of the Grant Agreement entered into in respect of such Restricted Share Units (as described in Section 3.3), on and after which a particular Restricted Share Unit can be settled, subject to amendment or acceleration from time to time in accordance with the terms hereof;
- (ii) **“Shares”** means common shares in the capital of the Corporation, and includes any shares of the Corporation into which such shares may be changed, classified, reclassified, subdivided, consolidated or converted from time to time;
- (jj) **“Share Compensation Arrangement”** means any stock option, stock option plan, employee stock purchase plan, long-term incentive plan or any other compensation or incentive mechanism of the Corporation involving the issuance or potential issuance of securities of the Corporation from treasury, including without limitation a Share purchase from treasury which is financially assisted by the Corporation by way of a loan, guarantee or otherwise, but does not include any such arrangement which does not involve the issuance from treasury or potential issuance from treasury of securities of the Corporation;
- (kk) **“Shareholders”** means holders of Shares;
- (ll) **“Stock Exchange”** means the TSX or, if the Shares are not listed or posted for trading on the TSX but are listed and posted for trading on another stock exchange, the stock exchange on which the Shares are listed or posted for trading;
- (mm) **“Termination Date”** means the date on which a Participant ceases to be an Eligible Person as a result of a termination of employment or retention with the Corporation or an Affiliate for any reason, including death, retirement, or resignation with or without cause. For the purposes of the Plan, a Participant’s employment or retention with the Corporation or an Affiliate shall be considered to have terminated effective on the last day of the Participant’s actual and active employment or retention with

the Corporation or Affiliate, whether such day is selected by agreement with the individual, or unilaterally by the Participant or the Corporation or Affiliate, and whether with or without advance notice to the Participant. For the avoidance of doubt, no period of notice or pay in lieu of notice that is given or that ought to have been given under applicable law in respect of such termination of employment or retention that follows or is in respect of a period after the Participant's last day of actual and active employment or retention shall be considered as extending the Participant's period of employment or retention for the purposes of determining his or her entitlement under the Plan;

(nn) "TSX" means the Toronto Stock Exchange; and

(oo) "Units" means PSUs and RSUs, as applicable.

### Section 1.2 Interpretation

- (1) Whenever the Board is to exercise discretion or authority in the administration of the terms and conditions of this Plan, the term "discretion" or "authority" means the sole and absolute discretion of the Board.
- (2) In the Plan, words importing the singular shall include the plural and vice versa and words importing any gender include any other gender.
- (3) Unless otherwise specified in the Participant's Grant Agreement, all references to money amounts are to Canadian currency.
- (4) As used herein, the terms "Article" and "Section" mean and refer to the specified Article and Section of this Plan, respectively.
- (5) The words "including" and "includes" mean "including (or includes) without limitation".

## ARTICLE 2 GENERAL PROVISIONS

### Section 2.1 Administration.

- (1) The Board shall administer this Plan. Nothing contained herein shall prevent the Board from adopting other or additional Share Compensation Arrangements or other compensation arrangements.
- (2) Subject to the terms and conditions set forth herein (including Appendix "A" hereto), the Board has the authority: (i) to grant Restricted Share Units to RSU Participants; (ii) to grant Performance Share Units to PSU Participants; (iii) to determine the terms, including the limitations, restrictions, vesting period, Performance Criteria, Performance Period, and conditions, if any, of such grants; (iv) to interpret this Plan and all agreements entered into hereunder; (v) to adopt, amend and rescind such administrative guidelines and other rules relating to this Plan as it may from time to time deem advisable; and (vii) to make all other determinations and to take all other actions in connection with the implementation and

administration of this Plan as it may deem necessary or advisable. The Board's guidelines, rules, interpretations, and determinations shall be conclusive and binding upon the Corporation, its subsidiaries, and all RSU Participants, PSU Participants, Eligible Persons and their legal, personal representatives and beneficiaries.

- (3) Notwithstanding the foregoing or any other provision contained herein, the Board shall have the right to delegate the administration and operation of this Plan, in whole or in part, to a committee thereof. For greater certainty, any such delegation by the Board may be revoked at any time at the Board's sole discretion.
- (4) No member of the Board or any person acting pursuant to authority delegated by it hereunder shall be liable for any action or determination in connection with the Plan made or taken in good faith, and each member of the Board and each such person shall be entitled to indemnification by the Corporation with respect to any such action or determination.
- (5) Subject to Section 2.3, the Board may adopt such rules or regulations and vary the terms of this Plan and any grant hereunder as it considers necessary to address tax or other requirements of any applicable non-Canadian jurisdiction.
- (6) The Plan shall not in any way fetter, limit, obligate, restrict or constrain the Board with regard to the allotment or issue of any Shares or any other securities in the capital of the Corporation other than as specifically provided for in the Plan.

## Section 2.2 **Grant of Units, Shares Reserved and Participation Limits**

- (1) Subject to the provisions of this Plan, the Board may grant Units to Participants upon the terms, conditions and limitations set forth herein and such other terms, conditions and limitations permitted by and not inconsistent with this Plan as the Board may determine, provided that:
  - (a) The maximum number of Shares which may be reserved for issuance under this Plan in respect of grants of Restricted Share Units to RSU Participants and grants of Performance Share Units to PSU Participants shall be equal to 18,256,682 Shares.
  - (b) Unless the Corporation has received requisite Shareholder approval, under no circumstances shall this Plan, together with all other Share Compensation Arrangements, result, at any time, in:
    - (i) the aggregate number of Shares reserved for issuance to Insiders (as a group) at any point in time exceeding 10% of the Corporation's issued and outstanding Shares;
    - (ii) the issuance to Insiders (as a group), within a one-year period, of an aggregate number of Shares exceeding 10% of the Corporation's issued and outstanding Shares;
    - (iii) the aggregate number of Shares reserved for issuance to all non-employee directors of the Corporation exceeding 1% of the Corporation's Shares; or

- (iv) the grant to any individual non-employee director of the Corporation of more than \$150,000 worth of Shares annually.

For greater certainty, any Units issued in lieu of payment of cash compensation or fees and any one-time initial equity grant upon a director joining the Board are excluded from each of the limitations set forth above.

- (2) In the event that a Participant receives Shares from the Corporation in satisfaction of a grant of Restricted Share Units or Performance Share Units during a Corporation-imposed black-out period, the Participant shall not be entitled to sell or otherwise dispose of such Shares until such black-out period has expired.

**Section 2.3 Amendment and Termination.**

- (1) The Board may, in its sole discretion, suspend or terminate the Plan at any time or from time to time and/or amend or revise the terms of the Plan or of any Unit granted under the Plan and any Grant Agreement relating thereto provided that such suspension, termination, amendment, or revision shall:
  - (a) not adversely alter or impair any Unit previously granted except as permitted by the terms of this Plan;
  - (b) be in compliance with applicable law and subject to any regulatory approvals including, where required, the approval of the Stock Exchange; and
  - (c) be subject to Shareholder approval, where required by law, the requirements of the Stock Exchange or this Plan; and
  - (d) to the extent applicable, comply with Appendix "A" hereto and Section 409A, as that term is defined in Appendix "A".
- (2) If the Plan is terminated, the provisions of the Plan and any administrative guidelines and other rules and regulations adopted by the Board and in force with respect to outstanding Units will continue in effect as long as any such Unit or any rights pursuant thereto remain outstanding and, notwithstanding the termination of the Plan, the Board will remain able to make such interpretations and amendments to the Plan or the Units as they would have been entitled to make if the Plan were still in effect.
- (3) Subject to Section 2.3(1) and, if applicable, Appendix "A" hereto, the Board may from time to time, in its discretion and without the approval of Shareholders or Participants, make changes to the Plan, except for amendments to Section 2.3(3) and Section 2.3(4), or any Unit that do not require the approval of Shareholders under Section 2.3(4), which may include:
  - (a) any amendment of a "housekeeping" nature, including without limitation those made to clarify the meaning of an existing provision of the Plan, correct or supplement any provision of the Plan that is inconsistent with any other provision of the Plan, correct any grammatical or typographical errors or amend the definitions in the Plan regarding administration of the Plan;



- (b) changes that alter, extend or accelerate the terms of vesting or settlement applicable to any Units;
  - (c) any amendment to the Plan respecting administration and eligibility for participation under the Plan; and
  - (d) an amendment of the Plan or a Unit as necessary to comply with applicable law or the requirements of the TSX or any other regulatory body having authority over the Corporation, the Plan, the Participants or the Shareholders.
- (4) Shareholder approval is required for the following amendments to the Plan:
- (a) any increase in the maximum number of Shares that may be issuable from treasury pursuant to Units granted under the Plan (as set out in Section 2.2, including specifically to grants to non-employee directors), other than an adjustment pursuant to Section 2.14;
  - (b) an amendment that removes or exceeds the insider participation limits as set out in Section 2.2(1)(b);
  - (c) an amendment that extends the time for which a Unit Expires beyond its original expiry date;
  - (d) an amendment that permits the assignment or transfer of a Unit other than for normal estate settlement purposes;
  - (e) any amendment to Section 2.3(3) and this Section 2.3(4); and
  - (f) in any other circumstances where the TSX and Shareholder approval is required by the TSX.
- (5) No such amendment to the Plan shall cause the Plan to cease to be a plan described in section 7 of the ITA or any successor to such provision.

#### Section 2.4 **Compliance with Legislation**

- (1) The administration of the Plan (including any amendments thereto), the terms of the grant of any Unit under the Plan, the grant of Units, and the Corporation's obligation to issue Shares or deliver a Cash Equivalent shall be subject to all applicable federal, provincial, state and foreign laws, rules and regulations, the rules and regulations of the Stock Exchange and any other stock exchange on which the Shares are listed or posted for trading, if applicable, and to such approvals by any regulatory or governmental agency as may, in the opinion of counsel to the Corporation, be required. The Corporation shall not be obliged by any provision of the Plan or the grant of any Unit hereunder to issue Shares or deliver a Cash Equivalent in violation of such laws, rules and regulations or any condition of such approvals.
- (2) No Unit shall be granted, and no Shares shall be issued hereunder, where such grant or issue would require registration of the Plan or of Shares under the securities laws of any

foreign jurisdiction and any purported grant of any Unit or purported issue of Shares hereunder in violation of this provision shall be void.

- (3) If applicable, the Corporation shall have no obligation to issue any Shares pursuant to this Plan unless upon official notice of issuance such Shares shall have been duly listed with the Stock Exchange (and any other stock exchange on which the Shares are listed or posted for trading). Shares issued to Participants pursuant to the settlement of Units may be subject to limitations on sale or resale under applicable securities laws.
- (4) Should the Board, in its sole and absolute discretion and subject to Section 2.3(5) and, if applicable, Appendix "A", determine that it is not desirable or feasible to provide for the settlement of Restricted Share Units or Performance Share Units, as applicable, including by reason of any such laws, regulations, rules, orders or requirements, it shall notify the Participants of such determination and on receipt of such notice each Participant shall have the option of electing that such settlement obligations be satisfied by means of a cash payment by the Corporation equal to the Cash Equivalent of the vested Restricted Share Units or vested Performance Share Units, as applicable. Each Participant shall comply with all such laws, regulations, rules, orders and requirements, and shall furnish the Corporation with any and all information and undertakings, as may be required to ensure compliance therewith.

#### Section 2.5 **Effective Date**

- (1) The Plan was initially adopted by the Board on February 26, 2016, subject to the acceptance and approval of the Plan by the Stock Exchange and the Shareholders. Any Units granted to Participants prior to the Plan being accepted and approved by Shareholders, shall be subject to such approval and acceptance being given and no such Units may be settled unless and until such approval and acceptance are given.
- (2) Should any changes to this Plan be required by any securities commission or other governmental body of any jurisdiction of Canada to which this Plan has been submitted or by any stock exchange on which the Shares may from time to time be listed, such changes will be made to this Plan as are necessary to conform with such requests and, if such changes are approved by the Board, this Plan, as amended, will remain in full force and effect in its amended form as of and from that date.

#### Section 2.6 **Applicable Tax Withholdings and Deductions.**

- (1) Notwithstanding any other provision contained herein, and together with Section 2.6(3) the Corporation or the relevant Affiliate, as applicable, shall be entitled to withhold from any amount payable to a Participant, either under this Plan or otherwise, such amounts as may be necessary so as to ensure that the Corporation or the relevant Affiliate is in compliance with all applicable withholding tax or other source deduction liabilities relating to the Units (the "**Applicable Withholding Taxes**").
- (2) It is the responsibility of the Participant to complete and file any tax returns which may be required within the periods specified in applicable laws as a result of the Participant's participation in the Plan. The Corporation shall not be held responsible for any tax consequences to a Participant as a result of the Participant's participation in the Plan and the

Participant shall indemnify and save harmless the Corporation from and against any and all loss, liability, damage, penalty or expense (including reasonable legal expense), which may be asserted against the Corporation or which the Corporation may suffer or incur arising out of, resulting from, or relating in any manner whatsoever to any tax liability in connection therewith.

- (3) For greater certainty, unless not required under the ITA or any other applicable law, no cash payment will be made nor will Shares be issued until:
- (a) an amount sufficient to cover the Applicable Withholding Taxes payable on the settlement of Units has been received by the Corporation (or withheld by the Corporation from the Cash Equivalent and/or cash payment, if applicable);
  - (b) the Participant undertakes to arrange for such number of Shares to be sold as is necessary to raise an amount equal to the Applicable Withholding Taxes, and to cause the proceeds from the sale of such Shares to be delivered to the Corporation; or
  - (c) the Participant elects to settle for cash such number of Units as is necessary to raise funds sufficient to cover the Applicable Withholding Taxes with such amount being withheld by the Corporation.

Notwithstanding the foregoing, the payment or issuance of Shares pursuant to a Unit that is subject to Appendix "A" hereto shall not be delayed pursuant to this Section 2.6(3) unless permitted under Section 409A (as that term is defined in Appendix "A" hereto).

**Section 2.7 No Interest.**

No interest or other amounts shall accrue to the Participant in respect of any amount payable by the Corporation to the Participant under this Plan or Unit.

**Section 2.8 Non-Transferability**

Except as set forth herein, Units are not transferable. Units may be settled only by:

- (a) the Participant to whom the Units were granted;
- (b) with the Corporation's prior written approval and subject to such conditions as the Corporation may stipulate, such Participant's family or any registered retirement savings plans or registered retirement income funds of which the Participant is and remains the annuitant;
- (c) upon the Participant's death, by the legal representative of the Participant's estate; or
- (d) upon the Participant's Disability, the legal representative having authority to deal with the property of the Participant.

**Section 2.9 Participation in this Plan.**

- (1) No Participant has any claim or right to be granted a Unit (including, without limitation, a Unit granted in substitution for any Unit that has expired pursuant to the terms of this Plan), and the granting of any Unit does not and is not to be construed as giving a Participant a

right to continued employment or to remain a Consultant, officer or employee, as the case may be, of the Corporation or an Affiliate of the Corporation. Nothing contained in this Plan or in any Unit granted under this Plan shall interfere in any way with the rights of the Corporation or an Affiliate of the Corporation in connection with the employment, retention or termination of any such person.

- (2) No Participant has any rights or privileges as a Shareholder of the Corporation in respect of Shares that are issuable upon the settlement of a Unit pursuant to the terms of this Plan until the allotment and issuance to the Participant of certificates representing such Shares or the entry of such Participant's name on the share register of the Corporation as the holder of Shares, and that person becomes the holder of record of those Shares. The Participant or the Participant's legal representative shall not, by reason of the grant of any Unit, be considered to be a Shareholder of the Corporation until a Unit has been duly settled and Shares have been issued in respect thereof.
- (3) Units shall be credited to an unfunded notional bookkeeping account established and maintained by the Corporation in the name of each Participant. Notwithstanding any other provision of the Plan to the contrary, a Unit shall not be considered or construed as an actual investment in Shares. Participants shall have no legal or equitable rights, claims, or interest in any specific property or assets of the Corporation or any Affiliate. No assets of the Corporation or any Affiliate shall be held in any way as collateral security for the fulfillment of the obligations of the Corporation or any Affiliate under this Plan. Any and all of the Corporation's or any Affiliate's assets shall be, and remain, the general unrestricted assets of the Corporation or Affiliate.
- (4) The Corporation's or any of its Affiliate's obligation under this Plan shall be merely that of an unfunded and unsecured promise of the Corporation or such Affiliate to pay money or issue Shares in the future, and the rights of Participants shall be no greater than those of unsecured general creditors.
- (5) The Corporation makes no representation or warranty as to the future Market Value of the Shares or with respect to any income tax matters affecting the Participant resulting from the grant or settlement of a Unit or transactions in the Shares. With respect to any fluctuations in the Market Value of Shares, neither the Corporation, nor any of its directors, officers, employees, Shareholders or agents shall be liable for anything done or omitted to be done by such person or any other person with respect to the price, time, quantity or other conditions and circumstances of the issuance of Shares hereunder, or in any other manner related to the Plan. For greater certainty, no amount will be paid to, or in respect of, a Participant under the Plan or pursuant to any other arrangement, and no additional Units will be granted to such Participant to compensate for a downward fluctuation in the price of the Shares, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose. The Corporation does not assume responsibility for the income or other tax consequences resulting to the Participant and they are advised to consult with their own tax advisors.

#### Section 2.10 **Notice**

Any Notice required to be given pursuant to the Plan must be in writing. All notices to the Corporation must be delivered personally, by prepaid registered mail or by email and must be addressed to the secretary of the Corporation. All notices to the Participant will be addressed to the principal address of the Participant on file with the Corporation. Either the Corporation or the Participant may designate a different address by written notice to the other. Such notices are deemed to be received: (i) if delivered personally, on the date of delivery; (ii) if sent by prepaid, registered mail, on the fifth Business Day following the date of mailing; or (iii) if sent by email, when the sender receives an email from the recipient acknowledging receipt, provided that an automatic "read receipt" does not constitute acknowledgment of an email for purposes hereof. Any notice given by either the Participant or the Corporation is not binding on the recipient thereof until received.

#### Section 2.11 **Right to Issue Other Shares**

The Corporation shall not by virtue of this Plan be in any way restricted from declaring and paying stock dividends, issuing further Shares, repurchasing Shares or varying or amending its share capital or corporate structure.

#### Section 2.12 **Conformity to Plan**

In the event that a Unit is granted or a Grant Agreement is executed which does not conform in all particulars with the provisions of this Plan, or purports to grant Units on terms different from those permitted under this Plan, the Unit, or the grant of such Unit shall not be in any way void or invalidated, but the Unit so granted will be adjusted to become, in all respects, in conformity with this Plan.

#### Section 2.13 **Dividend Equivalent**

In the event a dividend becomes payable on the Shares, then on the payment date for such dividend, each Participant's notional account shall, unless otherwise determined by the Board in respect of any grant of Units, be credited with additional Units (including fractional Units) of the same kind as credited in such Participant's applicable notional account, the number of which shall be determined by dividing: (i) the amount determined by multiplying (a) the number of Units in such Participant's notional account (whether vested or unvested) on the record date for the payment of such dividend by (b) the dividend paid per Share, by (ii) the Market Value of a Share on the dividend payment date for such dividend, in each case, with fractions computed to two decimal places. Such additional Units (including fractional Units), if credited, shall vest on the same basis as the underlying Units.

#### Section 2.14 **Adjustments.**

Subject to any required approval by the Stock Exchange or regulatory authority, in the case of any merger, amalgamation, arrangement, rights offering, subdivision, consolidation, or reclassification of the Shares or other relevant change in the capitalization of the Corporation, or stock dividend or distribution (excluding dividends or distributions which may be paid in cash or in Shares at the option of the Shareholder), or exchange of the Shares for other securities or property, the Corporation shall make appropriate adjustments in the Shares issuable or amounts payable, as the case may be, as determined as appropriate by the Board, to preclude a dilution or enlargement of the benefits hereunder, and any such adjustment (or non-adjustment) by the

Corporation shall be conclusive, final and binding upon the Participants. However, no amount will be paid to, or in respect of, the Participants under the Plan or pursuant to any other arrangement, and no additional Units will be granted to such Participant to compensation for a downward fluctuation in the price of the Shares, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose.

**Section 2.15 Cancellation of Units.**

Upon payment in full of the value of the Units, the Units shall be cancelled and no further payments shall be made from the Plan in relation to such Units.

**Section 2.16 Governing Law**

The Plan shall be governed by the laws of the Province of British Columbia applicable therein.

**ARTICLE 3  
RESTRICTED SHARE UNITS**

**Section 3.1 Grant of Restricted Share Units.**

- (1) Subject to the provisions of this Plan, the Board may grant Restricted Share Units to any Eligible Person upon the terms, conditions and limitations set forth herein and such other terms, conditions and limitations permitted by and not inconsistent with this Plan as the Board may determine.
- (2) The grant of a Restricted Share Unit shall be evidenced by a Grant Agreement, signed on behalf of the Corporation.
- (3) The Corporation shall maintain a notional account for each RSU Participant, in which shall be recorded the number of vested and unvested Restricted Share Units granted or credited to such Participant.
- (4) The grant of a Restricted Share Unit to an RSU Participant, or the settlement of a Restricted Share Unit, under the Plan shall neither entitle such RSU Participant to receive nor preclude such RSU Participant from receiving subsequently granted Restricted Share Units.

**Section 3.2 Calculation.**

The number of Restricted Share Units (including fractional Restricted Share Units) granted at any particular time pursuant to this Plan will be determined by the Board.

**Section 3.3 Vesting.**

Each RSU Participant's Grant Agreement shall describe the RSU Vesting Dates.

**ARTICLE 4**  
**RESTRICTED SHARE UNITS SETTLEMENT & EXPIRY**

Section 4.1      **Settlement of Restricted Share Units.**

- (1) Except as otherwise provided in a Participant's Grant Agreement or any other provision of this Plan:
  - (a) all of the vested Restricted Share Units covered by a particular grant and the related Restricted Share Units credited pursuant to Section 2.13 shall be settled as soon as practicable following the first Business Day following their RSU Vesting Date (the "**RSU Settlement Date**") but in all events in the calendar year in which such first Business Day occurs;
  - (b) an RSU Participant is entitled to deliver to the Corporation, on or before the RSU Settlement Date, an RSU Settlement Notice in respect of any or all vested Restricted Share Units held by the RSU Participant; and
  - (c) in the RSU Settlement Notice, the RSU Participant will elect, in the RSU Participant's sole discretion, including with respect to any fractional RSUs, to settle vested Restricted Share Units for their Cash Equivalent (determined in accordance with Section 4.2(1)), Shares (determined in accordance with Section 4.2(2)) or a combination thereof.
- (2) Subject to Section 4.1(3), settlement of Restricted Share Units shall take the form set out in the RSU Settlement Notice through:
  - (a) in the case of settlement of Restricted Share Units for their Cash Equivalent, delivery of a cheque to the RSU Participant representing the Cash Equivalent;
  - (b) in the case of settlement of Restricted Share Units for Shares, delivery of a share certificate to the RSU Participant or the entry of the Participant's name on the share register for the Shares; or
  - (c) in the case of settlement of Restricted Share Units for a combination of Shares and the Cash Equivalent, a combination of (a) and (b) above.
- (3) If an RSU Settlement Notice is not received by the Corporation on or before the RSU Settlement Date, settlement shall take the form of Shares issued from treasury as set out in Section 4.2(2).
- (4) Notwithstanding the RSU Participant's RSU Settlement Notice, if the Participant chooses to settle such RSUs for their Cash Equivalent, the Board may, in its sole discretion, choose to settle such RSUs with Shares issued from treasury in the manner set out in Section 4.2(2).

Following the receipt of such payment, the Restricted Share Units so settled shall be of no value whatsoever and shall be removed from the Participant's notional account.

Section 4.2      **Determination of Amounts.**

- (1)      **Cash Equivalent of Restricted Share Units.** For purposes of determining the Cash Equivalent of Restricted Share Units to be made pursuant to Section 4.1(2)(a) or Section 4.1(2)(c), such calculation will be made on the RSU Settlement Date based on the Market Value on the RSU Settlement Date multiplied by the number of vested Restricted Share Units in the Participant's Restricted Share Unit notional account, provided that if the RSU Settlement Date falls on a date upon which a Participant is subject to a black-out period or trading restriction imposed by the Corporation (but, for greater certainty, not a cease trade order or other restriction imposed by any person other than the Corporation), then the Cash Equivalent shall be calculated based on the Market Value on the date that is seven (7) days following the date the relevant black-out period or other trading restriction imposed by the Corporation is lifted, terminated or removed.
  
- (2)      **Payment in Shares: Issuance of Shares from Treasury.** For the purposes of determining the number of Shares from treasury to be issued and delivered to an RSU Participant upon settlement of Restricted Share Units pursuant to Section 4.1(2)(b) or Section 4.1(2)(c), such calculation will be made on the RSU Settlement Date based on the whole number of Shares equal to the whole number of vested Restricted Share Units then recorded in the Participant's Restricted Share Unit notional account which the Participant desires to settle pursuant to the RSU Settlement Notice. Shares issued from treasury will be issued in consideration for the past services of the RSU Participant to the Corporation and the entitlement of the RSU Participant under this Plan shall be satisfied in full by such issuance of Shares. If applicable and selected by the Participant, the Corporation shall also make a cash payment on the RSU Settlement Date to the RSU Participant with respect to the value of fractional Restricted Share Units standing to the RSU Participant's credit after the maximum number of whole Shares have been issued by the Corporation, calculated by multiplying (i) the number of such fractional Restricted Share Units by (ii) the Market Value on the RSU Settlement Date.

Section 4.3      **Termination.**

- (1)      Except as the Board may otherwise determine or unless otherwise provided in the RSU Participant's Grant Agreement and regardless of any adverse or potentially adverse tax or other consequences resulting from the following:
  - (a)      if an RSU Participant ceases to be an Eligible Person as a result of such RSU Participant's termination for Cause or resignation without Good Reason, any unvested Restricted Share Units held by such RSU Participant shall Expire on the Termination Date and be of no further force or effect whatsoever and such Participant shall no longer be eligible for a grant of RSUs;
  
  - (b)      if an RSU Participant ceases to be an Eligible Person as a result of such RSU Participant's termination without Cause or termination of their consultant agreement with the Corporation, all unvested Restricted Share Units held by such RSU Participant shall Expire on the Termination Date and be of no further force or effect whatsoever and such Participant shall no longer be eligible for a grant of RSUs;



- (c) if an RSU Participant ceases to be an Eligible Person as a result of such RSU Participant's resignation with Good Reason, or death, any unvested Restricted Share Units held by such RSU Participant shall vest and be settled on the Termination Date in accordance with Section 4.1;
- (d) if an RSU Participant ceases to be an Eligible Person as a result of such RSU Participant's Retirement, such RSU Participant will continue to participate in the Plan as if the RSU Participant continued to be actively employed with the Corporation; and
- (e) if an RSU Participant ceases to be Eligible Person as a result of such RSU Participant's Disability, all unvested Restricted Share Units held by such RSU Participant shall vest based on a pro-rated amount of months between the Date of Grant and the Termination Date and be settled in accordance with the Plan as if the RSU Participant continued to be actively employed with the Corporation.

**Section 4.4 Termination Following a Change of Control.**

Notwithstanding anything in this Plan to the contrary, if the employment of a Participant is terminated by the Corporation without Cause or if the Participant resigns with Good Reason, in each case within twelve months following a Change of Control, all of the Participant's Restricted Share Units vest immediately prior to the Participant's Termination Date and will be settled as at the Termination Date in accordance with Section 4.1.

**ARTICLE 5  
PERFORMANCE SHARE UNITS**

**Section 5.1 Grant of Performance Share Units**

- (1) Subject to the provisions of this Plan, the Board may grant Performance Share Units to any Eligible Person upon the terms, conditions and limitations set forth herein and such other terms, conditions and limitations permitted by and not inconsistent with this Plan as the Board may determine.
- (2) The grant of a Performance Share Unit shall be evidenced by a Grant Agreement, signed on behalf of the Corporation.
- (3) The Corporation shall maintain a notional account for each PSU Participant, in which shall be recorded the number of vested and unvested Performance Share Units granted or credited to such Participant.
- (4) The grant of a Performance Share Unit to a PSU Participant, or the settlement of a Performance Share Unit, under the Plan shall neither entitle such PSU Participant to receive nor preclude such PSU Participant from receiving subsequently granted Performance Share Units.

Section 5.2      **Calculation.**

The number of Performance Share Units (including fractional Performance Share Units) granted at any particular time pursuant to this Plan will be determined by the Board.

Section 5.3      **Vesting.**

Each PSU Participant's Grant Agreement shall describe the Performance Criteria, the Performance Period and the Adjustment Factor, if any, established by the Board that must be achieved for Performance Share Units to vest to the PSU Participant, provided the PSU Participant is continuously employed by or in service with the Corporation, or any of its Affiliates, from the Date of Grant until such PSU Vesting Date, and provided further that in the event of any Change of Control, any unvested Performance Share Units shall vest on the date in accordance with Section 6.4 and Article 7. Subject to Appendix "A" hereto, if applicable, the Board, in its sole discretion, will have the authority to decide if the Performance Criteria have been met.

**ARTICLE 6**  
**PERFORMANCE SHARE UNITS SETTLEMENT & EXPIRY**

Section 6.1      **Settlement of Performance Share Units.**

- (1) Except as otherwise provided in a Participant's Grant Agreement or any other provision of this Plan:
  - (a) all of the vested Performance Share Units covered by a particular grant and the related Performance Share Units credited pursuant to Section 2.13 shall be settled as soon as practicable following the first Business Day following their PSU Vesting Date (the "**PSU Settlement Date**") but in all events in the calendar year in which such first Business Day occurs;
  - (b) a PSU Participant shall become entitled to deliver to the Corporation, on or before the PSU Settlement Date, a PSU Settlement Notice in respect of any or all vested Performance Share Units held by the PSU Participant; and
  - (c) in the PSU Settlement Notice, the PSU Participant will elect, in the PSU Participant's sole discretion, including with respect to any fractional PSUs, to settle vested Performance Share Units for their Cash Equivalent (determined in accordance with Section 6.2(1)), Shares (determined in accordance with Section 6.2(2)) or a combination thereof.
- (2) Subject to Section 6.1(3), settlement of Performance Share Units shall take the form set out in the PSU Settlement Notice through delivery of:
  - (a) in the case of settlement of Performance Share Units for their Cash Equivalent, a cheque to the PSU Participant representing the Cash Equivalent;
  - (b) in the case of settlement of Performance Share Units for Shares, delivery of a share certificate to the PSU Participant or the entry of the Participant's name on the share register for the Shares; or

- (c) in the case of settlement of Performance Share Units for a combination of Shares and the Cash Equivalent, a combination of (a) and (b) above.
- (3) If a PSU Settlement Notice is not received by the Corporation on or before the PSU Settlement Date, settlement shall take the form of Shares issued from treasury as set out in Section 6.2(2).
- (4) Notwithstanding the PSU Participant's PSU Settlement Notice, if the Participant chooses to settle such PSUs for their Cash Equivalent, the Board may, in its sole discretion, choose to settle such PSUs with Shares issued from treasury in the manner set out in Section 6.2(2).

Following the receipt of such payment, the Performance Share Units so settled shall be of no value whatsoever and shall be removed from the Participant's notional account.

## Section 6.2 **Determination of Amounts.**

- (1) **Cash Equivalent of Performance Share Units.** For purposes of determining the Cash Equivalent of Performance Share Units to be made pursuant to Section 6.1(2)(a) or Section 6.1(2)(c), such calculation will be made on the PSU Settlement Date based on the Market Value on the PSU Settlement Date multiplied by the number of vested Performance Share Units in the Participant's Performance Share Unit notional account, provided that if the PSU Settlement Date falls on a date upon which a Participant is subject to a black-out period or trading restriction imposed by the Corporation (but, for greater certainty, not a cease trade order or other restriction imposed by any person other than the Corporation), then the Cash Equivalent shall be calculated based on the Market Value on the date that is seven (7) days following the date the relevant black-out period or other trading restriction imposed by the Corporation is lifted, terminated or removed.
- (2) **Payment in Shares; Issuance of Shares from Treasury.** For the purposes of determining the number of Shares from treasury to be issued and delivered to a PSU Participant upon settlement of Performance Share Units pursuant to Section 6.1(2)(b) or Section 6.1(2)(c), such calculation will be made on the PSU Settlement Date based on the whole number of Shares equal to the whole number of vested Performance Share Units then recorded in the Participant's Performance Share Unit notional account which the Participant desires to settle pursuant to the PSU Settlement Notice. Shares issued from treasury will be issued in consideration for the past services of the PSU Participant to the Corporation and the entitlement of the PSU Participant under this Plan shall be satisfied in full by such issuance of Shares. If applicable and selected by the Participant, the Corporation shall also make a cash payment on the PSU Settlement Date to the PSU Participant with respect to the value of fractional Performance Share Units standing to the PSU Participant's credit after the maximum number of whole Shares have been issued by the Corporation, calculated by multiplying (i) the number of such fractional Performance Share Units by (ii) the Market Value on the PSU Settlement Date.

Section 6.3      **Termination.**

- (1) Except as the Board may otherwise determine or unless otherwise provided in the PSU Participant's Grant Agreement and regardless of any adverse or potentially adverse tax or other consequences resulting from the following:
- (a) if an PSU Participant ceases to be an Eligible Person as a result of such PSU Participant's termination for Cause or resignation without Good Reason, any unvested Performance Share Units held by such PSU Participant shall Expire on the Termination Date and be of no further force or effect whatsoever and such Participant shall no longer be eligible for a grant of PSUs;
  - (b) if an PSU Participant ceases to be an Eligible Person as a result of such PSU Participant's termination without Cause or termination of their consultant agreement with the Corporation, all unvested Performance Share Units held by such PSU Participant shall Expire on the Termination Date and be of no further force or effect whatsoever and such Participant shall no longer be eligible for a grant of PSUs;
  - (c) if an PSU Participant ceases to be an Eligible Person as a result of such PSU Participant's resignation with Good Reason, or death, any unvested Performance Share Units held by such PSU Participant shall vest and be settled on the Termination Date in accordance with Section 4.1. The Board will calculate actual Performance Criteria for purposes of settlement of the PSUs for completed Performance Periods and will use target Performance Criteria for other Performance Periods;
  - (d) if an PSU Participant ceases to be an Eligible Person as a result of such PSU Participant's Retirement, such PSU Participant will continue to participate in the Plan as if the PSU Participant continued to be actively employed with the Corporation; and
  - (e) if an PSU Participant ceases to be Eligible Person as a result of such PSU Participant's Disability, all unvested Performance Share Units held by such PSU Participant shall vest based on a pro-rated amount of months between the Date of Grant and the Termination Date and be settled in accordance with the Plan as if the RSU Participant continued to be actively employed with the Corporation. The Board will calculate actual Performance Criteria for purposes of settlement of the PSUs for completed Performance Periods.

Section 6.4      **Termination following a Change of Control.**

Notwithstanding anything in this Plan to the contrary, if the employment of a Participant is terminated by the Corporation without Cause or if the Participant resigns with Good Reason, in each case within twelve months following a Change of Control, all of the Participant's Performance Share Units will vest immediately prior to the Participant's Termination Date using an Adjustment Factor as determined by the Board on the date of the Change of Control which determines actual performance of the Corporation, and such Performance Share Units will be settled as at the Termination Date in accordance with Section 6.1.

## ARTICLE 7 CHANGE OF CONTROL

### Section 7.1      **Effect of Change of Control.**

- (1) Notwithstanding anything else in this Plan or any Grant Agreement, the Board has the right to provide for the conversion or exchange of any outstanding Units into or for units, rights or other securities in any entity participating in or resulting from a Change of Control, provided that the value of previously granted Units and the rights of Participants are not materially adversely affected by any such changes.
- (2) Upon the Corporation entering into an agreement relating to a transaction which, if completed, would result in a Change of Control, or otherwise becoming aware of a pending Change of Control, the Corporation shall give written notice of the proposed Change of Control to Participants, together with a description of the effect of such Change of Control on outstanding Units, not less than seven (7) days prior to the closing of the transaction resulting in the Change of Control.
- (3) If the surviving, successor or acquiring entity does not assume the outstanding Units or substitute similar share units for the outstanding Units, the Corporation will give written notice to all Participants advising that the Plan will be terminated effective immediately prior to the Change of Control and all Restricted Share Units will be deemed to be vested Restricted Share Units and a specified number of outstanding Performance Share Units will be deemed to be vested Performance Share Units and will be redeemed as of the termination date of the Plan. The number of Performance Share Units that are deemed to be vested Performance Share Units will be determined in Board's discretion using an Adjustment Factor that results from a determination of the Corporation's actual performance during the Performance Period.
- (4) In addition, on a Change of Control, the Market Value of the Share underlying a Unit will be determined and crystallized using the Market Value of the Share on the date of the Change of Control and, at such time, such Unit will automatically convert into the entitlement of such Participant to receive a cash payment, to be paid by the Corporation in the same manner and timing as the underlying Unit would have been in accordance with the Plan, provided however, that such cash payment will not be paid later than December 31 of the third calendar year following the year in which the services giving rise to the award were rendered.

## APPENDIX "A"

### SPECIAL APPENDIX to the AFRICA OIL CORP. Long Term Incentive Plan

#### Special Provisions Applicable to Eligible Persons Subject to Section 409A of the United States Internal Revenue Code

This Appendix sets forth special provisions of the Africa Oil Corp. Long Term Incentive Plan (the "**Plan**") applicable to Units that are subject to taxation under the United States Internal Revenue Code of 1986, as amended (the "**Code**"). The following provisions apply notwithstanding anything to the contrary in the Plan, any Grant Agreement or any other agreement. All capitalized terms used in this Schedule "A" and not defined herein shall have the meaning attributed to them in the Plan.

For the purposes of this Appendix:

- (a) "**Section 409A**" means section 409A of the Code and, as applicable, related United States Treasury Regulations.
  - (b) "**Separation Date**" means the date on which the Participant incurs a "separation from service" within the meaning of Section 409A.
  - (c) "**U.S. Taxpayer**" means an Eligible Person whose compensation from the Corporation or any of its Affiliates is subject to Section 409A.
1. Units that are subject to this Appendix "A" will be settled only at a time and in a manner that complies with Section 409A or an applicable exemption therefrom.
  2. To the extent any amounts are to be paid or Shares are to be issued in respect of Units that are subject to Section 409A upon (or on a fixed schedule or within a specified period following) the Participant's Termination Date, the Participant's Termination Date shall not be deemed to have terminated unless and until the Participant's Separation Date. Notwithstanding anything to the contrary, if a Participant ceases to be an Eligible Person as a result of such Participant's Disability, any unvested Units that vest under Sections 4.3(e) or 6.3(e) shall be settled on the Termination Date in accordance with Section 4.1, not when they otherwise would have settled had the Participant remained actively employed with the Corporation.
  3. A Participant whose Units are subject to this Appendix "A" will only be deemed to have terminated for Good Reason if (a) the Participant has provided the Corporation with written notice within ninety (90) days after the Good Reason condition or event, (b) the Corporation has been provided an opportunity of at least thirty (30) days following

delivery of such notice to cure the Good Reason condition or event and the Corporation has failed to cure such Good Reason condition, and (c) the Participant's Termination Date is not more than forty-five (45) days after the expiration of the cure period described in (b).

4. If required to avoid additional tax under Section 409A, a Change of Control must also be a change in control event described in United States Treasury Regulation section 1.409A-3(i)(5), and no payments to U.S. Taxpayers shall be made (and no Shares shall be issued) pursuant to Section 7.1 except to the extent permitted by Section 409A.
5. In no event shall Shares or other amounts that are to be delivered pursuant to the Plan be set aside in, or transferred to, a trust located outside the United States if it would result in taxation pursuant to Section 409A(b) of the Code.
6. If a Participant is deemed by the Corporation at the time of the Participant's Separation Date to be a "specified employee" for purposes of Section 409A(a)(2)(B)(i) of the Code, then to the extent delayed commencement of any payment or Share issuance related to such Separation Date is required to avoid a prohibited distribution under Section 409A(a)(2)(B)(i) of the Code, and the related adverse taxation under Section 409A, such payments shall be delayed until the earlier of (i) the date six (6) months following the Separation Date, and (ii) the date of the Participant's death.
7. *Miscellaneous.*
  - (i) The Board retains the power and authority to amend, modify or terminate the Plan (including this Appendix) and any Grant Agreement to the extent that the Board, in its sole discretion, deems necessary or advisable to comply with Section 409A. Such amendments, modifications or terminations may be made without the approval of any Participant.
  - (ii) To the extent applicable to U.S. Taxpayers, the provisions of the Plan are intended to comply with Section 409A (or an exemption therefrom) and shall be interpreted and administered accordingly. No provision of the Plan or amendment to the Plan or any outstanding Grant Agreement shall accelerate or defer payments or Share issuances under the Plan if such acceleration or deferral would contravene the provisions of Section 409A.
  - (iii) In the event of a termination of the Plan, no payments to U.S. Taxpayers shall be made (and no Shares shall be issued) in respect of Units, except to the extent permitted by Section 409A.
  - (iv) Notwithstanding the foregoing, in no event shall the Corporation, any Affiliate of the Corporation, or any employee, director, agent or advisor of the Corporation or any Affiliate of the Corporation be liable for or in respect of any additional tax, interest or penalty that may be imposed on a Participant or other person under Section 409A, or for damages for failing to comply with Section 409A.

**Schedule "A"**  
**AFRICA OIL CORP.**  
**RESTRICTED SHARE UNIT GRANT AGREEMENT**

*[For use when granting to Participants who are not directors]*

Restricted Share Unit agreement dated \_\_\_\_\_, 20\_\_ between AFRICA OIL CORP., a company existing under the laws of British Columbia (the "**Corporation**") and \_\_\_\_\_, an individual residing in \_\_\_\_\_ (the "**Participant**").

**WHEREAS** the Corporation has adopted a Long Term Incentive Plan (the "**Plan**", as it may be amended from time to time), which Plan provides for the granting of Restricted Share Units to RSU Participants (as defined in the Plan), entitling RSU Participants, to receive on settlement of vested Restricted Share Units, a Cash Equivalent (as defined in the Plan), Shares in the capital of the Corporation or a combination thereof;

**AND WHEREAS** the Corporation desires to continue to receive the benefit of the services of the Participant and to more fully align his or her interest with the Corporation's and its Affiliates' future success;

**AND WHEREAS** the board of directors of the Corporation (the "**Board**") approved the granting of Restricted Share Units to the Participant, upon the terms and conditions hereinafter provided;

**AND WHEREAS** the Corporation desires to grant to the Participant Restricted Share Units upon the terms and conditions hereinafter provided;

**AND WHEREAS** capitalized terms used and not otherwise defined in this Grant Agreement shall have the meanings set forth in the Plan.

**NOW THEREFORE** in consideration of the foregoing and the mutual agreements contained herein and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties hereto agree as follows:

1. **Restricted Share Units.** The Corporation hereby grants to the Participant, as of \_\_\_\_\_, 20\_\_, subject to the terms and conditions hereinafter set forth, \_\_\_\_\_ Restricted Share Units (the "**Restricted Share Units**"), vesting in accordance with the terms of this Grant Agreement and in accordance with the Plan.
2. **Vesting of the Restricted Share Units.** Subject to the vesting restrictions in Section 3 (if any), the Restricted Share Units shall vest according to the following table:

PERIOD	NUMBER OF RESTRICTED SHARE UNITS VESTED
On the first anniversary of the Date of Grant	33%



On the second anniversary of the Date of Grant	33%
On the third anniversary of the Date of Grant	33%

3. **[If granted prior to receiving Shareholder approval] If Shareholder approval is not obtained.** This Restricted Share Unit grant is subject to the satisfaction of the requirement (the "Shareholder Approval Requirement") that the Shareholders of the Corporation approve the terms of a new long-term incentive plan at the 2016 annual meeting (the "2016 AGM") of the Shareholders, or as soon thereafter as possible. There is no certainty that the Shareholder Approval Requirement will be satisfied at the 2016 AGM, or at all. If the Shareholder Approval Requirement is not satisfied, this grant and the Restricted Share Units represented hereby will be void.
4. **Subject to Plan.** This Restricted Share Units shall be subject in all respects to the provisions of the Plan, the terms and conditions of which are hereby expressly incorporated by reference, as same may be amended from time to time in accordance therewith. A copy of the Plan shall be provided to the Participant upon his or her reasonable request from time to time.
5. **Shareholder Rights.** A Participant shall have no rights whatsoever as a shareholder in respect of any of the Restricted Share Units.
6. **Clawback.** [For CEO/CFO insert the following:] Notwithstanding any other provision in the Plan, the Participant and his/her awards will be subject to the terms of the Corporation's clawback policy, as adopted and amended by the Board, from time to time, a copy of which will be distributed to such Participant.
7. **Voluntary.** The participation of any Participant in the Plan is entirely voluntary and not obligatory, has not been induced by any expectation of future or continued employment, appointment or engagement by the Corporation or any of its subsidiaries, and shall not be interpreted as conferring upon such Participant any rights or privileges other than those rights and privileges expressly provided in the Plan.
8. **Transfer of Restricted Share Unit.** The Restricted Share Units granted pursuant to this Agreement shall not be assignable or transferable by the Participant, except in accordance with the Plan.
9. **[Restricted Securities.** The Shares, and any securities issued in respect of or in exchange for the Shares, may bear one or all of the following legends (in addition to any other legend which may be required by other arrangements between the parties hereto):
  - a. "THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE LAWS, AND MAY NOT BE OFFERED, SOLD, ASSIGNED,

PLEGGED, TRANSFERRED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT AND, IF REQUESTED BY THE CORPORATION, UPON DELIVERY OF AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE CORPORATION THAT THE PROPOSED TRANSFER IS EXEMPT FROM THE SECURITIES ACT.”

- b. Any legend required by the securities laws of any state to the extent such laws are applicable to the Shares represented by the certificate so legended.]<sup>1</sup>
- 10. **Notice.** Any notice required or permitted to be given hereunder shall be given in accordance with, and subject to, the provisions of the Plan.
- 11. **Governing Law.** This Agreement and the Restricted Share Units shall be governed by and interpreted and enforced in accordance with the laws of the Province of British Columbia applicable therein.
- 12. **Language.** The parties agree that this Agreement as well as all documents relating thereto be drawn up in the English language only. Les parties seront censes avoir requis que cette contrat de meme que tous les documents s’y rattachant soient rediges en anglais seulement.

IN WITNESS WHEREOF the parties have caused this Restricted Share Unit agreement to be executed as of the date hereof.

**AFRICA OIL CORP.**

Per: \_\_\_\_\_

Authorized Signing Officer

NAME OF PARTICIPANT: \_\_\_\_\_

SIGNATURE OF PARTICIPANT: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

<sup>1</sup> Note to draft: Insert for US Participants.

**Schedule "B"**  
**AFRICA OIL CORP.**  
**RESTRICTED SHARE UNIT GRANT AGREEMENT**

*[For use when granting to Participants who are directors]*

Restricted Share Unit agreement dated \_\_\_\_\_, 20\_\_ between AFRICA OIL CORP., a company existing under the laws of British Columbia (the "**Corporation**") and \_\_\_\_\_, an individual residing in \_\_\_\_\_ (the "**Participant**").

**WHEREAS** the Corporation has adopted a Long Term Incentive Plan (the "**Plan**", as it may be amended from time to time), which Plan provides for the granting of Restricted Share Units to RSU Participants, entitling RSU Participants, to receive on settlement of vested Restricted Share Units, a Cash Equivalent, Shares in the capital of the Corporation or a combination thereof;

**AND WHEREAS** the Corporation desires to continue to receive the benefit of the services of the Participant and to more fully align his or her interest with the Corporation's and its Affiliates' future success;

**AND WHEREAS** the board of directors of the Corporation (the "**Board**") approved the granting of Restricted Share Units to the Participant, upon the terms and conditions hereinafter provided;

**AND WHEREAS** the Corporation desires to grant to the Participant Restricted Share Units upon the terms and conditions hereinafter provided;

**AND WHEREAS** capitalized terms used and not otherwise defined in this Grant Agreement shall have the meanings set forth in the Plan.

**NOW THEREFORE** in consideration of the foregoing and the mutual agreements contained herein and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties hereto agree as follows:

1. **Restricted Share Units.** The Corporation hereby grants to the Participant, as of \_\_\_\_\_, 20\_\_, subject to the terms and conditions hereinafter set forth, \_\_\_\_\_ Restricted Share Units (the "**Restricted Share Units**"), vesting in accordance with the terms of this Grant Agreement and in accordance with the Plan.
2. **Vesting of the Restricted Share Units.** Subject to the vesting restrictions in Section 3 (if any), the Restricted Share Units shall vest according to the following table:

PERIOD	NUMBER OF RESTRICTED SHARE UNITS VESTED
On the third anniversary of the Date of Grant	100%

3. **[If granted prior to receiving Shareholder approval] If Shareholder approval is not obtained.** This Restricted Share Unit grant is subject to the satisfaction of the requirement (the "Shareholder Approval Requirement") that the Shareholders of the Corporation approve the terms of a new long-term incentive plan at the 2016 annual meeting (the "2016 AGM") of the Shareholders, or as soon thereafter as possible. There is no certainty that the Shareholder Approval Requirement will be satisfied at the 2016 AGM, or at all. If the Shareholder Approval Requirement is not satisfied, this grant and the Restricted Share Units represented hereby will be void.
4. **Termination provisions specific to directors.** If an RSU Participant ceases to be an Eligible Person for any reason, any unvested Restricted Share Units held by such RSU Participant shall vest and be settled on the Termination Date in accordance with Section 4.1 of the Plan.
5. **Subject to Plan.** This Restricted Share Units shall be subject in all respects to the provisions of the Plan, the terms and conditions of which are hereby expressly incorporated by reference, as same may be amended from time to time in accordance therewith. A copy of the Plan shall be provided to the Participant upon his or her reasonable request from time to time.
6. **Shareholder Rights.** A Participant shall have no rights whatsoever as a shareholder in respect of any of the Restricted Share Units.
7. **Voluntary.** The participation of any Participant in the Plan is entirely voluntary and not obligatory, has not been induced by any expectation of future or continued employment, appointment or engagement by the Corporation or any of its subsidiaries, and shall not be interpreted as conferring upon such Participant any rights or privileges other than those rights and privileges expressly provided in the Plan.
8. **Transfer of Restricted Share Unit.** The Restricted Share Units granted pursuant to this Agreement shall not be assignable or transferable by the Participant, except in accordance with the Plan.
9. **[Restricted Securities]** The Shares, and any securities issued in respect of or in exchange for the Shares, may bear one or all of the following legends (in addition to any other legend which may be required by other arrangements between the parties hereto):
  - a. "THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE LAWS, AND MAY NOT BE OFFERED, SOLD, ASSIGNED, PLEDGED, TRANSFERRED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT AND, IF REQUESTED BY THE CORPORATION, UPON DELIVERY OF AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE CORPORATION THAT THE PROPOSED TRANSFER IS EXEMPT FROM THE SECURITIES ACT."

- b. Any legend required by the securities laws of any state to the extent such laws are applicable to the Shares represented by the certificate so legended.]<sup>2</sup>
- 10. **Notice.** Any notice required or permitted to be given hereunder shall be given in accordance with, and subject to, the provisions of the Plan.
- 11. **Governing Law.** This Agreement and the Restricted Share Units shall be governed by and interpreted and enforced in accordance with the laws of the Province of British Columbia applicable therein.
- 12. **Language.** The parties agree that this Agreement as well as all documents relating thereto be drawn up in the English language only. Les parties seront censes avoir requis que cette contrat de meme que tous les documents s’y rattachant soient rediges en anglais seulement.

IN WITNESS WHEREOF the parties have caused this Restricted Share Unit agreement to be executed as of the date hereof.

**AFRICA OIL CORP.**

Per: \_\_\_\_\_

Authorized Signing Officer

NAME OF PARTICIPANT: \_\_\_\_\_

SIGNATURE OF PARTICIPANT: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

<sup>2</sup> Note to draft: Insert for US Participants.

**Schedule "C"**  
**AFRICA OIL CORP.**  
**RSU SETTLEMENT NOTICE**

I, \_\_\_\_\_, in respect of the  
(print name)

Restricted Share Units that were granted to me on \_\_\_\_\_ by Africa Oil Corp. (the "**Corporation**") pursuant to the Corporation's Long Term Incentive Plan (the "**Plan**"), hereby elect upon settlement of the Restricted Share Units (including for any fractional Restricted Share Units) to receive (check one):

- (i) the Cash Equivalent, calculated in accordance with Section 4.2(1) of the Plan;
- (ii) Shares, calculated in accordance with Section 4.2(2) of the Plan; or
- (iii) the Cash Equivalent for \_\_\_\_\_ Restricted Share Units and Shares for \_\_\_\_\_ Restricted Share Units.

If I elect to receive the Cash Equivalent, I acknowledge that the Corporation will deduct applicable withholding taxes in accordance with the Plan.

If I elect to receive only Shares, I (check one):

- (i) enclose cash, a certified cheque, bank draft or money order payable to the Corporation in the amount of \$\_\_\_\_\_ as full payment for the applicable withholding taxes;
- (ii) undertake to direct that such number of Shares are to be sold, and the proceeds of such Shares delivered to the Corporation, as is necessary to put the Corporation in funds equal to the amount that would have otherwise been required in (i) above; or
- (iii) elect to settle for cash such number of Restricted Share Units as is necessary to raise funds sufficient to cover such withholding taxes with such amount being withheld by the Corporation.

Date

Participant's Signature

(Print name)

**Schedule "D"**  
**AFRICA OIL CORP.**  
**PERFORMANCE SHARE UNIT GRANT AGREEMENT**

Performance Share Unit agreement dated \_\_\_\_\_, 20\_\_ between AFRICA OIL CORP., a corporation existing under the laws of British Columbia (the "**Corporation**") and \_\_\_\_\_, an individual residing in \_\_\_\_\_ (the "**Participant**").

**WHEREAS** the Corporation has adopted a Long Term Incentive Plan (the "**Plan**", as it may be amended from time to time), which Plan provides for the granting of Performance Share Units to PSU Participants, entitling PSU Participants to receive on settlement of vested Performance Share Units, a Cash Equivalent, Shares in the capital of the Corporation or a combination thereof;

**AND WHEREAS** the Corporation desires to continue to receive the benefit of the services of the Participant and to more fully align his or her interest with the Corporation's and its Affiliates' future success;

**AND WHEREAS** the board of directors of the Corporation (the "**Board**") approved the granting of Performance Share Units to the Participant, upon the terms and conditions hereinafter provided;

**AND WHEREAS** the Corporation desires to grant to the Participant Performance Share Units upon the terms and conditions hereinafter provided;

**AND WHEREAS** capitalized terms used and not otherwise defined in this Grant Agreement shall have the meanings set forth in the Plan.

**NOW THEREFORE** in consideration of the foregoing and the mutual agreements contained herein and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties hereto agree as follows:

1. **Performance Share Units.** The Corporation hereby grants to the Participant, as of \_\_\_\_\_, 20\_\_, subject to the terms and conditions hereinafter set forth, \_\_\_\_\_ Performance Share Units (the "**Performance Share Units**"), exercisable in accordance with the terms of this Grant Agreement and in accordance with the Plan.
2. **Adjustment Factor.** The Adjustment Factor for the Performance Share Units is determined as follows:  
  
\_\_\_\_\_
3. **Vesting of the Performance Share Units.** Vesting of Performance Share Units is subject to the following Performance Criteria:  
  
\_\_\_\_\_  
  
\_\_\_\_\_

---

The Board, in its sole discretion, will have the authority to determine when, and if, the Performance Criteria have been met.

4. **Performance Period.** The Performance Period for the Performance Share Units is ●.
5. **[If granted prior to receiving Shareholder approval] If Shareholder approval is not obtained.** This Performance Share Unit grant is subject to the satisfaction of the requirement (the "Shareholder Approval Requirement") that the Shareholders of the Corporation approve the terms of a new long-term incentive plan at the 2016 annual meeting (the "2016 AGM") of the Shareholders, or as soon thereafter as possible. There is no certainty that the Shareholder Approval Requirement will be satisfied at the 2016 AGM, or at all. If the Shareholder Approval Requirement is not satisfied, this grant and the Performance Share Units represented hereby will be void.
6. **Clawback.** [For CEO/CFO insert the following:] Notwithstanding any other provision in the Plan, the Participant and his/her awards will be subject to the terms of the Corporation's clawback policy, as adopted and amended by the Board, from time to time, a copy of which will be distributed to such Participant.
7. **Subject to Plan.** This Performance Share Units shall be subject in all respects to the provisions of the Plan, the terms and conditions of which are hereby expressly incorporated by reference, as same may be amended from time to time in accordance therewith. A copy of the Plan shall be provided to the Participant upon his or her reasonable request from time to time.
8. **Voluntary.** The participation of any Participant in the Plan is entirely voluntary and not obligatory, has not been induced by any expectation of future or continued employment, appointment or engagement by the Corporation or any of its subsidiaries, and shall not be interpreted as conferring upon such Participant any rights or privileges other than those rights and privileges expressly provided in the Plan.
9. **Shareholder Rights.** A Participant shall have no rights whatsoever as a shareholder in respect of any of the Performance Share Units.
10. **Transfer of Performance Share Unit.** The Performance Share Units granted pursuant to this Agreement shall not be assignable or transferable by the Participant, except in accordance with the Plan.
11. **[Restricted Securities.** The Shares, and any securities issued in respect of or in exchange for the Shares, may bear one or all of the following legends (in addition to any other legend which may be required by other arrangements between the parties hereto):
  - a. "THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE LAWS, AND MAY NOT BE OFFERED, SOLD, ASSIGNED, PLEDGED, TRANSFERRED OR OTHERWISE DISPOSED OF IN THE ABSENCE



OF AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT AND, IF REQUESTED BY THE CORPORATION, UPON DELIVERY OF AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE CORPORATION THAT THE PROPOSED TRANSFER IS EXEMPT FROM THE SECURITIES ACT.”

b. Any legend required by the securities laws of any state to the extent such laws are applicable to the Shares represented by the certificate so legended.]<sup>3</sup>

12. **Notice.** Any notice required or permitted to be given hereunder shall be given in accordance with, and subject to, the provisions of the Plan.

13. **Governing Law.** This Agreement and the Performance Share Units shall be governed by and interpreted and enforced in accordance with the laws of the Province of British Columbia applicable therein.

14. **Language.** The parties agree that this Agreement as well as all documents relating thereto be drawn up in the English language only. *Les parties seront censés avoir requis que cette contrat de meme que tous les documents s’y rattachant soient rediges en anglais seulement.*

IN WITNESS WHEREOF the parties have caused this Grant Agreement to be executed as of the date hereof.

**AFRICA OIL CORP.**

Per: \_\_\_\_\_

Authorized Signing Officer

NAME OF PARTICIPANT: \_\_\_\_\_

SIGNATURE OF PARTICIPANT: \_\_\_\_\_

Address:

\_\_\_\_\_

<sup>3</sup> Note to draft: Insert for US Participants.

**SCHEDULE "E"**  
**AFRICA OIL CORP.**  
**PSU SETTLEMENT NOTICE**

I, \_\_\_\_\_, in respect of the  
(print name)

Performance Share Units that were granted to me on \_\_\_\_\_ by Africa Oil Corp. (the "**Corporation**") pursuant to the Corporation's Long Term Incentive Plan (the "**Plan**"), hereby elect upon settlement of the Performance Share Units (including for any fractional Performance Share Units) to receive (check one):

- (i) the Cash Equivalent, calculated in accordance with Section 6.2(1) of the Plan;
- (ii) Shares, calculated in accordance with Section 6.2(2) of the Plan; or
- (iii) the Cash Equivalent for \_\_\_\_\_ Performance Share Units and Shares for \_\_\_\_\_ Performance Share Units.

If I elect to receive the Cash Equivalent, I acknowledge that the Corporation will deduct applicable withholding taxes in accordance with the Plan.

If I elect to receive only Shares, I (check one):

- (i) enclose cash, a certified cheque, bank draft or money order payable to the Corporation in the amount of \$\_\_\_\_\_ as full payment for the applicable withholding taxes;
- (ii) undertake to direct that such number of Shares are to be sold, and the proceeds of such Shares delivered to the Corporation, as is necessary to put the Corporation in funds equal to the amount that would have otherwise been required in (i) above; or
- (iii) elect to settle for cash such number of Performance Share Units as is necessary to raise funds sufficient to cover such withholding taxes with such amount being withheld by the Corporation.

Date

Participant's Signature

(Print name)

---

---

## **APPENDIX B – STOCK OPTION PLAN**

---

---



**STOCK OPTION PLAN**

**Effective as of ●, 2016**

<b>ARTICLE 1 PURPOSE .....</b>	<b>1</b>
SECTION 1.1    PURPOSE .....	1
<b>ARTICLE 2 INTERPRETATION.....</b>	<b>1</b>
SECTION 2.1    DEFINED TERMS.....	1
SECTION 2.2    INTERPRETATION .....	4
<b>ARTICLE 3 ADMINISTRATION .....</b>	<b>5</b>
SECTION 3.1    ADMINISTRATION .....	5
SECTION 3.2    DELEGATION TO COMMITTEE.....	5
SECTION 3.3    SHARES RESERVED.....	5
SECTION 3.4    LIMITS WITH RESPECT TO INSIDERS .....	6
SECTION 3.5    AMENDMENT AND TERMINATION .....	6
SECTION 3.6    COMPLIANCE WITH LEGISLATION .....	8
SECTION 3.7    EFFECTIVE DATE.....	9
SECTION 3.8    TAX WITHHOLDINGS.....	9
SECTION 3.9    MISCELLANEOUS .....	10
<b>ARTICLE 4 OPTIONS.....</b>	<b>11</b>
SECTION 4.1    GRANTS OF OPTIONS .....	11
SECTION 4.2    EXERCISE PRICE.....	11
SECTION 4.3    VESTING .....	11
SECTION 4.4    EXERCISE OF OPTIONS .....	12
SECTION 4.5    CHANGE OF CONTROL .....	13
SECTION 4.6    TRANSFER AND ASSIGNMENT.....	13
SECTION 4.7    TERMINATION OF SERVICE.....	14
SECTION 4.8    NOTICE .....	15
SECTION 4.9    RIGHTS OF PARTICIPANTS.....	15
SECTION 4.10   RIGHT TO ISSUE OTHER SHARES .....	15
SECTION 4.11   QUOTATION OF SHARES.....	15

**AFRICA OIL CORP.  
STOCK OPTION PLAN**

**ARTICLE 1  
PURPOSE**

**Section 1.1 Purpose**

The purpose of this Plan is to provide the Corporation with a share-related mechanism to attract, retain and motivate qualified Directors and Employees, to reward such Directors and Employees for their contributions toward the long-term goals of the Corporation and to enable and encourage such Directors and Employees to acquire Shares as long-term investments.

**ARTICLE 2  
INTERPRETATION**

**Section 2.1 Defined Terms**

For the purposes of this Plan, the following terms have the following meanings:

- (a) **"Affiliate"** or **"Affiliated"** means, with respect to any specified person, any other person which directly or indirectly through one or more intermediaries controls, or is controlled by, or is under common control with, such specified person (for the purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as used with respect to any person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such person, whether through the ownership of voting securities, by agreement or otherwise);
- (b) **"Associate"** has the meaning specified in Section 1 of the *Securities Act* (Ontario);
- (c) **"Board"** means the Board of Directors of the Corporation or, as applicable, such committee of the Board to which the Board may choose to delegate authority to administer the Plan;
- (d) **"Business Day"** means any day other than a Saturday, Sunday or statutory or civic holiday in the City of Vancouver, British Columbia;
- (e) **"Cause"** (i) if the Participant has a written employment agreement with the Corporation or an Affiliate in which "cause" is defined, "cause" as defined therein; or otherwise (ii) (A) the inability of the Participant to perform his duties due to a legal impediment such as an injunction, restraining order or other type of judicial judgment, decree or order entered against the Participant; (B) any material breach by the Participant of his obligations under any code of ethics, any other code of business conduct or any lawful policies or procedures of the Corporation; (C) excessive absenteeism, flagrant neglect of duties, serious misconduct, or conviction of crime or fraud; and (D) any other act or omission of the Participant which would in law

permit an employer to, without notice or payment in lieu of notice, terminate the employment of an employee;

- (f) **“Change of Control Event”** means:
- (i) the sale to a person, other than a subsidiary of the Corporation, of all or substantially all of the Corporations’ assets;
  - (ii) the acquisition by any person (whether from the Corporation or from any other person) of Shares or other securities of the Corporation having rights of purchase, conversion or exchange into Shares of the Corporation which together with securities of the Corporation held by such person, together with persons acting jointly or in concert with such person, exceeds fifty percent (50%) of the issued and outstanding Shares of the Corporation on a fully diluted basis (i.e. for either test, the purchase, conversion or exchange of such other securities, whether then purchasable, convertible or exchangeable or not, into the highest number of Shares of the Corporation, such person or persons would be entitled to);
  - (iii) the amalgamation or merger of the Corporation with or into any one or more other corporations (other than: (a) an amalgamation or merger of the Corporation with or into a Subsidiary of the Corporation; or (b) an amalgamation or merger of the Corporation unanimously recommended by the Board provided that the former holders of Shares receive, in the aggregate and in their capacities as such, shares of the amalgamated or merged corporation having attached thereto not less than 51% of the votes attached to all shares of such amalgamated or merged corporation);
  - (iv) the election at a meeting of the Shareholders of that number of persons which would represent a majority of the Board as directors of the Corporation, who are not included in the slate for election as directors proposed to the Shareholders by the Board;
  - (v) the completion of any transaction or the first of a series of transactions which would have the same or similar effect as any transaction or series of transactions referred to in subsections (i), (ii), (iii) or (iv) above; or
  - (vi) a reasonable determination by the Board that there has been a change, whether by way of a change in the holding of the Shares, in the ownership of the Corporation’s assets or by any other means, as a result of which any person or group of persons acting jointly or in concert is in a position to exercise effective control of the Corporation;
- (g) **“Consultant”** has the meaning ascribed to that term in National Instrument 45-106 of the Canadian Securities administrators;
- (h) **“Corporation”** means Africa Oil Corp., a corporation existing under the laws of the Province of British Columbia, and includes any successor corporation thereto;

- (i) **“Director”** means any individual holding the office of director of the Corporation;
- (j) **“Disability”** means the inability of a Participant to perform the duties associated with his position for one hundred and eighty (180) consecutive days as a result of his incapacity due to physical or mental illness;
- (k) **“Eligible Person”** means any officer, Director, Employee or Consultant of the Corporation or any of its Affiliates;
- (l) **“Employee”** means any individual regularly employed on a full-time or part-time basis by the Corporation or Affiliate;
- (m) **“Exercise Price”** means the price at which an Option may be exercised as determined in accordance with Section 4.2;
- (n) **“Expiry Date”** means the date determined in accordance with Section 4.4(1) and after which a particular Option cannot be exercised;
- (o) **“Good Reason”** means the occurrence of any of the following events without the Participant’s written consent:
  - (i) Any material adverse change in the Participant’s position, duties, authority or responsibilities;
  - (ii) A reduction by the Corporation in the Participant’s salary or bonus, if applicable;
  - (iii) A material change to the Corporation’s health and welfare benefit plans; and
  - (iv) A change in the Participant’s principal place of employment by a distance of 35 kilometers or more, unless the new principal place of employment is within 35 kilometers of the Participant’s then current residence;
- (p) **“Insider”** means a “reporting insider” as defined in National Instrument 55-104 - *Insider Reporting Requirements and Exemptions*;
- (q) **“Market Price”** means the closing price of the Share on the Stock Exchange on the last trading day immediately prior to the date of the grant of the Option;
- (r) **“Non-Employee-Director”** means any Director of the Corporation or its Affiliates that is not an Employee of the Corporation or its Affiliates;
- (s) **“Option”** means an option to acquire Shares granted to an Eligible Person pursuant to the terms of this Plan;
- (t) **“Option Period”** has the meaning specified in Section 4.4(1);
- (u) **“Participant”** means an Eligible Person to whom Options have been granted and are outstanding;



- (v) “**Plan**” means this Africa Oil Corp. Stock Option Plan (including Appendix “A”), as may be amended from time to time;
- (w) “**Retirement**” means the cessation of the employment of a Participant with the Corporation on or after the date the Participant has attained the age of 60 and completed ten (10) years of continuous service with the Corporation and its subsidiaries, or under other circumstances approved by the Board;
- (x) “**Shares**” means common shares in the capital of the Corporation, and includes any shares of the Corporation into which such shares may be changed, classified, reclassified, subdivided, consolidated or converted from time to time;
- (y) “**Share Compensation Arrangement**” means any stock option, stock option plan, employee stock purchase plan, long-term incentive plan or any other compensation or incentive mechanism of the Corporation involving the issuance or potential issuance of securities of the Corporation from treasury, including without limitation a Share purchase from treasury which is financially assisted by the Corporation by way of a loan, guarantee or otherwise, but does not include any such arrangement which does not involve the issuance from treasury or potential issuance from treasury of securities of the Corporation;
- (z) “**Shareholders**” means the holders of Shares;
- (aa) “**Stock Exchange**” means the Toronto Stock Exchange or, if the Shares are not listed or posted for trading on the Toronto Stock Exchange at a particular date, any other stock exchange on which the majority of the trading volume and value of the Shares are listed or posted for trading;
- (bb) “**Stock Option Certificate**” has the meaning specified in Section 4.1(1);
- (cc) “**Termination Date**” means, in respect of a Participant, such Participant’s last date of actual and active employment with the Corporation or an Affiliate, which date may be determined unilaterally by the Corporation or an Affiliate or by mutual agreement between the Corporation or an Affiliate and the Participant; and
- (dd) “**Withholding Obligations**” has the meaning specified in Section 3.8(1).

## **Section 2.2 Interpretation**

(1) Whenever the Board is to exercise discretion or authority in the administration of the terms and conditions of this Plan, the term “discretion” or “authority” means the sole and absolute discretion of the Board.

(2) In the Plan, words importing the singular shall include the plural and vice versa and words importing any gender include any other gender.

(3) Unless otherwise specified in the Stock Option Certificate, all references to money amounts are to Canadian currency.

(4) As used herein, the terms “Article” and “Section” mean and refer to the specified Article and Section of this Plan, respectively.

(5) The words “including” and “includes” mean “including (or includes) without limitation”.

### **ARTICLE 3 ADMINISTRATION**

#### **Section 3.1 Administration**

- (1) Subject to Section 3.2, this Plan will be administered by the Board.
- (2) Subject to the terms and conditions set forth in this Plan (including **Appendix “A”** hereto), the Board is authorized to provide for the granting, exercise and method of exercise of Options, all on such terms (which may vary between Options granted from time to time) as it determines. In addition, the Board has the authority to (i) construe and interpret this Plan and all agreements entered into under this Plan; (ii) prescribe, amend and rescind rules and regulations relating to this Plan; and (iii) make all other determinations necessary or advisable for the administration of this Plan. All determinations and interpretations made by the Board will be binding on all Participants and on their legal, personal representatives and beneficiaries.
- (3) No member of the Board will be liable for any action or determination taken or made in good faith in the administration, interpretation, construction or application of this Plan, any Stock Option Certificate or any Option granted pursuant to this Plan.

#### **Section 3.2 Delegation to Committee**

Despite Section 3.1 or any other provision contained in this Plan, the Board has the right to delegate the administration and operation of this Plan, in whole or in part, to a committee of the Board and/or to any member of the Board. In such circumstances, all references to the Board in this Plan include reference to such committee and/or member of the Board, as applicable.

#### **Section 3.3 Shares Reserved**

- (1) Subject to Section 3.3(4), the securities that may be acquired by Participants under this Plan will consist of authorized but unissued Shares.
- (2) The Corporation will at all times during the term of this Plan ensure that it is authorized to issue such number of Shares as are sufficient to satisfy the requirements of this Plan.
- (3) The aggregate number of Shares issuable under this Plan shall not exceed 5% of the total number of Shares issued and outstanding from time to time (calculated on a non-diluted basis). Any Shares subject to an Option which has been exercised by a Participant or for any reason is cancelled or terminated without having been exercised, will again be available for grants under this Plan. Fractional shares will not be issued and will be treated as specified in Section 3.9(3).

- (4) If prior to the complete exercise of any Option, there is a change in the issued and outstanding Shares by reason of any stock dividend or split, recapitalization, amalgamation, consolidation, combination or exchange of shares, or other corporate change, the Board will make, with the intent that the rights of Participants under their Options are, to the extent possible, preserved despite the occurrence of such events, and subject where required to the prior approval of the Stock Exchange, appropriate substitution or adjustment in:
- (a) the number or kind of securities of the Corporation (including Shares) reserved for issuance pursuant to this Plan; and
  - (b) the number and kind of securities of the Corporation (including Shares) subject to unexercised Options granted prior to such change and in the Exercise Price of such securities,

without any change in the total price applicable to the unexercised portion of the Option but with a corresponding adjustment in the price for each Share covered by the Option; provided, however, that no substitution or adjustment will obligate the Corporation to issue or sell fractional Shares. If the Corporation is reorganized, amalgamated with another corporation or consolidated, the Board will make such provisions for the protection of the rights of Participants as the Board in its sole discretion deems appropriate.

#### **Section 3.4 Limits with Respect to Insiders**

- (1) Unless the Corporation has received requisite Shareholder approval, under no circumstances shall this Plan, together with all other Share Compensation Arrangements, result, at any time, in:
- (a) the aggregate number of Shares reserved for issuance to Insiders (as a group) at any point in time exceeding 10% of the Corporation's issued and outstanding Shares; and
  - (b) the issuance to Insiders (as a group), within a one-year period, of an aggregate number of Shares exceeding 10% of the Corporation's issued and outstanding Shares.
- (2) Any Option granted to a Participant pursuant to this Plan, or securities issued under any other Share Compensation Arrangement, prior to the Participant becoming an Insider will be excluded for the purposes of the limits set out in (a) and (b) above.
- (3) Despite the foregoing and for greater certainty, Options held by Non-Employee Directors will at all times be limited to no more than 1% of the Shares issued and outstanding from time to time (calculated on a non-diluted basis) and the total annual grant to any one Non-Employee Director under all Share Compensation Arrangements cannot exceed a grant value of \$100,000 and \$150,000 in total equity.

#### **Section 3.5 Amendment and Termination**

- (1) The Board may suspend or terminate this Plan at any time, or from time to time amend or revise the terms of this Plan or of any Option granted under this Plan and any Stock Option

Certificate relating to it, provided that no such suspension, termination, amendment or revision will be made:

- (a) except in compliance with applicable law (including, if applicable, Section 409A, as that term is defined in Appendix "A") and with the prior approval, if required, of the Stock Exchange or any other regulatory body having authority over the Corporation, this Plan or the Shareholders; and
  - (b) in the case of an amendment or revision to this Plan or any Stock Option Certificate, if it would materially adversely affect the rights of any Participant, without the consent of the Participant.
- (2) If this Plan is terminated, the provisions of this Plan and any administrative guidelines and other rules and regulations adopted by the Board and in force on the date of termination will continue in effect as long as any Option or any rights granted pursuant to this Plan remain outstanding and, despite the termination of this Plan, the Board may make such amendments to this Plan or to the terms of any outstanding Options as they would have been entitled to make if this Plan were still in effect.
- (3) Subject to any applicable rules of the Stock Exchange (including, if applicable, Section 409A, as that term is defined in Appendix "A"), the Board may from time to time, in its absolute discretion and without the approval of Shareholders, make any amendments to this Plan or any Option that do not require the approval of Shareholders under Section 3.5(4), including the following:
- (a) amend the vesting provisions of this Plan and any Stock Option Certificate;
  - (b) amend this Plan, any Stock Option Certificate or any Option as necessary to comply with applicable law or the requirements of the Stock Exchange or any other regulatory body having authority over the Corporation, this Plan or the Shareholders;
  - (c) any amendment of a "housekeeping" nature, including, without limitation, to clarify the meaning of an existing provision of this Plan, correct or supplement any provision of this Plan that is inconsistent with any other provision of this Plan, correct any grammatical or typographical errors or amend the definitions in this Plan regarding administration of this Plan; and
  - (d) any amendment respecting the administration of this Plan.
- (4) Shareholder approval is required for the following amendments to this Plan:
- (a) any increase in the maximum number of Shares that may be issuable pursuant to Options granted under this Plan as set out in Section 3.3(3);
  - (b) any reduction in the Exercise Price, cancellation and reissue of options or extension of the Expiry Date of an Option or a substitution of Options with cash or other awards on terms that are more favourable to the Participant;

- (c) any amendment to the Insider participation limit set out in Section 3.4;
- (d) any amendment to Section 3.5(3) and (4);
- (e) any change that would materially modify the eligibility requirements for participation in this Plan;
- (f) any amendment to Section 3.4(3) relating to the grant of Options to Non-Employee Directors; and
- (g) any amendment to Section 4.6.

### **Section 3.6 Compliance with Legislation**

- (1) This Plan, the terms of the issue or grant of, and the grant and exercise of, any Option under this Plan, and the Corporation's obligation to sell and deliver Shares upon the exercise of Options, is subject to all applicable federal, provincial and foreign laws, rules and regulations, the rules and regulations of the Stock Exchange and to such approvals by any regulatory or governmental agency as may, in the opinion of counsel to the Corporation, be required. The Corporation is not obliged by any provision of this Plan or the grant of any Option under this Plan to issue or sell Shares if, in the opinion of the Board, such action would constitute a violation by the Corporation or a Participant of any laws, rules and regulations or any condition of such approvals.
- (2) The Participant agrees to fully cooperate with the Corporation in doing all such things, including executing and delivering all such agreements, undertakings or other documents or furnishing all such information as is reasonably necessary to facilitate compliance by the Corporation with such laws, rule and requirements, including all tax withholding and remittance obligations.
- (3) No Option will be granted, and no Shares issued under this Plan, where such grant, issue or sale would require registration of this Plan or of Shares under the securities laws of any foreign jurisdiction, and any purported grant of any Option or purported issue of Shares under this plan in violation of this provision is void.
- (4) The Corporation has no obligation to issue any Shares pursuant to this Plan unless such Shares have been duly listed, upon official notice of issuance, with the Stock Exchange. Shares issued and sold to Participants pursuant to the exercise of Options may be subject to limitations on sale or resale under applicable securities laws.
- (5) If Shares cannot be issued to a Participant upon the exercise of an Option due to legal or regulatory restrictions, the obligation of the Corporation to issue such Shares will terminate and any funds paid to the Corporation in connection with the exercise of such Option will be returned to the applicable Participant as soon as practicable.

### **Section 3.7 Effective Date**

- (1) The Plan was initially adopted by the Board on February 26, 2016, subject to the acceptance and approval of the Plan by the Stock Exchange and the Shareholders. Any Options granted to Participants prior to the Plan being accepted and approved by Shareholders, shall be subject to such approval and acceptance being given and no such Options may be exercised unless and until such approval and acceptance are given.
- (2) Should any changes to this Plan be required by any securities commission or other governmental body of any jurisdiction of Canada to which this Plan has been submitted or by any stock exchange on which the Shares may from time to time be listed, such changes will be made to this Plan as are necessary to conform with such requests and, if such changes are approved by the Board, this Plan, as amended, will remain in full force and effect in its amended form as of and from that date.

### **Section 3.8 Tax Withholdings**

- (1) Despite any other provision contained in this Plan, in connection with the exercise of an Option by a Participant from time to time, the Corporation may withhold from any amount payable to a Participant, including the issuance of Shares to a Participant upon the exercise of such Participant's Options, such amounts as are required by law to be withheld or deducted as a consequence of his exercise of Options or other participation in this Plan ("**Withholding Obligations**"). The Corporation has the right, in its sole discretion, to satisfy any Withholding Obligations by:
  - (a) selling or causing to be sold, on behalf of any Participant, such number of Shares issued to the Participant on the exercise of Options as is sufficient to fund the Withholding Obligations;
  - (b) retaining the amount necessary to satisfy the Withholding Obligations from any amount which would otherwise be delivered, provided or paid to the Participant by the Corporation, whether under this Plan or otherwise;
  - (c) requiring the Participant, as a condition of exercise pursuant to Section 4.4 to (i) remit the amount of any such Withholding Obligations to the Corporation in advance; (ii) reimburse the Corporation for any such Withholding Obligations; or (iii) cause a broker who sells Shares acquired by the Participant on behalf of the Participant to withhold from the proceeds realized from such sale the amount required to satisfy any such Withholding Obligation and to remit such amount directly to the Corporation; and/or
  - (d) making such other arrangements as the Corporation may reasonably require.
- (2) The Participant further acknowledges that the sale price of the Shares will fluctuate with the market price of the Shares and no assurance can be given that any particular price will be received upon any sale.

### **Section 3.9      Miscellaneous**

- (1) Nothing contained in this Plan will prevent the Board from adopting other or additional Share Compensation Arrangements or compensation arrangements, subject to any required approval.
- (2) This Plan does not grant any Participant or any Employee of the Corporation or its Affiliates the right or obligation to serve or continue to serve as a Consultant, Director, officer or Employee, as the case may be, of the Corporation or its Affiliates. The awarding of Options to any Eligible Person is a matter to be determined solely in the discretion of the Board. This Plan will not in any way fetter, limit, obligate, restrict or constrain the Board with regard to the allotment or issue of any Shares or any other securities in the capital of the Corporation other than as specifically provided for in this Plan. The grant of an Option to, or the exercise of an Option by, a Participant under this Plan does not create the right for such Participant to receive additional grants of Options under this Plan.
- (3) No fractional Shares will be issued upon the exercise of Options granted under this Plan and, accordingly, if a Participant would become entitled to a fractional Share upon the exercise of an Option, or from an adjustment pursuant to Section 3.3(4), such Participant will only have the right to purchase the next lowest whole number of Shares, and no payment or other adjustment will be made with respect to the fractional interest so disregarded.
- (4) The Corporation makes no representation or warranty as to the future market value of the Shares or with respect to any income tax matters affecting the Participant resulting from the grant or exercise of an Option and/or transactions in the Shares. Neither the Corporation, nor any of its directors, officers, employees, Shareholders or agents will be liable for anything done or omitted to be done by such person or any other person with respect to the price, time, quantity or other conditions and circumstances of the issuance of Shares under this Plan, with respect to any fluctuations in the market price of Shares or in any other manner related to this Plan.
- (5) The Board may adopt such rules or regulations and vary the terms of this Plan and any Option issued in accordance with this Plan as it considers necessary to address tax or other requirements of any applicable non-Canadian jurisdiction, including, without limitation, Section 409A (as that term is defined in Appendix "A" hereto).
- (6) Participants (and their legal personal representatives) have no legal or equitable rights, claims, or interest in any specific property or assets of the Corporation or any Affiliate. No assets of the Corporation or any Affiliate will be held in any way as collateral security for the fulfillment of the obligations of the Corporation or any Affiliate under this Plan. Any and all of the Corporation's or any Affiliate's assets are, and remain, the general unpledged, unrestricted assets of the Corporation or Affiliate. The Corporation's or any Affiliate's obligation under this Plan are merely that of an unfunded and unsecured promise of the Corporation or such Affiliate to pay money in the future, and the rights of Participants (and their legal personal representatives) are no greater than those of unsecured general creditors.
- (7) For greater certainty, no amount will be paid to, or in respect of, a Participant under this Plan or pursuant to any other arrangement, and no additional Options will be granted to

such Participant to compensate for a downward fluctuation in the price of the Shares, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose.

- (8) This Plan is established under by the laws of, and the provisions of the Plan shall be interpreted and construed in accordance with, the Province of British Columbia.

## **ARTICLE 4 OPTIONS**

### **Section 4.1 Grants of Options**

- (1) An Option will be evidenced by a stock option certificate ("**Stock Option Certificate**"), signed on behalf of the Corporation, which Stock Option Certificate will be in substantially the form of **Appendix "B"** attached to this Plan, or such other form as the Board may approve from time to time.
- (2) Subject to the provisions of this Plan, the Board has the authority to determine the limitations, restrictions and conditions, if any, in addition to those set forth in Section 3.1(2) and Section 4.3 hereof, applicable to the exercise of an Option. An Eligible Person may receive Options on more than one occasion under this Plan and may receive separate Options on any one occasion.
- (3) The Board may from time to time, in its discretion, grant Options to any Eligible Person upon the terms, conditions and limitations set forth in this Plan and such other terms, conditions and limitations permitted by and not inconsistent with this Plan as the Board may determine, provided that Options granted to any Participant must be approved by the Shareholders if the rules of the Stock Exchange require such approval. Despite the foregoing, no Option will be granted during a black-out period or other trading restriction imposed by the Corporation or any other time when the Board or the Corporation has any material undisclosed information.

### **Section 4.2 Exercise Price**

An Option may be exercised at a price (the "**Exercise Price**") established by the Board, in its sole discretion, at the time that the Option is granted, but in no event can the Exercise Price be less than the Market Price. The Exercise Price is subject to adjustment in accordance with the provisions of Section 3.3(4) hereof.

### **Section 4.3 Vesting**

Options granted pursuant to the Plan shall vest and become exercisable by a Participant at such time or times as may be determined by the Board, in its sole discretion, at the date of the grant of the Option and as indicated in the Stock Option Certificate.



#### **Section 4.4 Exercise of Options**

- (1) The period during which an Option may be exercised (the “**Option Period**”) will be determined by the Board at the time the Option is granted and set out in the Stock Option Certificate in respect of such Option, provided that:
  - (a) all Options expire on the date (the “**Expiry Date**”) set out by the Board on the date of grant and as described in the applicable Stock Option Certificate provided that no Option will be exercisable for a period exceeding five (5) years from the date the Option is granted;
  - (b) Options may not be exercised until they have vested;
  - (c) the Option Period will be automatically reduced in accordance with Section 4.7 below upon the occurrence of any of the events referred to in such section; and
  - (d) no Option in respect of which Shareholder approval is required under the rules of the Stock Exchange will be exercisable until such time as such Option has been approved by the Shareholders.
- (2) Despite any other provision of this Plan, if the Expiry Date of an Option falls on, or within nine (9) Business Days immediately following a date upon which a Participant is prohibited from exercising an Option due to a black-out period or other trading restriction imposed by the Corporation (but, for greater certainty, not a cease trade order or other restriction imposed by any person other than the Corporation), then the Expiry Date of such Option will be automatically extended to the tenth (10<sup>th</sup>) Business Day following the date the relevant black-out period or other trading restriction imposed by the Corporation is lifted, terminated or removed.
- (3) The Exercise Price of each Share purchased under an Option must be paid in full in cash or by bank draft or certified cheque at the time of such exercise, and upon receipt of payment in full, the number of Shares in respect of which the Option is exercised will be duly issued as fully paid and non-assessable.
- (4) Upon the exercise of Options pursuant to this Section 4.4, the Corporation will immediately deliver, or cause the registrar and transfer agent of the Shares to deliver, to the relevant Participant (or his legal or personal representative) or to the order thereof, the number of Shares with respect to which Options have been exercised (subject to Section 3.7(2)).
- (5) Subject to the other provisions of this Plan and any vesting limitations imposed by the Board at the time of grant, Options may be exercised, in whole or in part, at any time or from time to time, by a Participant by written notice given to the Corporation as required by the Board from time to time.
- (6) Except as set forth in Section 4.7, no Option may be exercised unless the Participant is, at the time of such exercise, an Eligible Person of the Corporation or its Affiliates.

#### **Section 4.5 Change of Control**

- (1) Despite any other provision of this Plan, in the event of a Change of Control Event all unvested Options then outstanding will be substituted by or replaced with stock options of the surviving corporation (or any affiliate thereof) or the potential successor (or any affiliate thereto) (the “**continuing entity**”) on the same terms and conditions as the original Options.
- (2) If within 12 months following a Change of Control Event, a Participant’s service, consulting relationship, or employment with the Corporation, an Affiliate or the continuing entity is terminated without Cause, or the Participant resigns from his employment for Good Reason, the vesting of all Options then held by such Participant (and, if applicable, the time during which such Options may be exercised) will, at the discretion of the Board, be accelerated in full.
- (3) If, upon a Change of Control Event, the continuing entity fails to comply with Section 4.5(1) above, the vesting of all then outstanding Options (and, if applicable, the time during which such Options may be exercised) will, at the discretion of the Board, be accelerated in full.
- (4) Despite anything else to the contrary in this Plan, in the event of a potential Change of Control Event, the Board will have the power, in its sole discretion, to modify the terms of this Plan and/or the Options (including, for greater certainty, to cause the vesting of all unvested Options) to assist the Participants in tendering to a take-over bid or other transaction leading to a Change of Control Event. For greater certainty, in the event of a take-over bid or other transaction leading to a Change of Control Event, the Board has the power, in its sole discretion, to permit Participants to conditionally exercise their Options, such conditional exercise to be conditional upon the take-up by such offeror of the Shares or other securities tendered to such take-over bid in accordance with the terms of the take-over bid (or the effectiveness of such other transaction leading to a Change of Control Event). If, however, the potential Change of Control Event referred to in this Section 4.5(1) is not completed within the time specified (as the same may be extended), then despite this Section 4.5(1) or the definition of “Change of Control Event”, (i) any conditional exercise of vested Options will be deemed to be null, void and of no effect, and such conditionally exercised Options will for all purposes be deemed not to have been exercised, and (ii) Options which vested pursuant to this Section 4.5(1) will be returned by the Participant to the Company and reinstated as authorized but unissued Shares and the original terms applicable to such Options will be reinstated.
- (5) If the Board has, pursuant to the provisions of Section 4.5(1), permitted the conditional exercise of Options in connection with a potential Change of Control Event, then the Board will have the power, in its sole discretion, to terminate, immediately following actual completion of such Change of Control Event and on such terms as it sees fit, any Options not exercised (including all unvested Options).

#### **Section 4.6 Transfer and Assignment**

Options are not transferable or assignable by a Participant otherwise than by will or the laws of descent and distribution, and will be exercisable only by a Participant during the lifetime of the Participant and, subject to Section 4.7(1)(c), after death only by the Participant’s legal representative.

#### **Section 4.7 Termination of Service**

- (1) Subject to Section 4.7(2), and except as otherwise determined by the Board in its sole discretion:
  - (a) if a Participant ceases to be an Eligible Person as a result of his resignation from the Corporation without Good Reason, each unvested Option held by the Participant will automatically terminate and become void immediately upon resignation, and each vested Option will cease to be exercisable on the earlier of the original Expiry Date of the Option and thirty (30) days following the Termination Date;
  - (b) if a Participant ceases to be an Eligible Person as a result of his Retirement, each unvested Option held by such Participant will continue to vest for a period of three (3) years from the date of his Retirement and all vested Options held by such Participant will cease to be exercisable on the earlier of the original Expiry Date of the Option and three (3) years from the date of his Retirement, and afterwards each vested Option held by such Participant will cease to be exercisable and all unvested Options will terminate and become void;
  - (c) if a Participant ceases to be an Eligible Person by reason of death, each unvested Option held by such Participant will vest immediately and the legal representative of the Participant may exercise the Participant's Options for the period ending on the earlier of (i) the original Expiry Date of the Option, and (ii) the date that is twelve (12) months following the date of the Participant's death;
  - (d) if a Participant ceases to be an Eligible Person as a result of his Disability, each unvested Option held by such Participant will continue to vest in accordance with the terms of grant of such Option and each vested Option held by such Participant will remain exercisable until the original Expiry Date of the Option;
  - (e) if a Participant ceases to be an Eligible Person as a result of such Participant's service, consulting relationship, or employment with the Corporation or an Affiliate having been terminated for Cause, each Option, whether vested or unvested, held by the Participant will automatically terminate and become void; and
  - (f) if a Participant ceases to be an Eligible Person as a result of such Participant's service, consulting relationship, or employment with the Corporation or an Affiliate having been terminated without Cause or such Eligible Person resigns with Good Reason, each unvested Option held by the Participant will automatically terminate and become void on the Termination Date and each vested Option will cease to be exercisable on the earlier of the original Expiry Date of the Option and ninety (90) days following the Termination Date, unless otherwise determined by the Board, in its sole discretion.
- (2) For the purposes of this Plan, a Participant's employment with the Corporation or an Affiliate is considered to have terminated effective on the last day of the Participant's actual and active employment with the Corporation or Affiliate, whether such day is selected by agreement with the individual, unilaterally by the Corporation or Affiliate and whether with

or without advance notice to the Participant. For the avoidance of doubt, no period of notice, if any, or payment instead of notice that is given or that ought to have been given under applicable law, whether by statute, imposed by a court or otherwise, in respect of such termination of employment that follows or is in respect of a period after the Participant's last day of actual and active employment will be considered as extending the Participant's period of employment for the purposes of determining his entitlement under this Plan.

#### **Section 4.8 Notice**

Any notice required to be given by this Plan must be in writing and be given by registered mail, prepaid postage, or delivered by courier or by facsimile transmission addressed, if to the Corporation, to the office of the Corporation in Vancouver, British Columbia, Attention: Corporate Secretary; or if to a Participant, to such Participant at his address as it appears on the books of the Corporation or in the event of the address of any such Participant not so appearing, then to the last known address of such Participant; or if to any other person, to the last known address of such person.

#### **Section 4.9 Rights of Participants**

No person entitled to exercise any Option granted under this Plan has any of the rights or privileges of a Shareholder in respect of any underlying Shares issuable upon exercise of such Option, including without limitation, the right to participate in any new issue of Shares to existing holders of Shares, until such Option has been exercised and such underlying Shares have been paid for in full and issued to such person. For greater certainty, nothing contained in this Plan nor in any Option granted in accordance with this Plan is deemed to give any Participant any interest or title in or to any Shares or any other legal or equitable right against the Corporation or any of its Affiliates whatsoever other than as set forth in this Plan and pursuant to the exercise of any Option.

#### **Section 4.10 Right to Issue Other Shares**

The Corporation is not by virtue of this Plan restricted in any way from declaring and paying stock dividends, issuing further Shares, or varying or amending its share capital or corporate structure.

#### **Section 4.11 Quotation of Shares**

So long as the Shares are listed on the Toronto Stock Exchange, the Corporation must apply to the Toronto Stock Exchange for the listing or quotation, as applicable, of the Shares issued upon the exercise of all Options granted under this Plan, however, the Corporation cannot guarantee that such Shares will be listed or quoted on the Toronto Stock Exchange.

## **Appendix "A"**

### **SPECIAL APPENDIX to the AFRICA OIL CORP. Stock Option Plan**

#### **Special Provisions Applicable to Eligible Persons Subject to Section 409A of the United States Internal Revenue Code**

This Appendix sets forth special provisions of the Africa Oil Corp. Stock Option Plan (the "**Plan**") applicable to Options that are subject to taxation under the United States Internal Revenue Code of 1986, as amended (the "**Code**"). The following provisions apply notwithstanding anything to the contrary in the Plan, any Stock Option Certificate or any other agreement. All capitalized terms used in this Schedule "A" and not defined herein shall have the meaning attributed to them in the Plan.

#### **Section 1.1 Definitions**

For the purposes of this Appendix:

- (a) "**Section 409A**" means section 409A of the Code and, as applicable, related United States Treasury Regulations; and
- (b) "**US Taxpayer**" means an Eligible Person whose compensation from the Corporation or any of its Affiliates is subject to Section 409A.

#### **Section 1.2 Non-qualified stock options; Exemption from Section 409A.**

- (1) Options granted to US Taxpayers are not intended to satisfy the requirements of Section 422 of the Code as "incentive stock options". Despite any provision of the Plan to the contrary, it is intended that Options granted under the Plan to US Taxpayers be exempt from Section 409A, and all provisions of the Plan will be construed and interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A.
- (2) Each US Taxpayer is solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on or for the account of such US Taxpayer in connection with the Plan (including any taxes and penalties under Section 409A), and neither the Corporation nor any Affiliate (or any officers, employees directors, representatives or advisors thereof) will have any obligation to indemnify or otherwise hold such US Taxpayer (or any beneficiary) harmless from any or all of such taxes or penalties.

#### **Section 1.3 Eligibility**

A US Taxpayer shall only qualify as an Eligible Person if, on the date of grant of an Option, the Corporation will be an "eligible issuer of service recipient stock" (as that term is defined in United States Treasury Regulation section 1.409A-1(b)(5)(iii)(E)(1)) with respect to such US Taxpayer.

#### **Section 1.4 Exercise Price.**

So long as at the time of the grant of an Option the Shares are “readily tradable” (as determined under United States Treasury Regulation section 1.409A-1(b)(5)(iv)(G)), the Exercise Price will be the closing sale price of the Shares reported on the Exchange on which the Shares are listed on the last Business Day on which such Exchange is open for trading prior to the date of grant of such Option, and, if at the time of grant the Shares are not “readily tradable” (as determined under United States Treasury Regulation section 1.409A-1(b)(5)(iv)(G)), the Exercise Price will be determined by the reasonable application of a reasonable valuation method in accordance with United States Treasury Regulation Section 1.409A-1(b)(5)(iv)(B).

#### **Section 1.5 Adjustments; Substitutions; Modifications.**

Options held by US Taxpayers will be (i) adjusted pursuant to Section 3.3(4) or otherwise, (ii) substituted or replaced pursuant to Section 4.5(1) or otherwise, or (iii) modified pursuant to Section 4.5(4) or otherwise only if and to the extent the adjustment, substitution, replacement or modification complies with Section 409A.

#### **Section 1.6 Expiry of Option**

Options granted to US Taxpayers may not be exercised under any circumstances following the earlier of the Expiry Date and the 10<sup>th</sup> anniversary of the date of grant.

#### **Section 1.7 Use of Trust.**

No trust will be established or funded with respect to Options granted to US Taxpayers if such trust would cause such Options to be treated as other than a stock right described in United States Treasury Regulation Section 1.409A-1(b)(5)(i)(A) or (B).

#### **Section 1.8 Amendments.**

The Board retains the power and authority to amend, modify or terminate the Plan (including this Appendix) and any Stock Option Certificate to the extent that the Board, in its sole discretion, deems necessary or advisable to comply with Section 409A. Such amendments, modifications or terminations may be made without the approval of any Participant.

#### **Section 1.9 Not-transferability of Options.**

Except as otherwise set forth in the applicable Stock Option Certificate, no Option or any interest or participation therein may be transferred (other than by will or by the laws of descent and distribution) if such transfer would be treated as a “modification” of such Option for the purposes of the Code.

## Appendix "B"

### STOCK OPTION CERTIFICATE

This Stock Option Certificate is dated this ● day of ●, 20● between Africa Oil Corp. (the "Corporation") and [Name] (the "Optionee").

**WHEREAS** the Optionee has been granted certain options ("Options") to acquire common shares in the capital of the Corporation ("Shares") under the Africa Oil Corp. Stock Option Plan (the "Option Plan"), a copy of which has been provided to the Optionee;

**AND WHEREAS** capitalized terms used in this Agreement and not otherwise defined have the meanings given to them in the Option Plan;

**NOW THEREFORE** for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. The Corporation confirms that the Optionee has been granted Options under the Option Plan on the following basis, subject to the terms and conditions of the Option Plan:

DATE OF GRANT	NUMBER OF OPTIONS	EXERCISE PRICE (CDN\$)/(USD\$)	VESTING SCHEDULE	EXPIRY DATE
●	●	●	●	●

2. Attached to this Stock Option Certificate as Schedule "A" is a form of notice that the Optionee may use to exercise any of his Options in accordance with Section 4.4 of the Option Plan at any time and from time to time prior to the Expiry Date of such Options.
3. By accepting this Stock Option Certificate, the Optionee represents, warrants and acknowledges (i) that he or she has read and understands the Option Plan and agrees to the terms and conditions thereof and of this Stock Option Certificate; (ii) that he or she requested and is satisfied that the foregoing be drawn up in the English language. *Le soussigné reconnaît qu'il a exigé que ce qui précède soit rédigé et exécuté en anglais et s'en déclare satisfait;* (iii) his or her participation in the trade and acceptance of the options is voluntary; and (iv) that he or she has not been induced to participate in the Option Plan by expectation of engagement, appointment, employment, continued engagement, continued appointment or continued employment, as applicable, with the Corporation or its Affiliates.
4. [By accepting this Stock Option Certificate, the Optionee understands and acknowledges that the Shares, and any securities issued in respect of or in exchange for the Shares, may bear one or all of the following legends (in addition to any other legend which may be required by other arrangements between the parties hereto):

- (a) "THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE LAWS, AND MAY NOT BE OFFERED, SOLD, ASSIGNED, PLEDGED, TRANSFERRED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT AND, IF REQUESTED BY THE CORPORATION, UPON DELIVERY OF AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE CORPORATION THAT THE PROPOSED TRANSFER IS EXEMPT FROM THE SECURITIES ACT."
  - (b) Any legend required by the securities laws of any state to the extent such laws are applicable to the Shares represented by the certificate so legended.<sup>1</sup>
5. This Stock Option Certificate is governed by the laws of the Province of British Columbia applicable therein. Time is of the essence of this Stock Option Certificate. This Stock Option Certificate will enure to the benefit of and will be binding upon the parties and their heirs, attorneys, guardians, estate trustees, executors, trustees and administrators and the successors of the Corporation.

IN WITNESS WHEREOF the parties have executed this Stock Option Certificate.

**AFRICA OIL CORP.**

\_\_\_\_\_  
Authorized Signing Officer

\_\_\_\_\_  
Name of Optionee:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
<sup>1</sup> Note to draft: Insert for US Participants.



**SCHEDULE "A"**  
**ELECTION TO EXERCISE STOCK OPTIONS**

**TO: AFRICA OIL CORP. (the "Corporation")**

The undersigned option holder hereby irrevocably elects to exercise options ("**Options**") granted by the Corporation to the undersigned pursuant to a Stock Option Certificate dated ●, 20● under the Africa Oil Corp. Stock Option Plan (the "**Option Plan**") for the number of common shares in the capital of the Corporation ("**Shares**") in accordance with as set forth below.

I hereby elect to exercise my Options in accordance with Section 4.4 of the Option Plan:

Number of Shares to be Acquired: \_\_\_\_\_

Option Exercise Price (per Share): \$ \_\_\_\_\_

Aggregate Purchase Price: \$ \_\_\_\_\_

Amount enclosed that is payable on account of withholding of tax or other required deductions relating to the exercise of the Options (contact the Corporation for details of such amount)(the "**Applicable Withholdings and Deductions**"): \$ \_\_\_\_\_

Or check here if alternative arrangements have been made with the Corporation with respect to the payment of Applicable Withholdings and Deductions;

and hereby tenders cash, a certified cheque or bank draft for such Aggregate Purchase Price, and, if applicable, Applicable Withholdings and Deductions, and directs such Shares to be registered in the name of \_\_\_\_\_.

**DATED** this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name

---

---

## **APPENDIX C – BOARD OF DIRECTORS’ MANDATE**

---

---

*(As approved by the Board of Directors on May 1, 2015)*

The following is a description of the mandate and responsibilities of the Board of Directors (the “Board”) of Africa Oil Corp. (the “Company”):

- a. The principal responsibilities of the Board are to supervise and evaluate management, to oversee the conduct of the Company’s business, to set policies appropriate for the business of the Company and to approve corporate strategies and goals. The Board is to carry out its mandate in a manner consistent with the fundamental objective of enhancing shareholder value.
- b. In discharging its duty of stewardship over the Company, the Board expressly undertakes the following specific duties and responsibilities:
  - i. adopting, supervising and providing guidance on the Company’s strategic planning process including, reviewing on at least an annual basis, a strategic plan which takes into account the opportunities and risks of the Company’s business;
  - ii. identifying the principal risks of the Company’s business and ensuring the implementation of appropriate risk management systems;
  - iii. ensuring that the Company has management of the highest caliber and maintaining adequate and effective succession planning for senior management;
  - iv. placing limits on management’s authority;
  - v. overseeing the integrity of the Company’s internal control and management information systems; and
  - vi. overseeing the Company’s communication policy with its shareholders and with the public generally.
- c. The Board’s independent directors shall meet without management and non-independent directors present on a quarterly basis. If a Lead Director has been appointed, such meetings of the independent directors will be presided over by the Lead Director.

### Outside Advisors and Fulfilling Responsibilities

A director may, with the prior approval of the Chairman of the Board, engage an outside advisor at the reasonable expense of the Company, where such director and the Chairman of the Board determine that it is appropriate in order for such director to fulfill his or her responsibilities, provided that the advice sought cannot properly be provided through the Company’s management or through the Company’s advisors in the normal course. If the Chairman of the Board is not available in the circumstances, or determines that it is not appropriate for such director to so engage outside counsel, the director may appeal the matter to the Corporate Governance and Nominating Committee, whose determination shall be final.



