

# Association of Oil Operators of Chad

## Board of Directors Meeting

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### Agenda

- 2020 Activity and Financial report
- 2021 Plan and Budget
- Simplification of the Association Governance
- Miscellaneous

# Association of Oil Operators of Chad

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### 2020 Activity

- Secured extension of moratorium to YE'21 for CEMAC Forex Regulations
- Raised awareness within the Government and key stakeholders on the concerns associated with the Regulations
- Aligned the Industry on a potential approach in response to the BEAC data request

### 2020 Work-plan Agreed in 2019

- ✘ Leverage our seat at newly established Presidential Council (CPACAT) to progress Industry priorities
  - *No CPACAT activity in light of the pandemic*
- ✓ Continue to address together emerging challenges common to our Industry in particular BEAC & new Petroleum Code
  - *Significant influencing on CEMAC Forex regulations; no activity on new Petroleum Code*
- ✘ Reconsider the need for the Association to be represented in the EITI
  - *No EITI activity in 2020*

# Association of Oil Operators of Chad

## General Assembly Meeting

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### 2020 Financial Report (CFA)

|  |                    |
|--|--------------------|
| <i>Carry-over from 2019</i>  | <b>70,518,285</b>  |
| <i>Expenditures</i>  | <b>-27,694,505</b> |
| • EITI invoices – as approved during the previous General Assembly | -27,694,505        |
| <i>Bank fees &amp; Administrative Costs</i>                        | <b>-41,960</b>     |
| <b>2020 Year-End Balance</b>                                       | <b>42,781,820</b>  |

#### Key Messages:

- 2020 expenditures minimal; planned CPACAT expenditure of 6,000,000 CFA and budget contingency of 3,569,450 CFA not spent
- Continuing to miss 2019 annual membership payment from 1 Member (4,915,552 CFA)

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## Board of Directors Meeting

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### 2021 Plan

- Continue to address together emerging challenges which might be common to our Industry
  - *Seek to resolve BEAC Forex regulations matter; primary strategy is to seek an exemption*
  - *Follow-up as needed and in due course on status of new Petroleum Code*
- If the CPACAT is re-established, leverage our seat to make progress with Oil & Gas Industry Recommendations to the Government
- If the EITI activities resume, reconsider the need for the Association to be represented in the EITI

Note: no CPACAT or EITI provisions in the 2021 Budget

# Association of Oil Operators of Chad

## General Assembly Meeting

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### 2021 Budget (CFA)

#### PROJECTED EXPENDITURES

|   |                   |
|---|-------------------|
| <i>EITI Costs – not paid yet by Association - see back-up on EITI (Dec 17 – Nov 18)</i> | <b>39,900,000</b> |
| <i>Addressing emerging challenges together</i>  | -----             |
| <i>Bank Fees &amp; Administrative Costs</i>   | <b>2,000,000</b>  |
| <i>Contingency (0%)</i>   | -----             |
| <b><i>Total Projected Expenditures</i></b>  | <b>41,900,000</b> |

#### INCOME

|   |                   |
|---|-------------------|
| <i>Carry-over from 2020</i>                 | <b>42,781,820</b> |
| <i>Missing Member contribution for 2019</i> | <b>4,915,552</b>  |
| <b><i>Total Income Expected</i></b>         | <b>47,697,372</b> |

#### Key Messages:

- 2021 projected expenditures are 41.9M CFA; current Association income is 42.8M CFA and projected to increase to 47.7M CFA
- **No budget contribution will be asked from the Members in 2021, except the Member who has not yet paid their 2019 contribution**

# Association of Oil Operators of Chad

## Simplification of the Association Governance

- Association created in 2015
- Sufficient run-time to make adjustments
- Proposed adjustments aim at simplifying the Governance
- Simplifications result in lower running costs for the Members of the Association, without losing benefit of collaboration on common issues

### INTERNAL ASSOCIATION REGULATIONS

RÈGLEMENT INTÉRIEUR DE L'ASSOCIATION DES OPÉRATEURS PÉTROLIERS DU TCHAD  
INTERNAL REGULATIONS OF ASSOCIATION OF OIL OPERATORS OF CHAD

| PREAMBULE  | PREAMBLE   |
|--|--|
| Conformément à l'Article 7 des Statuts, ce règlement intérieur (le « Règlement Intérieur ») a pour objectif de préciser les statuts de l'Association des Opérateurs Pétroliers du Tchad, (ci-après l'« AOPT ») et d'établir des règles administratives sans toutefois remettre en cause la lettre et l'esprit de ces statuts.  | In accordance with Article 7 of the By-laws, the purpose of these Internal Regulations (the "Internal Regulations") is to supplement the By-laws of the Association of Oil Operators of Chad (herein after "AOOC") and establish administrative rules, without violating either the spirit or the letter of these By-laws.   |
| TITRE I - MEMBRES  | TITLE I - MEMBERS  |
| <b>ARTICLE 1 - COMPOSITION DE L'AOPT</b><br>Conformément à l'Article 1 des statuts de l'AOPT (ci-après les « Statuts »), l'AOPT est composée des membres suivants : Membres Fondateurs et Membres Adhérents.   | <b>ARTICLE 1 - COMPOSITION OF AOOC</b><br>Pursuant to Article 9 of the By-laws of AOOC (hereinafter the "By-laws"), AOOC is composed of Founding Members and Associate Members.  |
| <b>ARTICLE 2 - ADMISSION DES NOUVEAUX MEMBRES.</b><br>L'AOPT peut à tout moment accueillir de nouveaux Membres sous réserve qu'ils remplissent les conditions prévues à l'Article 9.2 des Statuts.<br><br>Afin d'obtenir une admission, il est requis d'adresser une demande écrite au président du Conseil d'Administration accompagnée de toutes les informations utiles et des documents auxiliaires sur les conditions définies l'Article 9.2 des Statuts<br><br>Toute demande d'admission est soumise à l'approbation du Conseil d'Administration.<br><br>Le Conseil d'Administration statue lors de chacune de ses réunions sur les demandes d'admission présentées. | <b>ARTICLE 2 - ADMISSION OF NEW MEMBERS</b><br>AOOC may, at any time, admit new Members, provided they fulfill the conditions laid down in Article 9.2 of the By-laws.<br><br>To obtain admission it is required to apply in writing to the Chairman of the board of Directors by providing full information and supporting documents in relation to conditions defined in Article 9.2 of the By-laws.<br><br>Any application for admission is subject to the approval of the Board of Directors.<br><br>The Board of Directors shall act at each of its meetings on applications for admission presented. |
| <b>ARTICLE 3 - PERTE DE LA QUALITE DE MEMBRE</b><br>Conformément aux Articles 13, 14 et 15 des Statuts, la qualité de Membres se perd lorsque :<br><br>- Un Membre exprime par écrit au Président du Conseil d'Administration son désir de se retirer de l'AOPT, avec un préavis d'au moins trente (30) jours ;<br><br>- Un Membre est exclu de l'AOPT dans les conditions prévues aux articles 14 et 15 des statuts. L'exclusion peut être prononcée par le Conseil d'Administration seulement après avoir entendu les explications du Membre contre lequel une procédure d'exclusion est   | <b>ARTICLE 3 - TERMINATION OF MEMBERSHIP</b><br>In accordance with Articles 13,14 and 15 of the By-laws, the membership shall terminate when:<br><br>- A Member expresses its wish to withdraw from AOOC, in writing to the Chairman of the Board of Directors, with at least thirty (30) days advance notice;<br><br>- A Member is excluded from AOOC pursuant to Articles 14 and 15 of the By-laws. Exclusion may be decided by the Board of Directors only after hearing explanations of that Member being subject to a removal procedure.  |

A N'Djamena, le 30 septembre 2015

N'Djamena, September 30, 2015

|  |  |
|--|--|
| Esso Exploration Production and Chad Inc.                | Société des Hydrocarbures du Tchad (« SHT »)             |
| Christian Lenoble<br>Directeur Général / General Manager | Ngoté Gali Koutou<br>Directeur Général / General Manager |
| Petrochad (Mangara) Limited                              | CNPC International (Chad) Co. Ltd                        |
| Franck Beausaert<br>Directeur Général / General Manager  | Li Shuliang<br>Directeur Général / General Manager       |

### BY-LAWS OF THE ASSOCIATION

STATUTS DE L'ASSOCIATION DES OPÉRATEURS PÉTROLIERS DU TCHAD –  
BY-LAWS OF THE ASSOCIATION OF OIL OPERATORS OF CHAD

| CHAPITRE I - L'ASSOCIATION  | CHAPTER I - THE ASSOCIATION   |
|---|---|
| <b>ARTICLE 1. FORME ET DENOMINATION</b><br>Il est créé entre les signataires des présents Statuts une association dénommée « Association des Opérateurs Pétroliers du Tchad », (ci-après « AOPT »). L'AOPT est une association à but non lucratif réunissant des opérateurs de l'industrie de l'exploration et de la production de pétrole au Tchad. L'AOPT est régie par l'Ordonnance n°27 du 28 juillet 1962 et le Décret n°165 INT/SUR du 25 août 1962 portant modalités d'application de l'ordonnance du 28 juillet 1968 portant réglementation des associations à but non lucratif.  | <b>ARTICLE 1. NAME AND NATURE</b><br>An association named "Association of Oil Operators of Chad (herein after "AOOC") is hereby created by the parties to these By-laws. AOOC is a non-profit association which is made up of operators in the oil exploration and production industry in Chad. AOOC is regulated by Ordinance n°27 of July 28, 1962 and Decree n°165 INT/SUR of August 25, 1962 laying down detailed rules for the implementation of ordinance of July 28, 1968 applicable to non-profit associations.   |
| <b>ARTICLE 2. SIEGE</b><br>Le siège de l'AOPT est fixé à N'Djaména (Tchad). Il peut être transféré en tout autre endroit sur simple décision du Conseil d'Administration.   | <b>ARTICLE 2. REGISTERED OFFICE</b><br>AOOC's registered office is located at N'Djamena (Chad). Registered office may be transferred to any other location by the sole decision of the Board of Directors.  |
| <b>ARTICLE 3. DUREE</b><br>La durée de l'AOPT est illimitée.  | <b>ARTICLE 3. DURATION</b><br>AOOC is created for an unlimited period of time.  |
| <b>ARTICLE 4. OBJET</b><br>1. L'AOPT est créée afin de promouvoir la coopération entre ses Membres en identifiant les enjeux et problèmes d'intérêt commun pour l'industrie pétrolière du Tchad et en identifiant les stratégies applicables pour traiter ces problèmes dans le cadre d'un processus collaboratif.<br>2. En poursuivant ces objectifs, l'AOPT s'abstiendra d'entreprendre quelque action que ce soit qui pourrait être considérée comme illégale ou non éthique en vertu d'une loi applicable ou d'un standard international communément accepté ou qui pourrait nuire à l'intérêt individuel ou collectif de ses Membres.<br>3. Dans toutes les activités et actions de l'AOPT, ses règles, recommandations et pratiques, le Président et les Membres de l'AOPT doivent respecter strictement toute exigence légale nationale ou internationale relative à la concurrence ou à la lutte contre la corruption en vigueur. | <b>ARTICLE 4. PURPOSE</b><br>1. The purpose of AOOC is to promote cooperation among its Members in identifying concerns and issues of common interest for the petroleum industry in Chad and identifying applicable strategies for addressing such issues, by means of a collaborative process.<br>2. In pursuing its purposes, AOOC shall not do anything that may be considered illegal or unethical under any applicable law or commonly agreed international standard or that may adversely impact individual or collective interests of its Members.<br>3. In all AOOC activities and in all their actions relating to AOOC, its rules, recommendations, and practices, the Chairman and Directors of AOOC shall maintain strict compliance with all national and international competition and anti-corruption applicable legal requirements. |
| <b>ARTICLE 5. VALEURS ET PRINCIPES</b><br>L'AOPT poursuivra les objectifs ci-dessus en  | <b>ARTICLE 5. VALUES AND PRINCIPLES</b><br>AOOC shall pursue the objectives above consistent  |

A N'Djamena, le 30 septembre 2015

N'Djamena, September 30, 2015

|  |  |
|--|--|
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# Association of Oil Operators of Chad

## Simplification of the Association Governance – Before & After

|                                      | Before   | Proposed  |
|--------------------------------------|--|---|
| Governance                           | <ul style="list-style-type: none"> <li>• Officers and controlling bodies               <ul style="list-style-type: none"> <li>- Board of Directors (composed of 4 to 6 Directors representing members)</li> <li>- Chairman of the Board                   <ul style="list-style-type: none"> <li>▪ Managing officer – may act in the name of the Association</li> <li>▪ Elected amongst Directors</li> <li>▪ Office of 1 year, renewable</li> </ul> </li> <li>- Treasurer</li> <li>- General Secretary</li> </ul> </li> <li>• The designation of officers follows an election process</li> </ul> | <ul style="list-style-type: none"> <li>• Creation of a President position which replaces the Chairman of the Board of Directors</li> <li>• The President is the only managing officer and has the authority to represent and act in the name of the Association</li> <li>• Term of the President office: 5 years /renewable once (and more if members are unanimously supportive)</li> <li>• Elimination of all other officers positions and controlling bodies including the Board of Directors, the General Secretary and the Treasurer</li> <li>• The General Assembly remains - Composed of all active members</li> </ul> |
| Membership Changes                   | <ul style="list-style-type: none"> <li>• New members admitted by the Board of Directors</li> <li>• Removal of a member is decided by the Board of Directors - Removal decision may be appealed before the General Assembly</li> </ul>  | <ul style="list-style-type: none"> <li>• New members are admitted by the President on a provisional basis, which is subject to the ratification of the General Assembly</li> <li>• Removal of a member is subject to the Approval of the General Assembly, which is not appealable</li> </ul>   |
| Budget & Expenditures                | <ul style="list-style-type: none"> <li>• Annual budget and membership fees to be set and approved by the General Assembly irrespective of the planned activity level</li> </ul>  | <ul style="list-style-type: none"> <li>• The adoption of an annual budget and the payment of annual membership fees are no longer required but may be proposed by the President depending on the planned activity level</li> <li>• Expenses shall be funded by Members prior to making any payment</li> </ul>   |
| Financial Authority of the President | <ul style="list-style-type: none"> <li>• ≤ 1 M CFA per expense – dual signature of the Treasurer and the Chairman of the Board for expenses in excess of 1M CFA</li> </ul>   | <ul style="list-style-type: none"> <li>• 5M CFA per expense &amp; 15M CFA /year</li> </ul>  |

# Back-up

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# EITI Invoice (not yet paid by Association)



## ESSO EXPLORATION AND PRODUCTION CHAD INC.

SUCCURSALE DE N'DJAMÉNA - R.C. 6 / B / 77

B.P. 694 N'DJAMÉNA  
RÉPUBLIQUE DU TCHAD  
TEL: (235) 22 52 21 47  
(235) 22 52 33 04  
(235) 22 52 50 64  
FAX: (235) 22 52 47 90  
TEL: 041 372 941 402

NIF 600002755

Invoice # 02/ESSO/2019

Date: January 31, 2019

To: ASSOCIATION OF OIL OPERATORS OF CHAD (AOOC)  
PO BOX 1219 NDJAMENA CHAD  
Téi: (+235) 66 29 61 06

| Description                                     | Date       | Amount in XAF     |
|---|------------|-------------------|
| Invoice # 8. Service delivery for ITIE in Chad  | Dec. 2017  | 4,200.000         |
| Invoice # 9. Service delivery for ITIE in Chad  | Jan. 2018  | 2,800.000         |
| Invoice # 10. Service delivery for ITIE in Chad | Feb. 2018  | 3,500.000         |
| Invoice # 11. Service delivery for ITIE in Chad | March 2018 | 2,800.000         |
| Invoice # 12. Service delivery for ITIE in Chad | April 2018 | 3,500.000         |
| Invoice # 13. Service delivery for ITIE in Chad | May 2018   | 4,200.000         |
| Invoice # 14. Service delivery for ITIE in Chad | June 2018  | 5,600.000         |
| Invoice # 15. Service delivery for ITIE in Chad | July 2018  | 1,400.000         |
| Invoice # 16. Service delivery for ITIE in Chad | Sept. 2018 | 4,200.000         |
| Invoice # 17. Service delivery for ITIE in Chad | Oct. 2018  | 4,200.000         |
| Invoice # 18. Service delivery for ITIE in Chad | Nov. 2018  | 3,500.000         |
| <b>TOTAL in XAF1</b>                            |            | <b>39,900.000</b> |

Total invoice amount in XAF 39,900,000 (Thirty Nine Million Nine Hundred Thousand)

Please remit the total amount within 30 days after receipt the invoice to the following bank Account:

Bank Name: Commercial Bank Tchad  
Customer Name: ESSO EXPLOR PROD CHAD INC.  
Account Number: 60003 00020 37100217102- 68  
SWIFT: CBTNTDND

Mary Ellen Baker  
Business Services Manager and Controller