MAUREL & PROM

UNIVERSAL REGISTRATION DOCUMENT

INCLUDING THE ANNUAL FINANCIAL REPORT

2019

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Maurel & Prom is an oil and gas exploration and production company listed on the Euronext Paris regulated market.

With a history of almost two centuries, Maurel & Prom has, both at its headquarters in Paris and in its subsidiaries, a solid technical expertise and a long operational experience, especially in Africa. The Group has a portfolio of high-potential assets focused on Africa and Latin America, consisting of both production assets and opportunities in the exploration or appraisal phase. The Group also holds a 20.46% stake in Seplat, one of Nigeria's main operators that is listed on the stock exchanges of London and Lagos.

PROFILE

Maurel & Prom also has financial support from its majority shareholder, the Indonesian national oil company Pertamina.

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

This Universal Registration Document has been filed on 30 April 2020 with the AMF, as competent authority under Regulation (EU) 2017/1129, without prior approval pursuant to Article 9 of the said regulation. The Universal Registration Document may be used for the purposes of an offer to the public of securities or admission of securities to trading on a regulated market if completed by a securities note and, if applicable, a summary and any amendments to the Universal Registration Document. The whole is approved by the AMF in accordance with Regulation (EU) 2017/1129.

Message from the Chairman

Aussie B. Gautama
Chairman of the Board of Directors

"Against this background of strong activity, our key health, safety and environmental indicators are progressing."

Dear shareholders,

Fiscal year 2019 saw a combination of operational performance, strong financial results and a return to exploration for the Group.

Results for the year, with sales of US$504 million despite a 2% decrease in sale price (US$67.2/bbl in 2019, versus US$68.8/bbl in 2018), reflected the increase in our production, in particular in Gabon, which reached 27,340 boepd over 2019.

Exploration campaigns in France, Sicily and Gabon also set the pace over the past year.

Against this background of strong activity, our key health, safety and environmental indicators are progressing. Supported by this continuous improvement approach, the Group has been rewarded for its efforts firstly with the issuance of ISO 45001 certification for health and safety in the workplace and ISO 14001 certification for its environmental management system, and secondly with its CDP A- grade for the second year in a row, which demonstrates M&P's commitment to reducing its carbon footprint.

Fiscal year 2020 remains uncertain due to the Covid-19 pandemic and its impact on the global economy. Oil prices have collapsed due to a decline in the global demand for oil and the tense geopolitical context between Russia and Saudi Arabia.

A full set of measures has been implemented since the beginning of the pandemic to maintain and ensure the safety of our employees and guarantee business continuity. Moreover, considering the current economic turmoil, the Management Committee, under the leadership of its Chief Executive Officer, Olivier de Langavant, has already completed a full review of the Group's investments and has implemented a major cost reduction action plan aimed at protecting our cash flow generation and liquidity.

Thanks to the strength of our business model, the flexibility in our debt management provided by the signing in mid-March of amendments to our credit facilities, and the reiterated support of our majority shareholder Pertamina International E&P, we are well prepared to continue to create value for our shareholders in the medium term.

Lastly, allow me to wish all of us Health, Safety and Prosperity in this challenging year.

Chief Executive Officer interview

Olivier de Langavant
Chief Executive Officer

You have been head of M&P since 1 November 2019. What's your perception of the Group?

Maurel & Prom has many strengths, not least the know-how, expertise and skills of its employees. Their commitment and motivation stand at the heart of our industrial adventure. This capital, combined with our flexible organisational structure, offers us a level of pragmatism, responsiveness and agility that is unsurpassed in our sector. Our other strength is our asset portfolio. Our high-quality oil and gas assets, which have moderate costs despite a certain degree of maturity, provide a good balance between production and exploration activities.

However, I can see that we need to optimise our operating procedures and adjust our management culture if we are to have the means to achieve profitable and sustainable growth.

How would you sum up the 2019 fiscal year?

A year that was marked by operational performance in line with our budget and our objectives. Despite a 2% drop in sale price to $67.2/bbl, sales were up 14% to $504 million. Operating cash flow before change in working capital was up 35% to $263 million and EBITDA stood at $286 million, up 17%.

Our cash position at the end of 2019 amounted to $231 million while our financial liquidity was strengthened through the signature in March 2020 of two amendment agreements aimed at re-profiling the repayment of our two debt facilities.

These figures reflect the improvement in our production to 27,340 boepd, particularly in Gabon (up 22%) where the technical measures we implemented were able to resolve last year's routing problems. In addition, on 1 August 2019 we consolidated our production in blocks 3/05 and 3/05A in Angola, which in Q4 2019 came in at 4,415 boepd for M&P's working interest (20%).

Operational momentum is strong, too, with all the exploration campaigns being conducted in Gabon, France and Sicily.
In southern Gabon, we spudded the Kama-1 well and although it didn't lead to a commercial test, it nevertheless demonstrated the region's oil potential and provided us with additional data

that will be key to potentially pursuing operations in this sector. In France, two wells were drilled in spring 2019 and a long-term production test will be carried out on them in the second quarter of 2020.

What are your commitments in terms of corporate social responsibility?

The culture of Corporate Social Responsibility is one of Maurel & Prom's fundamental principles. It is reflected in particular in our quest for operational excellence, which we advocate at every level of the Group. It involves strengthening our EHS-S standards on a daily basis and being a model of governance.

"A year that was marked by operational performance in line with our budget and our objectives."

Safety is my priority. It's the number-one concern and we can't exercise our profession without it; the notion of responsibility is as much individual as it is collective. It's also a question of leadership, which is why we have focused our efforts on improving our EHS-S management system. At the end of 2019, we obtained ISO 45001 certification for health and safety and ISO 14001 certification for our environmental management system.

Our sustainable development goals are clear: we want to be a long-term partner and investor, contribute to local development, continuously improve our EHS-S performance, guard against and manage local environmental impacts, manage climate risks and, last but not least, promote the Maurel & Prom Group's Principles of Conduct.

I firmly believe that this responsible, sustainable approach, which involves listening to our stakeholders, is an intrinsic part of what will drive the Group's growth.

What are your priorities for the future?

In addition to our operational priorities, improving our operating procedures on an ongoing basis remains key. This means having a shared strategic vision, a strong team spirit and well-defined processes. It also means establishing an active, close-knit and empowered Management Committee and a validation committee for all investment decisions. We're currently preparing a long-term plan with our various entities to ensure that our decisions have a solid basis and are economically sound.

We begin 2020 surrounded by uncertainties created by the Covid-19 outbreak. Our absolute priority is to guarantee the health and safety of our employees. For instance, staff should work from home whenever possible, but we are proactively implementing strict protective measures at our offices when working from home is not possible. This includes checks at entrances, social distancing measures, and stricter hygiene and disinfection practices.

Operations are continuing at our production sites, again with stricter self-distancing and prevention measures.

On the economic front, we launched a major adaptation plan as soon as the crisis began, based on rigorous financial discipline. Specifically, for operated assets we're looking to reduce operating expenses by more than 20% and G&A by more than 15% (equivalent to $25 million to $30 million in savings on an annualised basis), and for development capex, we're targeting a reduction of almost 60%, taking it down to $50 million from $130 million initially planned in the 2020 budget.

Lastly, we're paying close attention to the valuation of our existing assets, in particular those most recently acquired (in Venezuela and Angola), which should also begin contributing to our net income and cash flow.

While any significant M&A activity is not among our priorities in the current circumstances, we continue to watch for more-limited opportunities that may arise in the market.

Board of Directors

Aussie B. Gautama
Chairman

Nathalie Delapalme
Independent Director

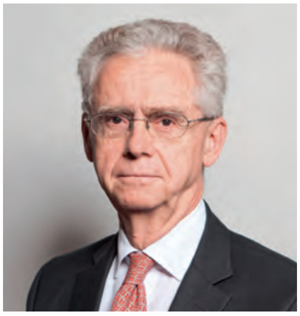
Carole Delorme d'Armaillé
Independent Director

Roman Gozalo
Independent Director

Denie S. Tampubolon
Director

Ida Yusmiati
Director

Management Committee



Olivier de Langavant
Chief Executive Officer

Reservoir engineer by background; joined M&P in November 2019.

Over 35 years at French major Total within the exploration and production division, and held key managing positions, including head of Myanmar, head of Angola, Senior VP for Finance, Economics & Information Systems, Senior VP for Strategy, Business Development and R&D, and finally Senior VP for Asia-Pacific.

Member of Total's group Management Committee from 2012 to 2016.

Philippe Corlay
Chief Operating Officer

Andang Bachtiar
Exploration Manager

Olivier Poix
Commercial Manager

Patrick Deygas
Chief Financial Officer

Pablo Liemann
Business Development Manager

Alain Torre
Company Secretary

Special committees

Audit Committee

The Audit Committee assists the Board of Directors so that it has the information and resources needed to ensure the effectiveness of internal controls and the reliability of the financial information provided to shareholders and the financial markets.

Roman Gozalo
Chairman, independent director

Nathalie Delapalme
Independent director

Ida Yusmiati
Director

Risk Observatory

Working with the Audit Committee, the Risk Observatory monitors the effectiveness of the Group's internal control and risk management systems.

Carole Delorme d'Armaillé
Chairman, independent director

Nathalie Delapalme
Independent director

Roman Gozalo
Independent director

Ida Yusmiati
Director

Appointments and Remuneration Committee

The main purpose of the Appointments and Compensation Committee is to:

- review the executive compensation policies implemented within the Group (amount of fixed compensation and methods for determining variable compensation);
- assess the performance of corporate officers and recommend compensation levels; and
- prepare any report that the Group is required to present on these matters.

Nathalie Delapalme
Chairman, independent director

Roman Gozalo
Independent director

Denie S. Tampubolon
Director

M&P key figures

EHS-S

0
Number of Fatalities (FAT)

0.45
Lost Time Injury Frequency (LTIF)

2.70
Total Recordable Injury Rate (TRIR)

FINANCES

$263m
Operating cash flow before change in working capital

$504m
Sales

$286m
EBITDA

$70m
Operating income

$231m
Cash position at 31/12/2019

67.2 $/b
Average sale price of oil

OPERATIONS

192 mmboe
2P reserves for M&P's working interest

27,340 boepd
Total production (M&P's working interest)

24,785 bopd
Operated oil production in Gabon

70.3 mmcfd
Operated gas production in Tanzania

Key dates

MAUREL & PROM

1831

Creation of Maurel & Prom, an operator of shipping lines between France and West Africa

2001

Discovery of the M'Boundi field in Congo

2004/2005

Entry into Gabon and Tanzania

Entry into Colombia and Venezuela through the purchase of Hocol

2006/2007

Discovery of Onal in Gabon and Ocelote in Colombia

Sale of M'Boundi and Kouakouala to ENI in Congo

Entry into Peru

2008/2009

Sale of Hocol Colombia to Ecopetrol

2010

Entry into Nigeria with Seplat

2011

Spin-off of Maurel & Prom Nigeria (MPN), later renamed MPI

Sale of M&P Venezuela

2013

Sale of Sabanero in Colombia

Entry into Canada

2014

Signature of a new production sharing agreement (PSA) at Ezanga in Gabon[1]

Signature of a gas sale agreement in Tanzania

2015

Merger-absorption of MPI

2016

Launch of Pertamina Group's takeover bid for M&P shares

2017

Closing of the takeover bid by the Pertamina Group (72.65% of M&P)

Refinancing of M&P's entire debt

2018

Entry into Angola

Acquisition of Shell's stake in the Urdaneta West field in Venezuela

2019

First volumes traded by M&P Trading

Return to exploration: Gabon, France, Sicily

(1) Exploration and Production Sharing Agreement.

Business model

NATURAL RESOURCES

- Historical presence in **Africa** and Latin **America**
- Presence (direct or indirect) in **10 countries**
- **192 mmboe** 2P reserves for M&P's working interest
- Experience and portfolio of both oil and gas assets
- **Growth potential** thanks to a rich portfolio of exploration and appreciation assets

PEOPLE

- **763 employees** across Africa, Europe and Latin America
- **Trained workforce** with relentless focus on EHS-S
- **90% local employees** in operating subsidiaries in Gabon and Tanzania
- **70% technicians and engineers** 30% support

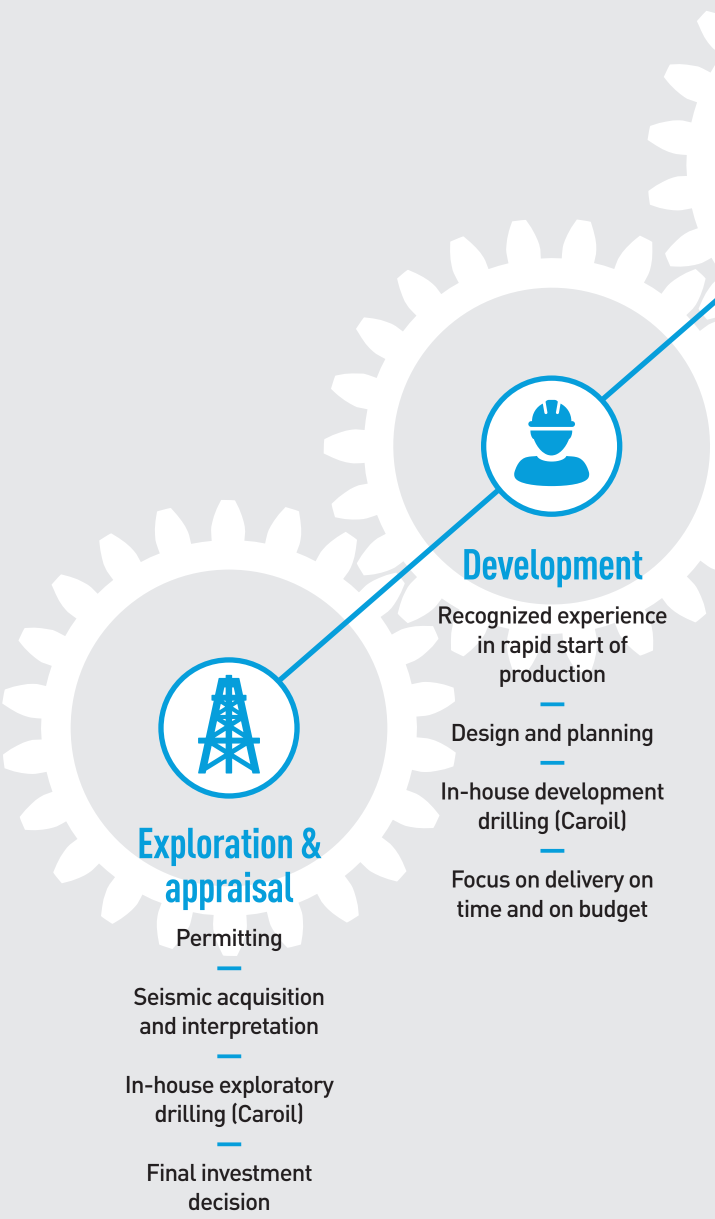
COMPETENCES

- Exploration track record with **2 major oil discoveries** in Congo basin over the last 15 years (M'Boundi, Onal)
- **Proven development expertise** in a variety of environments: Congo, Gabon, Colombia, Nigeria, Tanzania
- Experienced operator, with **current production capacity in excess of 35,000 boepd** (25,000 bopd in Gabon and 80 mmcfd in Tanzania)
- **M&A expertise**, with two transactions finalized in the past two years

FINANCIAL CAPITAL

- Backing of Indonesian national oil company **Pertamina**
- More than **25,000 retail shareholders**
- **Favourable financing conditions**, with cost of debt (Libor +1.5%) significantly below peers

Explore, develop and



operate

Portfolio management

Production optimization and further reserves development

—

Partial or complete monetisation: farm-out, straight sale, IPO

Production

Operatorship preferred

—

Focus on production growth and cost control

—

Committed to highest EHS-S standards

—

Maximising value *via* own trading platform

Key competences and strengths

- In-depth knowledge of sub-Saharan Africa and Latin America
- Experience in both oil and gas operations
- Financial support of the Pertamina group

VALUE CREATION FOR ALL STAKEHOLDERS

HOST COUNTRIES

- Contributing to local economy
- $171m contributions paid in 2019

LOCAL COMMUNITIES

- 300 indirect jobs generated by M&P activity in Gabon
- 15 social projects conducted to date by M&P in Tanzania (11 schools, 1 dispensary, roads, etc.)
- Group contractual commitments to local communities: $7m in 2019

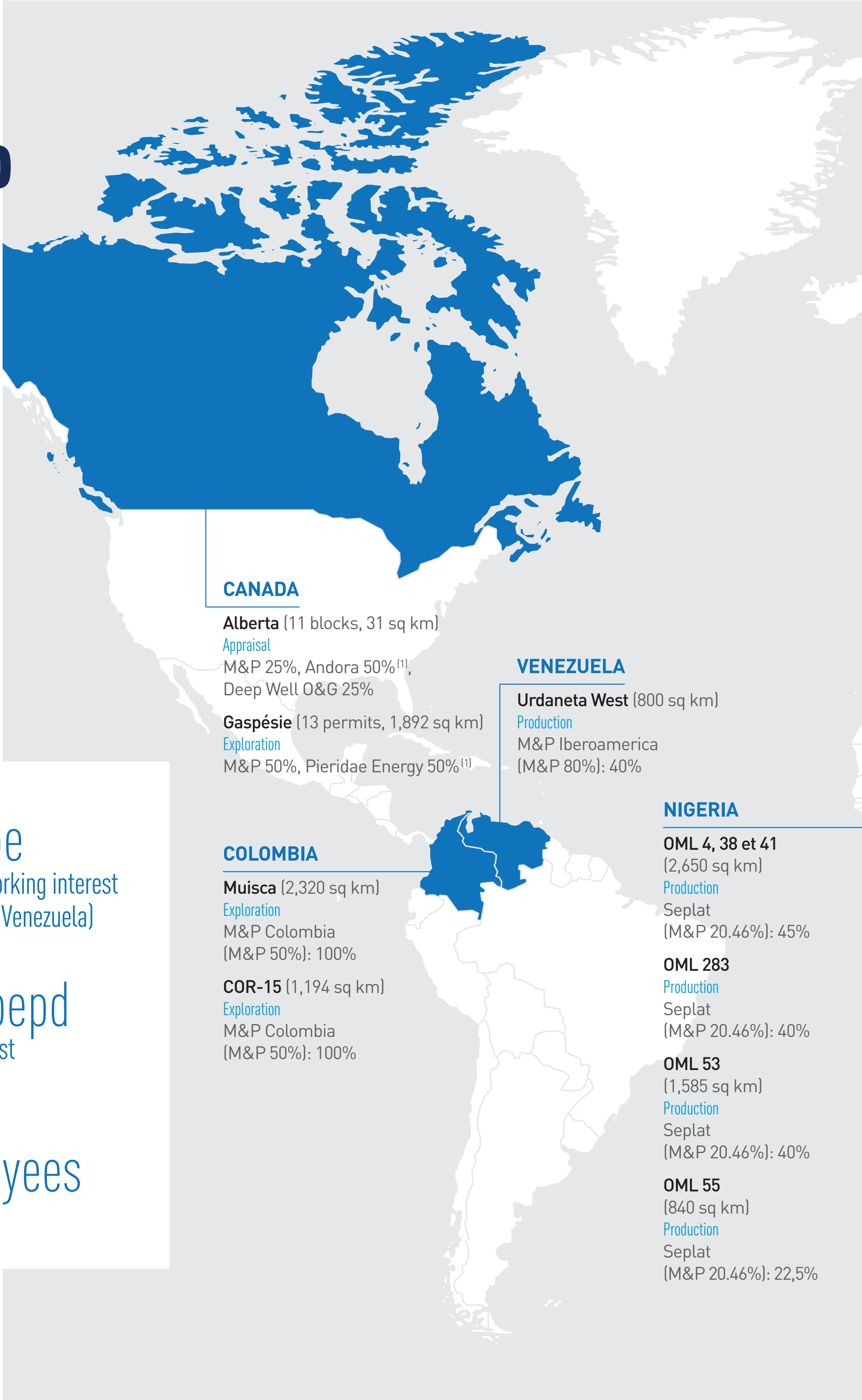
EMPLOYEES

- ISO 45001 (health and safety) and ISO 14001 (environmental management) certifications obtained early 2020
- More than 10,000 hours of external and internal training for Group employees in 2019
- $84m paid in employee compensation in 2019

SHAREHOLDERS

- Delivering growth as the international development platform of Pertamina
- 17% increase in EBITDA in 2019
- Finalization and integration in 2019 of the 20% stake in Blocks 3/05 and 3/05A in Angola
- Dividend payment in 2019
- A- score obtained on the CDP Climate questionnaire in 2019

Assets portfolio



CANADA

Alberta (11 blocks, 31 sq km)
Appraisal
M&P 25%, Andora 50%[1], Deep Well O&G 25%

Gaspésie (13 permits, 1,892 sq km)
Exploration
M&P 50%, Pieridae Energy 50%[1]

VENEZUELA

Urdaneta West (800 sq km)
Production
M&P Iberoamerica (M&P 80%): 40%

COLOMBIA

Muisca (2,320 sq km)
Exploration
M&P Colombia (M&P 50%): 100%

COR-15 (1,194 sq km)
Exploration
M&P Colombia (M&P 50%): 100%

NIGERIA

OML 4, 38 et 41 (2,650 sq km)
Production
Seplat (M&P 20.46%): 45%

OML 283
Production
Seplat (M&P 20.46%): 40%

OML 53 (1,585 sq km)
Production
Seplat (M&P 20.46%): 40%

OML 55 (840 sq km)
Production
Seplat (M&P 20.46%): 22,5%

192 mmboe
2P reserves for M&P's working interest at 31/12/2019 (excluding Venezuela)

27,340 boepd
M&P total working interest production in 2019

763 employees
of which 90% in Africa

(1) Operator.

A portfolio of high-potential assets focused on Africa and Latin America

FRANCE

Mios (60 sq km)
M&P 100%

ITALY

Fiume Tellaro (750 sq km)
M&P 100%

GABON

Ezanga (5,608 sq km)
Production
M&P 80%[1], Tullow 7.5%, Gabonese Republic 12.5%
Exploration
M&P 91%[1], Tullow 9%

Kari (2,659 sq km)
Exploration
M&P 100%

Nyanga-Mayombé (2,831 sq km)
Exploration
M&P 100%

TANZANIA

Bigwa-Rufiji/ Mafia (12,025 sq km)
Exploration
M&P 60%[1]

Mnazi Bay (756 sq km)
Exploration
M&P 60%[1], Wentworth 40%
Development/Production
M&P 48.06%[1], Wentworth 31.94%, TPDC 20%

ANGOLA

Bloc 3/05 (23 sq km)
Production
M&P 20%, Sonangol P&P 50%, ENI 12%, Somoil 10%, NIS 4%, INA 4%

Bloc 3/05A (83 sq km)
Appraisal
M&P 20%, Sonangol P&P 25%, China Sonangol 25%, ENI 12%, Somoil 10%, NIS 4%, INA 4%

NAMIBIA

PEL-44 (5,122 sq km)
Exploration
M&P 42.5%[1], AziNam 42.5%, National Petroleum Corporation of Namibia 8%, Livingstone Mining Resource Development 4%, Frontier Mineral Resources 3%

PEL-45 (17,133 sq km)
Exploration
M&P 42.5%[1], AziNam 42.5%, National Petroleum Corporation of Namibia 8%, Livingstone Mining Resource Development 4%, Frontier Mineral Resources 3%

Sustainable development priorities

To be a long-term partner and investor

As an oil and gas operator, the Maurel & Prom Group has a mission to develop the potential natural resources entrusted to it by its host countries in a way that respects people and the environment.

The daily local business of an operator consists in achieving industrial and financial objectives, ensuring the health, safety and security of people and property, protecting the environment, contributing to the development of the areas that host its activities, and being a model of governance in keeping with the agreements entered into with its host countries.

To contribute to local development on a long-term basis

With regard to local development, the Group's contribution is rooted in the regions in which it operates, with 85% of the Group's workforce recruited locally and directly. Support for the local economy is also substantial, with more than 84% of the purchases made by the Gabonese and Tanzanian subsidiaries coming from local companies, and 50% for Caroil Gabon.

With regard to populations living near its operations, which are located in non-urbanised areas with no basic infrastructure, the Group finances and runs local economic and social development projects. In 2019, the Group's annual contractual commitments to local communities, excluding local jobs, totalled $7.6 million.

Whenever possible, local residents are given priority for jobs, whether temporary (civil engineering) or permanent (HTM drilling, green space maintenance, catering, environment-related tasks, waste sorting), at the subsidiaries or at their subcontractors. In 2019 in Gabon, 302 people living in villages near the Onal, Coucal and Kari sites were given temporary or permanent jobs (versus 436 people in 2018).

To improve EHS-S performance on an ongoing basis

Protecting the health and safety of people and safeguarding the environment are the Group's top priority. In 2019 the Group recorded two lost-time injuries among contractors, down from five in 2018 against a backdrop of equipment upgrades and drilling team turnover and build-up.

At 31 December 2019, the Group had recorded 328 successive days without lost-time injuries.

At the end of 2019, a total of 60 positions had been allocated to health, safety, security and the environment.

To prevent, manage and repair local environmental impacts

Throughout the project development cycle and up until the assets are returned to the authorities, the Group provides the human and financial resources needed to prevent and clean up pollution. It also assesses and funds the cost of site remediation.

In 2019, the Group recorded three minor crude oil spills in Gabon, versus five in 2018, all of which resulted in a complete clean-up of the affected areas. In Colombia, the Group is continuing the abandonment and environmental compensation programme provided for under the SSJN-9 permit.

As at 31 December 2019, provisions and guarantees for environmental risks across the Group were nil. Nevertheless, the Group has set aside provisions to cover all abandonment and remediation costs for all its sites. As at 31 December 2019, the amount of those provisions updated for all permits stood at $84.8 million, versus $37.5 million for fiscal 2018. At year-end the Group had not recorded any other provisions for non-financial risk.

To control climate risks

Hydrocarbon Exploration and Production activities are now seen within a global energy transition perspective, which affects the Group's business.

To manage the new risks related to climate change, the Maurel & Prom Group has been responding to the annual CDP[1] climate-related questionnaires since 2014. Climate risk management is the responsibility of executive management, which issues regular reports thereon to the Audit Committee and the Risk Observatory (specialised committees of the Board of Directors). Maurel & Prom was awarded an A- rating in 2018 and 2019, attesting to its commitment to managing its environmental footprint.

In Gabon, the Group's subsidiary continued to implement its plan to use the gas associated with its crude oil production. The additional benefit of this will be to significantly reduce routine flaring.

In Tanzania, all of the gas produced is used locally for the country's power generation needs. After a major increase in demand for power in 2018 by the industrial sector in Dar Es Salaam (+69% from 2017), M&P Tanzania's production volumes in 2019 were down by 15% year-on-year.

(1) CDP is an international platform that studies the impact of large companies' activities on climate and sets the standard for non-financial ratings on this issue (www.cdp.net).

To promote the Maurel & Prom Group's Principles of Conduct

The Group prohibits all forms of corruption and has set up a system for taking disciplinary action.

In 2017, the Maurel & Prom Group reaffirmed the values and Principles of Conduct behind every action taken by its executives, supervisory staff and employees worldwide, and more generally by any individual representing Maurel & Prom. For example, the Group included Anti-corruption Guidelines in its Code of Conduct in accordance with anti-corruption laws, regulations and standards. These include the guidelines resulting from the Sapin II Act in France, the US Foreign Corrupt Practices Act and the UK Bribery Act 2010.

The Group expects its employees, customers, suppliers and intermediaries to contribute individually and collectively to the promotion of its values, which are respect, integrity, team spirit, high professional standards, honesty, good faith, loyalty and commitment.

The Maurel & Prom Group's Corporate Social Responsibility policy

Corporate Social Responsibility

- to implement an inclusive employment policy, to ensure that social dialogue is maintained;
- to continuously improve employees' health and safety conditions;
- to contribute to the local economy and implement sustainable development programmes for local communities living near its facilities.

Environmental responsibility

- to measure, control and repair the Group's environmental footprint;
- to protect the environment to safeguard operational efficiency;
- to help safeguard biodiversity and ecosystems to limit the direct and indirect environmental impacts of its activities.

Governance

- to participate in sustainable development initiatives;
- to respect ethical rules, to combat corruption;
- to meet the new obligations regarding environmental and social transparency.

Market data

Stock information

Listing

Euronext Paris

ISIN code

FR0000051070

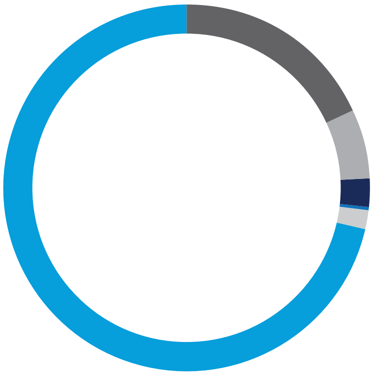
Share capital

200,713,522 shares outstanding includes 4,601,090 treasury shares

Indices

CAC Small,
CAC Mid&Small,
CAC All Tradable

Shareholding as at 31 December 2019



- **18.11%** Individual investors
- **6.27%** Institutional investors
- **2.29%** Treasury shares
- **0.38%** Employees
- **1.66%** Others
- **71.29%** PIEP

M&P share price in 2019 *(in euros)*

Key financial indicators

Income statement

(as at 31 December, in $m)	2019	2018	Change
Sales	**504**	**440**	**+14%**
Opex & G&A	(195)	(140)	
Royalties and production taxes	(65)	(45)	
Change in overlift/underlift position	34	(13)	
Other	9	3	
EBITDA	**286**	**245**	**+17%**
Depreciation, amortisation and provisions	(163)	(115)	
Current operating income	**123**	**130**	**-5%**
Expenses and impairment of exploration assets	(48)	(1)	
Other	(4)	(3)	
Operating Income	**70**	**126**	**-45%**
Net financial expenses	(31)	(27)	
Income tax	(62)	(68)	
Share of income/loss of associates	59	31	
Net income	**35**	**62**	**-43%**

Cash flows

(as at 31 December, in $m)	2019	2018	Change
Cash flow before income tax	298	236	
Income tax paid	(35)	(41)	
Operating cash flow before change in working capital	**263**	**195**	**+35%**
Change in working capital	(102)	(3)	
Operating cash flow	**162**	**192**	**-16%**
Development capex	(99)	(104)	
Exploration capex	(48)	(7)	
M&A	(35)	(51)	
Free cash flow	**(21)**	**30**	**N/A**
Net cost of debt	(24)	(22)	
Dividends received	12	12	
Dividends paid	(9)	-	
Other	(7)	0	
Change in cash	**(49)**	**20**	**N/A**
Opening cash	**280**	**259**	
Closing cash	**231**	**280**	

1 INTRODUCTION TO THE MAUREL & PROM GROUP

1.1 PROFILE

Maurel & Prom is an oil and gas exploration and production company listed on the regulated market of Euronext Paris.

With a history of almost two centuries, Maurel & Prom has, both at its headquarters in Paris and in its subsidiaries, a solid technical competence and a long operational experience, especially in Africa. Over the past 20 years, Maurel & Prom has made several significant discoveries, particularly in the Congo Basin, and has successfully participated as an operator in the development or redevelopment of a large number of assets in Congo, Colombia, Gabon, Tanzania and Nigeria.

Today, the Group has a portfolio of high-potential assets focused on Africa and Latin America, consisting of both producing assets (Gabon, Tanzania, Angola and Venezuela) and opportunities currently in the exploration or appraisal phase (Gabon, Namibia, Colombia, France, Italy and Canada). The Group also holds a 20.46% stake in Seplat, one of Nigeria's main operators that is listed on the stock exchanges of London (London Stock Exchange) and Lagos (Nigerian Stock Exchange).

Maurel & Prom also has financial support from its majority shareholder, the Indonesian national oil company Pertamina. It is also its international development platform.

Maurel & Prom has more than 750 employees worldwide and constantly strives to meet and improve the industry's strictest standards in terms of health, safety and environmental protection. The Group also relies on constant dialogue with host countries and local communities to ensure long-term commitment from stakeholders.

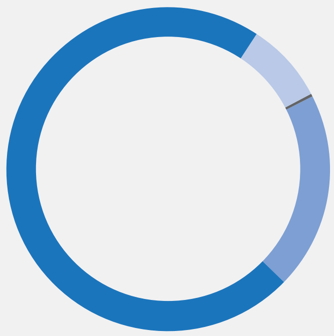
1.1.1 Group oil and gas reserves

Maurel & Prom's share of proven and probable gross reserves amounted to 191.9 mmboe at the end of 2019, while its working interest in total production in 2019 was 22,340 boepd (79% oil, 21% gas).

These figures do not take into account the reserves of the Venezuelan asset or the 20.46% interest M&P holds in Seplat.

The Group's reserves correspond to the volumes of recoverable hydrocarbons currently in production plus those revealed by discovery and delineation wells that can be operated commercially. These reserves were certified at 31 December 2019 by DeGolyer and MacNaughton in Gabon, Angola and France, and by RPS Energy in Tanzania.

Reserves per country



2P reserves for M&P working interest:

	Oil *(MMbbl)* **Gabon**	**Oil** *(MMbbl)* **Angola**	**Oil** *(MMbbl)* **France**	**Gas** *(Bcf)* **Tanzania**	**mmboe**
01/01/2019	**151.1**			**231.6**	**189.7**
Production	-7.2			-12.3	
Revision	-5.3			+6.1	
31/12/2019	**138.6**	**14.8**	**0.8**	**225.4**	**191.9**
o/w gross 1P reserves	*101.7*	*7.5*	*0.4*	*138.6*	*132.7*
or	*73%*	*51%*	*54%*	*61%*	*69%*

In Gabon, 2P reserves were 138.6 MMbbl at 31 December 2019, with 1P reserves accounting for 73% of that total. The downward revision of 5.3 MMbbl corresponds to a revision of the long-term drilling programme.

At 31 December 2019, the Group had gas reserves of 225.4 Bcf in Tanzania. Restated for 2019 production, these were up slightly after confirmation of stable reservoir pressure behaviour.

In Angola, M&P had its first reserves certified following the completion of the acquisition of a 20% stake in Blocks 3/05 and 3/05A. DeGolyer and MacNaughton's certification estimated 2P reserves at 14.8 MMbbl at 31 December 2019, with 1P reserves accounting for 51% of that total. These figures are in line with the estimates that led to the decision to make the acquisition.

In addition, the drilling of two exploration and appraisal wells on the Mios permit in the first half of 2019 led to M&P announcing 2P reserves of 0.8 MMbbl in France.

Because of international sanctions against Venezuela's state oil company PDVSA, activity at M&P's Venezuelan subsidiary is currently limited to operations related solely to the safety of staff and assets, and to environmental protection. Consequently, the investment was accounted for using the equity method at its acquisition cost with no share of earnings recognised for fiscal 2019. The corresponding volumes are therefore not included in the above table.

For its part, Nigerian operator Seplat (in which Maurel & Prom holds a 20.46% stake) published gross 1P+2P reserves of 509 mmboe at 1 January 2020 (100% Seplat), comprising 252 MMbbl of oil and 1,494 Bcf of gas.

1.1.2 Key dates

Key dates are presented on page 7 of this document.

1.1.3 Business model

The business model is presented on page 8 of this document.

1.1.4 Competitive position

The Group is one of the so-called "junior" oil companies specialising in hydrocarbon exploration and production, as opposed to the vertically integrated "majors", which are also present in the niche markets of crude oil processing and transport, refining and the distribution of refined products.

The Group faces competition from other oil companies in acquiring permits from local governments for hydrocarbon exploration and production and in acquiring assets from third-party companies under mergers and acquisitions.

As the crude oil market is highly globalised and liquid, local dynamics generally have no significant economic impact on continuing operations. Nevertheless, in a crude oil production phase, there could be competition over access to some local transportation or processing infrastructure, particularly pipelines that deliver production from fields to export terminals.

With regard to its business of supplying gas for local use (as is currently the case in Tanzania), the Group is subject to fluctuations in demand and competition from other regional producers. These fluctuations impact production, which is adjusted to meet demand.

1.2 BUSINESS OVERVIEW

Maurel & Prom's operating activities comprise three segments: production, exploration and drilling.

In addition, since 31 March 2019 the company has traded volumes produced by M&P Gabon and M&P Angola through its subsidiary M&P Trading.

1.2.1 Production activities

In 2019, the Maurel & Prom Group conducted its hydrocarbon production activities through its operating assets in Gabon and Tanzania, while its share of production in Angola has been consolidated since 1 August 2019.

During the year, the Group's working interest share of production was equivalent to 27,340 bopd, split between conventional oil in Gabon and Angola (80% of volume) and gas production in Tanzania (20%).

Breakdown of hydrocarbon production in 2019

	Q1 2019	Q2 2019	Q3 2019	Q4 2019	12 months 2019	12 months 2018	*Change 19/18*
M&P working interest production							
Gabon (oil) *(bopd)*	19,733	20,316	20,654	18,612	19,828	16,273	*22%*
Angola (oil) *(bopd)*	-	-	3,041 [a]	4,415	1,879 [a]	-	*/*
Tanzania (gas) *(mmcfd)*	35.4	28.2	37.4	34.1	33.8	40.0	*-15%*
TOTAL *(boepd)*	**25,636**	**25,020**	**29,937**	**28,706**	**27,340**	**22,934**	***19%***

(a) Production in Angola was 4,484 bopd for M&P working interest (20%) for the period during which the asset was held (since 1 August 2019), corresponding to 4,587 bopd in Q3 (two months only) and 4,415 bopd in Q4.

Gabon

M&P's working interest oil production (80%) on the Ezanga permit was 19,828 bopd (gross production of 24,785 bopd) for 2019, up 22% from 2018. The technical measures implemented during the period resolved the export difficulties encountered in 2018 and optimised crude oil evacuation. No production interruptions due to pipeline problems were recorded in 2019.

M&P working interest production in Q4 2019 stood at 18,612 bopd (gross production of 23,265 bopd), down 10% from Q3 2019. This drop was mainly due to the occasional unavailability of some high-impact wells.

Tanzania

Average production for M&P working interest (48.06%) in 2019 was 33.8 mmcfd (gross production: 70.3 mmcfd), down 15% from 2018.

The decline in production was due to an early and very heavy rainy season in eastern Africa in 2019, which led to a marked increase in hydropower availability at the expense of gas demand.

Angola

Since 1 August 2019, the Group has consolidated its production in Angola in Blocks 3/05 and 3/05A. This production amounted to 4,415 bopd for M&P working interest (20%) in Q4 2019, taking

Angola's contribution to valued production to $31 million for fiscal 2019.

1.2.2 Exploration activities

In Gabon, exploration activities in 2019 involved the drilling of the Kama-1 well on the Kari permit, located in the south of the country, completed at the end of February 2020. The well encountered several series of oil shows between 1,865 and 2,701 metres (total depth of the well) in the Kissenda formation, which was the main drilling target, and a sample of 35o API oil was collected.

However, no commercial test was attempted due to the poor quality of the reservoirs.

The drilling nevertheless confirmed the presence of an active petroleum system in the region. It also provided additional data that will be helpful for continuing exploration activities in the area and especially for defining the second well.

On the Ezanga permit in northern Gabon, four delineation wells were drilled on targets close to the fields currently in production. Two of the wells produced positive results.

In France in the spring of 2019, two wells were drilled on the Mios permit, resulting in a modest-sized discovery (certified 2P reserves of 0.8 MMbbl at 31 December 2019). Pre-production testing will begin in the first half of 2020.

In Italy, a campaign is currently under way to acquire seismic data on the Fiume-Tellaro permit. It is expected to be completed in the second quarter of 2020.

1.2.3 Provision of drilling services

The Group provides drilling services through its wholly owned subsidiary Caroil, which recorded a net increase in activity compared to 2018 as a result of the ongoing operation of the Caroil-3 rig and the reactivation of the Caroil-7 rig.

In total, 12 wells were drilled with these two rigs in 2019 on the Ezanga permit under the agreement between Caroil and M&P Gabon. The drilling of an exploration well on the Kari permit using the Caroil-7 barge-mounted rig began at the end of 2019.

Caroil also acquired the Caroil-16 rig, owned by Maurel & Prom, enabling it to bring on Board a major new client in Gabon for which a well had already been drilled in 2019.

1.2.4 Trading

M&P now trades oil volumes produced by M&P Gabon and M&P Angola through its subsidiary M&P Trading. Since the first lifting at the Cap Lopez terminal in Gabon on 31 March 2019, M&P Trading has traded 4.1 million barrels. In Q4 2019, M&P Trading also sold oil on behalf of third parties for a gross amount of $7 million.

1.2.5 Registered office

In addition to their main functions (general and strategic management, management of technical, financial, legal and HR support functions), teams at the registered office spent much of 2019 working on the acquisition of Amerisur (which was not completed), renegotiating the term loan and arranging the merger of Maurel & Prom Assistance Technique S.A.S., the Group's service provider, with its parent company Établissements Maurel & Prom. The merger increased the workforce by approximately 20%.

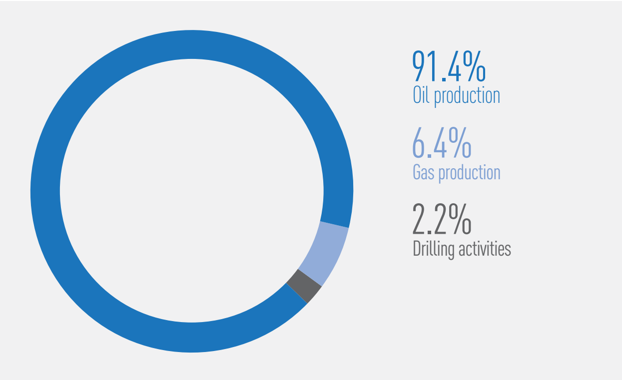
1.3 FINANCIAL INFORMATION

The financial information presented below is taken from the consolidated financial statements as at 31 December 2019. The consolidated financial statements are presented in US dollars.

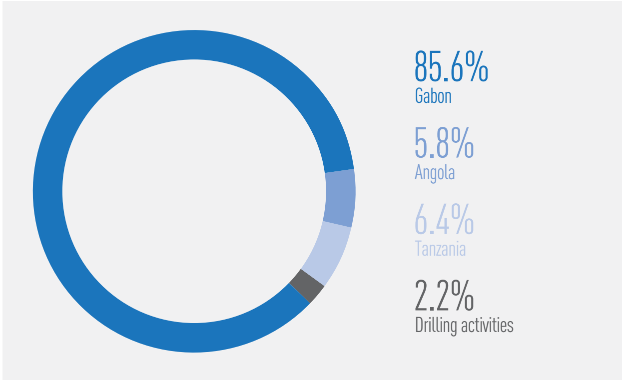
Main financial indicators

(in $m)	2019	2018	*Change*
Income statement			
SALES	**504**	**440**	***+14%***
Opex & G&A	(180)	(140)	
Royalties and production taxes	(80)	(45)	
Change in overlift/underlift position	34	(13)	
Other	9	3	
EBITDA	**286**	**245**	***+17%***
Depreciation, amortisation and provisions	(163)	(115)	
CURRENT OPERATING INCOME	**123**	**130**	***-5%***
Expenses and impairment of exploration assets	(48)	(1)	
Other	(4)	(3)	
OPERATING INCOME	**70**	**126**	***-45%***
Net financial expenses	(31)	(27)	
Income tax	(62)	(68)	
Share of income/loss of associates	59	31	
NET INCOME	**35**	**62**	***-43%***
Cash flows			
Cash flow before income tax	298	236	
Income tax paid	(35)	(41)	
OPERATING CASH FLOW BEFORE CHANGE IN WORKING CAPITAL	**263**	**195**	***+35%***
Change in working capital	(102)	(3)	
OPERATING CASH FLOW	**162**	**192**	***-16%***
Development capex	(99)	(104)	
Exploration capex	(48)	(7)	
M&A	(35)	(51)	
FREE CASH FLOW	**(21)**	**30**	***N/A***
Net cost of debt	(24)	(22)	
Dividends received	12	12	
Dividends paid	(9)	-	
Other	(7)	-	
CHANGE IN CASH	**(49)**	**20**	***N/A***
OPENING CASH	**280**	**259**	
CLOSING CASH	**231**	**280**	

Sales by activity type[1]



Sales by geographic region



1.3.1 Analysis of consolidated income

Sales were up 14% thanks to the increase in production (27,340 boepd in 2019, +19% compared to 2018)[1], driven in particular by Gabon. This was despite a slightly lower oil price environment (average sale price of oil was $67.2/bbl in 2019, versus $68.8/bbl in 2018).

Operating expenditures increased as a result of the integration of the Angolan acquisition. Royalties and other production taxes were also higher, due to the marked increase in production in Gabon. EBITDA was up 17% at $286 million.

Depreciation and amortisation rose sharply (+53%) to $163 million, mainly as a result of Ezanga's increased production (depreciation based on the unit-of-production method) and, secondarily, the impairment of tax receivables. Exploration expenses totalled $48 million, including $31 million for the Kama-1 well in Gabon.

Operating Income fell to $70 million from $126 million in 2018 due to exploration activity and higher provisions and depreciation/amortisation charges.

Net financial expenses on the income statement amounted to $31 million for 2019.

M&P's share in earnings from equity associates was $59 million, compared with $31 million in 2018. This sharp increase was due to the increase in Seplat's net income driven primarily by higher gas production.

After taking into account all of the above factors, net income for fiscal 2019 stood at $35 million.

Cash flow from operating activities before change in working capital rose by 35% to reach $263 million (versus $195 million in 2018). After taking into account the significant working capital effect (negative impact of $102 million, $52 million of which coming from the change in the overlift/underlift position), operating cash flow came in at $162 million.

Development capex was in line with the previous year at $104 million. Exploration capex amounted to $43 million, most of which was spent on drilling the Kama-1 well in Gabon. The $35 million M&A charge consists in the net cash consideration paid to AJOCO in July 2019 when the Angolan acquisition closed.

It should be noted that the $20 million deferred consideration payable to Shell in December 2019 with respect to the Venezuela acquisition was postponed, in agreement with Shell, until the end of 2020.

M&P received $12 million in dividends from its 20.46% stake in Seplat, the same amount as in 2018.

A $9-million dividend (€0.04 per share) was paid to M&P's shareholders in June 2019 for the first time since 2012.

At 31 December 2019, M&P's cash position stood at $231 million. The gross debt at 31 December 2018 amounted to $700 million (nominal value), i.e. a net debt of $469 million.

1.3.2 Significant events for the year

In June 2019 M&P entered into an agreement with Gabon Oil Company (GOC), a partner for the Ezanga permit, to end the carry mechanism from which GOC benefited. Under the terms of the agreement, GOC gained priority access to 812,000 barrels (corresponding to the rights carried after 31 December 2017) in return for payment to M&P of $53 million in 2019. Additionally, the sum of $43 million corresponding to historical carry receivables (prior to 31 December 2017) was paid by GOC into an escrow account which is expected to be released after an audit (currently under way).

The acquisition from AJOCO of 20% interests in Blocks 3/05 and 3/05A off the coast of Angola was finalised in July 2019. In accordance with the sales and purchase agreement, the transaction amount of $80 million (less a deposit of $2 million paid when the transaction was announced) was adjusted by $43 million to take into account working capital and cash flow received and disbursed by AJOCO on behalf of M&P since the economic effective date of 1 January 2018. Consequently, the net consideration paid at closing to AJOCO was $35 million.

In July 2019, Sucre Energy took a 20% stake in Maurel & Prom Iberoamerica, which holds a 40% interest alongside the national oil company PDVSA in the Petroregional del Lago ("PRDL") mixed company operating the Urdaneta West field in Venezuela. As a result of the transaction, M&P holds a 32% net economic interest in PRDL.

(1) Sales before evacuation delays and excluding marketing of oil for third parties.

Due to international sanctions against PDVSA, operations conducted locally by M&P's Venezuelan subsidiary, M&P Servicios Integrados U.W., are strictly limited to maintenance related to the safety of staff and assets, and to environmental protection.

Consequently, and in spite of an asset that remains in production (gross production of 9,475 bopd in 2019) and that has retained its development potential, no contribution to M&P's net income has been recognised.

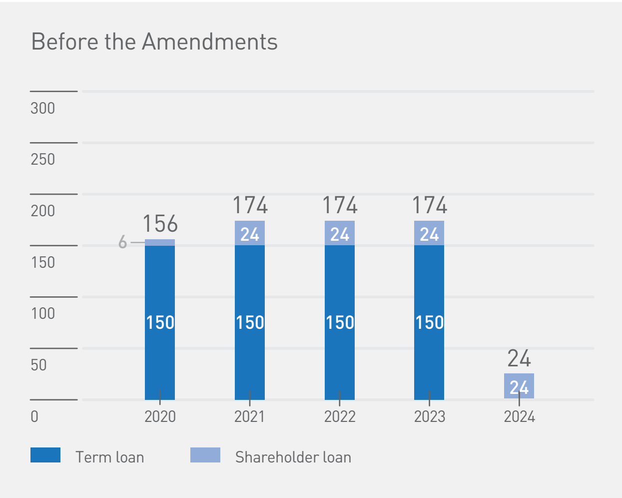
1.3.3 Borrowing and financing: events occurring after closing

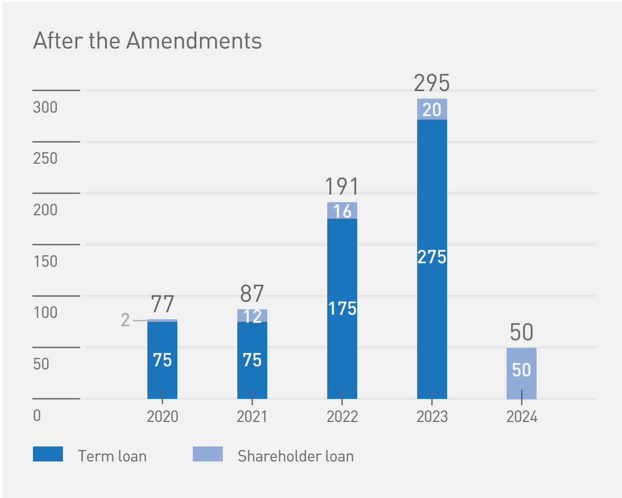
In March 2020, M&P announced the signature of amendment agreements (together the "Amendments") to re-profile the repayment of its two debt facilities, the $600-million term loan with a syndicate of lenders (the "term loan") and the $200-million loan ($100 million drawn and $100 million undrawn) from M&P's controlling shareholder PT Pertamina International Eksplorasi Dan Produksi ("PIEP") (the "shareholder loan").

Under the terms of the Amendments, the amounts scheduled for repayment in 2020 and 2021 have been halved overall, allowing M&P to maintain ample liquidity and to better adapt debt repayments to cash flow generation and investment profile.

The amendment to the shareholder loan also demonstrates PIEP's continued support of M&P, as a significant amount of its repayment has now been pushed to 2024, beyond the final maturity date for the term loan.

Impact of the Amendments on M&P's repayment profile *(in $million)*





M&P's total outstanding debt currently amounts to $700 million ($600 million under the term loan and $100 million under the shareholder loan). At the end of December 2019, M&P's cash position stood at $231 million, resulting in a net debt of $469 million. M&P can also immediately unlock additional liquidity thanks to the undrawn $100 million tranche of the shareholder loan.

1.3.4 Company financial statements

The financial statements of the parent company are presented in euros.

Company sales amounted to €19 million in 2019, corresponding exclusively to services and studies provided to the Company's subsidiaries, especially in Gabon and Tanzania.

Operating Income – which is structurally negative as the Company bears the cost of the Group's central functions and costs relating to the coordination of a listed structure – was negative for €24 million.

The Company recorded dividends from MP Gabon S.A. via MP West Africa S.A. for €125 million and from Seplat Plc for €12 million.

After taking into account all of the above factors, net income for fiscal 2019 was €102 million, compared with net income of €17 million for the previous year. Shareholders' equity stood at €335 million at 31 December 2019, versus €243 million at 31 December 2018.

The Company also recapitalised a number of subsidiaries during the fiscal year to enable them to continue their expansion.

Maurel & Prom Assistance Technique S.A.S., a service provider, was dissolved without liquidation by a universal transfer of assets (*Transmission Universelle de Patrimoine*) at 31 December 2019 to Établissements Maurel & Prom S.A. It was effective retroactively to 1 January 2019 and resulted in an increase in the latter's workforce of approximately 20%.

1.3.5 Investment

The Group's investments in fiscal 2019 totalled $182 million. The budget was split over several main items as follows:

- $83 million on the Ezanga permit, of which $61 million was for drilling expenses related to new wells to support the field's production;
- $35 million related to the Group's acquisition in Angola, which closed in July 2019;
- $48 million in exploration expenses, of which:
  - $34 million in Gabon for the Kama-1 exploration well on the Kari permit and four delineation wells on the Ezanga permit,
  - $3 million in Italy for a seismic data acquisition campaign on the Fiume Tellaro permit,
  - $9 million in France for two exploration wells on the Mios permit,
  - $2 million in Namibia for drilling preparation on the 44 & 45 licences;
- $7 million in rig improvement;
- $6 million to improve information and telecommunications systems.

Following the collapse of oil prices in March 2020, the Group announced that it had significantly slowed its investment pace in order to protect its cash position. Development drilling on the Ezanga permit was suspended in March. Exploration activities were also reduced to a minimum.

1.4 STRATEGY AND OUTLOOK

- **Impact of the COVID-19 outbreak on M&P's operations**

M&P is taking all necessary measures to ensure business continuity, in full compliance with all recommendations from relevant health authorities. Working from home is the preferred option whenever possible, and strict proactive measures to minimise contamination risks have been enforced in offices when working from home is not possible. Those initiatives include entry controls, distancing measures, and reinforced hygiene and disinfection practices.

At operational sites, measures exceeding recommendations have been implemented to ensure business continuity. At this stage and for the short term, M&P does not foresee major disruptions in the conduct of its operations arising from the COVID-19 outbreak. Should the situation change, M&P will update the market accordingly.

- **Reduction in costs and financial discipline**

In March 2020, the oil markets were severely impacted by the economic slowdown triggered by the COVID-19 outbreak as well as by Saudi Arabia's decision to significantly increase its oil production. As a result, oil prices fell sharply, with Brent dropping below $25/bbl in March 2020, versus an average of $60/bbl in January and February.

Immediately after this collapse in oil prices, M&P stepped up its programme to streamline its organisation and operations and launched a comprehensive review of cost saving opportunities. This led to the development of an action plan that was implemented at the end of March.

The plan targets cost savings as follows:

— for operated assets, a reduction in operating expenses of more than 20% and in G&A of more than 15% (equivalent to $25 million to $30 million in savings on an annualised basis):
  - optimisation of logistics, reorganisation of well operations, optimisation of consumables and chemicals, reduction in contractor staff count, employee transfers;

— more than 60% reduction in development capex compared to the 2020 budget (from $130 million to $50 million):
  - suspension of development drilling on the Ezanga permit in March 2020;

— postponement of all new exploration wells until at least 2021.

Other initiatives are under review and further measures are expected to be implemented.

It should be noted that as operator of the asset and owner of its in-house drilling company, M&P has full flexibility to resume development drilling on the Ezanga permit as soon as the situation improves.

Lastly, as part of these cash preservation measures, M&P's Board of Directors decided not to propose the payment of a dividend for the 2019 fiscal year.

- **Outlook for 2020**

M&P's internal forecasts show that it will be able to operate and maintain adequate headroom for the next 12 months from the date of approval of the 2019 accounts (31 March 2020). In addition to its cash on hand ($231 million at 31 December 2019), M&P has access if necessary to $100 million in immediate liquidity via the undrawn portion of its shareholder loan.

As indicated in the financial statements (Notes 3.3 and 6.9), the impairment tests as at 31 December 2019 were run under assumptions reflecting market conditions at year-end 2019. The sharp drop in oil prices, particularly since the beginning of March, means that the Group will have to review the value in use of its tangible and financial assets at 30 June based on updated price assumptions and the impact of those assumptions on future development programmes and operating costs.

Given sensitivity to the price of crude oil, it is expected that impairments will have to be recognised based on assumptions reflecting market conditions in March-April 2020. These assumptions will be revisited in light of prevailing market conditions when new impairment tests are carried out at end-June 2020.

2 RISKS AND INTERNAL CONTROL

This section of the universal registration document presents the main risks to which the Group is exposed, as well as the main risks related to the holding of shares issued by the Company. To the extent possible, it provides references to quantitative information related to those risks that can be found elsewhere in this Universal Registration Document.

The presentation of the main risks is based on the results of the Group's updated risk mapping carried out between the end of 2019 and beginning of 2020.

The main risks are divided into four categories: (1) Financial risks, (2) Risks linked to the Group's oil and gas Exploration and Production activities, (3) Political and regulatory risks, and (4) environmental, social and governance risks. The Group's main risks have been assessed on the basis of the probability of their occurrence and the significance of their potential impact, after account has been taken of the effect of risk management programmes. The purpose of this is to assess the significance or materiality of the risk factors.

The onset of the current crisis related to the COVID-19 pandemic is a new event that was unknown at the time the risk mapping was prepared. It is impacting the global economic outlook, oil market balance, the sustainability of financial systems, free trade, the free movement of people, and the organisation of society and labour on an unprecedented scale. This crisis of unknown duration is affecting every aspect of life and business and could have repercussions on the Group's entire value chain as well as on the availability of its resources. As at the date of this report, the impacts of the crisis have not led to a re-identification of the main risk factors. Details of how the Group is managing the health and financial aspects of the crisis can be found in chapter 1.4 *Strategy and outlook*.

As at the date of this universal registration document, the risks presented herein are those whose occurrence could, in the Company's view, have a significant negative impact on the implementation of the Group's strategy, activities, financial performance, operating income, cash flow, liquid assets, outlook, value and shareholder return, and reputation. Other risks and uncertainties that have not yet been identified or are considered by the Group, as at the date of this universal registration document, to be immaterial or less serious could have a negative effect on the Group's operations, financial position and earnings, image, outlook and/or on the Ets Maurel & Prom share price.

The categories below are not presented in order of importance. By contrast, within each category the most significant risk factor is presented first, based on a scale of three levels of significance (low, moderate and high). The Company's assessment of this order of significance may, however, be modified at any time, particularly if new external or internal information becomes available. Moreover, even a risk that is currently considered to be less serious could have a material impact on the Group if it were to materialise in the future.

Category	Risk	Significance
Financial risks	Risk of volatility of hydrocarbon prices	High
	Risk related to the illiquidity of the Company's share	High
	Counterparty risk	High
	Liquidity risk for the Company	Moderate
	Risk related to competitive position	Moderate
	Interest rate risk	Moderate
Risks related to oil and gas Exploration and Production activities	Risks related to exploration and the renewal of reserves; geological risk	High
	Risks related to safety and security	High
	Risks related to equity associates and joint operating agreements with third-party operators	High
	Risks of lower-than-expected production	Moderate
Political and regulatory risks	Political risks	High
	Regulatory risks	High
Environmental, social and governance risks	Risk related to social factors independent of the Company	High
	Risks related to site remediation obligations	Moderate
	Risks related to the effects of climate change policies on the value of the Group's assets	Moderate
	Ethical and non-compliance risk	Moderate

The main risks and their negative impacts, along with risk management programmes, are described below.

2.1 FINANCIAL RISKS

2.1.1 Risk of volatility of hydrocarbon prices

The oil market is exposed to high volatility and the Group's results are sensitive to fluctuations in hydrocarbon prices. In 2019 oil accounted for 80% of the Group's valued production. Gas sold by the company (in Tanzania) is valued at a price that is not indexed to the price of oil.

In general, a fall in the price of hydrocarbons has a negative impact on the Group's results due to the drop in sales generated by oil and gas production. Conversely, an increase in the price of hydrocarbons has a positive impact on the Group's results.

In addition to the negative impact on sales and the Group's profitability, a prolonged period with weak oil prices could lead the Group to re-evaluate its projects and reappraise its assets and oil and natural gas reserves.

In the event of several prolonged periods of low oil prices, the profitability of projects in production or under development could be limited and the Group's cash position could be reduced. This would restrict its ability to finance investments and/or lead to the cancellation or postponement of investment projects.

If the Group is no longer able to finance its investment projects, its opportunities in terms of future sales growth and profitability could be reduced, which could result in a material adverse effect on the Group's financial position.

In the event that oil prices remain low over the long term, the value in use of certain assets might need to be revised and there could be a negative impact on the Group's book income, the value of its equity, its earnings per share and compliance with financial ratios.

The Group has not set up hedging for hydrocarbon prices.

Please refer to Note 5.1 "Risks of fluctuations in hydrocarbon prices" to the consolidated financial statements for quantitative information relating to the exposure of the Group's sales and EBITDA to fluctuations in the price of hydrocarbons. Please also refer to Note 3.3.2 "Property, plant and equipment" to the consolidated financial statements for quantitative information relating to the sensitivity of the value in use of production assets in Gabon and Tanzania based on Brent price assumptions.

2.1.2 Risks related to the illiquidity of the Company's share

The high percentage of the Company's share capital held by PIEP contributes to the illiquidity of the Company's shares. As a result, the price per share may not fully reflect the share's value. The illiquidity of the shares can also present a risk factor for access to capital markets for the purpose of Group financing or mergers and acquisitions involving a share exchange.

At the end of 2018, the Group bought back deferred payment commitments from Rockover relating to the 2005 purchase of Gabonese assets for a portion in cash and a portion in newly issued Maurel & Prom shares. The transaction was subject to the approval of the Maurel & Prom General Shareholders' Meeting.

There can be no guarantee that future transactions involving the Company's share capital would increase the liquidity of the shares.

2.1.3 Counterparty risk

In a context of global recession, lower demand for oil products and an uncertain supply adjustment, the Group is exposed to an increased risk of potential deterioration in the credit situation of its oil counterparties. A decline in the financial position of the Group's counterparties, whether public or private, could cause them to default on carry agreements, receivables or investment agreements. This risk is mitigated to the extent possible by payment guarantees, contractual provisions such as offsetting, cost control and possible bilateral agreements.

The Group now sells oil volumes produced by M&P Gabon and M&P Angola through its wholly owned subsidiary M&P Trading. A marketing and purchasing agreement was signed with Glencore, one of the largest commodities traders, to work with M&P Trading to identify and deliver these volumes to refiners in Asia and Europe with the best commercial terms. The payment of each shipment by Glencore is secured by a letter of credit issued by a first-tier international bank for the benefit of M&P Trading.

In 2019, the Group sold 80% of its oil working interest production to Glencore.

The table below presents quantitative data on the Group's exposure to the risk relating to its possible dependence on its customers.

Share of Group sales made with the Group's top customer and top five customers

	2019	2018	2017
Concentration of customers			
Top customer/Sales	78%	79%	82%
Top 5 customers/Sales	99%	99%	99%

The concentration of the Group's critical suppliers represents a heightened risk for the Group's activities should one of these suppliers default or decide to change their sales practices, whatever the cause. The Group's business, as well as its image, could suffer as a result.

In Gabon, which accounts for 73% of the Group's working interest production, some service providers have a monopoly or are unable to fully meet demand, especially when it comes to well operations and fracturing.

This can lead to project delays and a drop in average production. To mitigate this risk, the Gabonese subsidiary monitors the progress of its subcontractors on a daily basis.

The routing of the Group's production is dependent on the proper functioning of both the crude transport facilities operated by Perenco Oil & Gas Gabon and the processing, storage and loading facilities operated by Total Gabon SA. A study into alternative export routes is under way.

In accordance with Articles L. 441-6-1 and D. 441-4 of the French Commercial Code, we hereby advise that at the reporting date, the balance of payables owed to suppliers by Maurel & Prom SA in the amount of €2,667k was due within 30 days. No invoice relating to disputed payables has been excluded. The payment terms used to calculate late payments correspond to the legal deadlines.

The table below presents quantitative data on the Group's exposure to the risk relating to its possible dependence on its suppliers.

Share of the Group's purchases and capital outlays to its top supplier, top five suppliers and top ten suppliers

(USD thousand)	2019	2018	2017
Concentration of suppliers			
1er	9%	9%	26%
Top 5	34%	32%	43%
Top 10	50%	53%	56%

Please refer to Note 5.5 "Counterparty risk" to the consolidated financial statements for quantitative information relating to the Group's exposure to liquidity risk.

2.1.4 Liquidity risk

The Group is exposed to a risk of liquidity shortage or a risk that its financing strategy proves to be inadequate. If the Group's conditions of access to its usual sources of financing (capital markets and bank financing) were to prove difficult because of a scarcity in financing, particularly in the oil and gas industry, the Group could be obliged to allocate a portion of its cash flow to the repayment of its debt at the expense of investments or shareholder remuneration.

The Group is thus exposed to a liquidity shortage risk exacerbated by the level of oil prices which could affect the Group's ability to obtain refinancing if these prices remained low over the long term.

In all cases, the Group's results, cash flow and, more generally, financial position as well as its headroom, could be negatively affected.

The Group is expanding its cost control culture in all businesses and addressing the expectations of its financial stakeholders when it comes to non-financial risks. It also has the support of its controlling shareholder.

On 16 March 2020, the Group announced the re-profiling of the repayment of its two debt facilities, the $600-million term loan with a syndicate of lenders and the $200-million loan from M&P's controlling shareholder, PIEP.

Please refer to Note 5.3 "Liquidity risk" to the consolidated financial statements for quantitative information relating to the Group's exposure to liquidity risk.

2.1.5 Risk related to competitive position

The Group faces competition from other oil companies to acquire rights on oil permits for hydrocarbon exploration and production. Because of its positioning and size, the Group's main competitors are consolidated international oil groups and independent oil companies. A risk of increased competition in the mid-size segment may have a negative impact on the success of the Group's acquisitions to the extent of its investment criteria.

To benefit from new opportunities, and in keeping with oil industry practices (especially with regard to exploration activities), the Group often partners with other oil companies as part of the process for obtaining permits from the competent authorities. This also allows it to share the associated costs.

For more information on the Group's competitive positioning, please refer to chapter 1, section 1.1.4 *Competitive position.*

2.1.6 Interest rate risk

The Group has set up two floating-rate debt facilities, the $600-million term loan with a syndicate of lenders and the $200-million loan from M&P's controlling shareholder, PIEP. The Group's results could be affected by an increase in interest rates.

In 2018, the Group set up financial instruments aimed at limiting the risks relating to changes in interest rate exposure, but it cannot guarantee that transactions carried out with these financial instruments will fully limit this risk. In the event that the use of such financial instruments is not efficient, the Group's cash flow and results could be affected significantly.

Please refer to Note 5.4 "Interest rate risk" to the consolidated financial statements for quantitative information relating to the Group's exposure to interest rate risk and to Note 4.4.2 for further information relating to the financial instruments subscribed to by the Group.

2.2 RISKS RELATED TO OIL AND GAS EXPLORATION AND PRODUCTION ACTIVITIES

2.2.1 Risks related to exploration and the renewal of reserves; geological risk

The Group's exploration activities are key to acquiring and developing new economically viable reserves and ensuring the Group's long-term profitability. Nevertheless, at the time these operations are launched, there are still numerous uncertainties about the presence and quality of the hydrocarbons and the feasibility of their extraction. The hydrocarbons sought when obtaining permits and during drilling operations may be absent or in insufficient quantities to be commercially viable. Due to the many uncertainties that remain during the exploration phase, the Group cannot guarantee that the investments made will be profitable.

Geological and seismic analyses are conducted prior to exploration drilling. Operations of this type make it possible to decide on the location of exploration drilling, to transition to the production start-up phase if the commercial viability of the discovery has been demonstrated, or to decide whether to pursue exploration.

As part of the exploration process, the Group's exploration programmes are validated upstream by the Group's exploration management based on technical criteria. The budget is then submitted to the Group's Board of Directors for approval.

Knowledge of reserves can sometimes be unpredictable and may only be acquired gradually during the course of exploration. The practical conditions and costs may also vary during the exploration phase for reserves.

There is no guarantee that new oil or gas resources will be discovered in sufficient quantities to replace existing reserves and allow the Group to recover all of the capital invested in exploration activities and thus ensure that the investments made will be profitable, all of which could have a negative impact on the Group's business, results and outlook.

2.2.2 Risks related to safety and security

The Group's activities are exposed to a number of major accident risks, including risk of explosion, blowouts, collapse, leaks, and loss of containment resulting in the risk of toxicity or fire, which could damage or destroy wells in production and adjacent facilities, harm human lives or property, lead to business interruption, or cause environmental damage with certain direct consequences for the health and economic wellbeing of local populations.

The occurrence of the aforementioned risks could have an adverse impact on the Group's financial position, including its operating income, cash flows and value.

In Gabon, there is a risk of pipeline leaks, well blowouts or platform collapses. Incidents recorded over the past 18 months were related to the ageing of the facilities and equipment reliability. There is an uncontrolled risk when drilling certain wells in the Omoc area due to the nature of the surface subsoil and the presence of dissolution caves. This is addressed through preventive measures (operating procedures, the EHS-S management system, recruitment and training policies, maintenance and integrity policies, technical design and pressure-related barrier systems) and remedial measures (in particular an emergency plan in the event of blowout). In Tanzania, pressurised gas can cause an explosion or start a fire, leading to injuries.

Please refer to section 4.2.3 of this universal registration document for further information regarding measures for preventing, mitigating and remedying the risk of water, soil and air pollution, and the Group's health and safety policy.

The Group is exposed to risks to the safety of its staff, operations and facilities that may in particular arise from acts of terrorism or malicious acts. In Gabon, the subsidiary has on-site security agents and emergency and safety plans. In Tanzania, because of the Islamist insurgency that began in October 2017 in the north of neighbouring Mozambique, the Tanzanian armed forces are present on site. In Venezuela, Colombia and Angola, there is a risk of kidnapping and aggression. The Group has adopted appropriate security procedures and resources, such as the deployment of teams of escorts, armoured vehicles and protection supervisors.

2.2.3 Risks related to equity associates and joint operating agreements with third-party operators

Certain Group projects are carried out through equity associates or by companies operated by third parties. For these projects, the Group's level of control and ability to identify and manage risks may thus be limited.

In the event that the Group's companies are not the operators of its projects, their influence or control over their direction and financial and non-financial performance, along with their ability to manage risk, may be limited.

This situation mainly relates to (i) the Company's 20.46% minority stake in Seplat and (ii) the Company's 40% minority stake in Petroregional del Lago. These stakes in Seplat and Petroregional del Lago are consolidated by the Company using the equity method. Since end-July 2019, the Company has held a 20% stake in blocks 3/05 and 3/05A in Angola previously held by AJOCO and operated by Sonangol.

Consequently, the Company is exposed to risks that could affect Seplat, Petroregional del Lago and Sonangol, which could adversely impact the Company's results and growth.

For its part, Seplat has described all the risks identified for its business in its Annual Report. That document is available on the company's website at www.seplatpetroleum.com. The occurrence of any of the identified risks (or other risks not identified in that document) could have a material adverse impact on the activities and results of Seplat and therefore of the Company.

2.2.4 Risks of lower-than-expected production

The Group is exposed to a risk of limitation, delay or cancellation of its production. The Group's production may be limited, delayed or cancelled due to a number of factors internal or external to the Group. These include malfunctions of production or hydrocarbon routing facilities, administrative delays especially in the approval of development projects by host countries, shortages, delays in the delivery of equipment and materials, and adverse weather conditions. The current global recession has revived the risk of a reduction in export rights in the countries in which the Group operates, which could have varying financial impacts depending on Brent price levels. Any sudden, significant and long-lasting event would have a negative impact on the Group's business and financial position.

In Gabon, a risk of a major limit on production as experienced in the past could be due to a geological reason and lead to an erroneous estimate and an integrity risk (see 2.2.4 *Risks related to safety and security*), or to a limit in export capacity (transport or terminalling). Risk treatment plans have been drawn up for these risks at both the Group and subsidiary level. Exploration activities are based on studies, in-house exploration expertise, knowledge of the country, data acquisition, internal and external modelling programmes, and the internal control system. The risk of a major accident is addressed through maintenance, integrity and design engineering policies. The Gabonese subsidiary is studying in particular alternative export routes for its oil production.

2.3 POLITICAL AND REGULATORY RISKS

2.3.1 Political risks

A significant portion of the Group's business and hydrocarbon reserves is located in countries that are exposed to high political and economic risks – significantly higher than in countries with more developed economies. The Group could be confronted in the future with the risk of the expropriation or nationalisation of its assets, foreign exchange control restrictions, or other consequences arising from the country's political or economic instability, such as the imposition of international economic sanctions.

In Tanzania, current government policy has led to a deterioration of the business climate. This poses a risk of non-compliance with the Tanzanian subsidiary's operational terms and conditions. General elections are scheduled for 2020.

In Gabon, new legislation introduced by the Bank of Central African States imposing foreign exchange control restrictions is expected to be applied to the oil sector by the end of 2020. This creates uncertainty as to how the supply chain will adapt to the new operating conditions and what cost overruns might be generated by the necessary foreign exchange transactions.

Turning to South America, in Venezuela, where in December 2018 the Group acquired a stake in Petroregional del Lago, 60%-owned by Venezuela's state oil company Petróleos de Venezuela, S.A. ("PDVSA"), political instability had been going on for many months as at the date of this universal registration document. On 28 January 2019, OFAC, an agency of the United States Treasury Department, placed PDVSA and the entities in which PDVSA holds a stake of at least 50% on the "specially designated nationals" list, making them subject to international sanctions. The Group has organised the management of its interest to ensure compliance with the applicable sanctions.

The occurrence and extent of incidents related to economic, social and political instability are unpredictable. Should they occur, this could have a material adverse impact on permit valuation conditions and on the Group's results and outlook.

2.3.2 Regulatory risk

The Group's oil exploration and development activity is strictly governed by the various regulations applicable to the sector (Oil Code, law on hydrocarbon exploitation) in each of the countries in which the Group undertakes this activity, and particularly with respect to the allocation of mining rights; duration and legal conditions of development, which focus on the obligations for minimum work programmes; site remediation conditions; and, if applicable, contractual procedures for production sharing (stipulated in the PSCs).

The oil and gas sector often has significant economic weight in the countries where the Group operates, and it may be subject to the payment of royalties, taxes and duties that are higher than other economic sectors.

A downturn in the political or economic situation or a tightening of oil or tax regulations or of the conditions for obtaining or using permits in one or more countries in which the Group currently holds oil exploration or operating permits could present a risk to the Group's business and to the valuation and profitability of its assets.

In the medium term, one permit is set to expire (Block 3/05 in Angola in 2025) and one is set to enter the exploration and development permit renewal phase (Ezanga in 2024). These deadlines expose the Group to a risk of non-renewal or amendment of contract terms.

2.4 ENVIRONMENTAL, SOCIAL AND GOVERNANCE RISKS

2.4.1 Risk related to social factors independent of the Company

In some countries in which it operates, and as the global debate on the energy industry gains traction, the Group is exposed to a risk of opposition to its projects.

The implementation by the Group of hydrocarbon Exploration and Production activities, directly when the Group is the operator or indirectly via its partners, raises questions for local communities in terms of social change, political control, the environment and economic development.

Opposition to the Group's activities by local communities can cause some projects to be relocated or discontinued, or induce delays or the risk of blocked or interrupted production. It can also jeopardise the safety of the Group's employees, contractors and subcontractors, or the safety of people independent of the Group and its facilities.

The occurrence of such a risk could have an adverse impact on the Group's business, results, development and image.

Please refer to chapter 4 *Non-financial performance statement* of this universal registration document for further information regarding the Group's policy on Corporate Social Responsibility and the management of environmental and social risks.

2.4.2 Risks related to site remediation obligations

It is the Group's ongoing policy to return exploration sites (dry well abandonment) to their original state once operations have ended, if it was the operator of that site. For permits for which it was not the operator, the Group matches the abandonment costs estimated by the operating company. Furthermore, because of the nature of its activities, the Group will normally be required to bear the cost of restoring sites that have been affected by hydrocarbon transport equipment and operations.

The Group regularly assesses and if necessary updates the provisions it has set aside to cover the future costs of dismantling and restoring a site. A percentage of this site restoration allocation is included in recoverable oil costs.

Please refer to Note 3.10 "Provisions" to the consolidated financial statements for further information regarding site remediation provisions for the Group's production sites.

2.4.3 Risks related to the financial impacts of climate change policies

Growing environmental concerns on the part of stakeholders could have an adverse impact on the Group's business and reputation. The Group is exposed to regulatory, political, legal, price and reputational risks arising from the transition to less carbon-intensive energy sources. These risks could have an impact on the Group's business model, profitability, financial position and shareholder value.

Regulations to gradually limit the use of fossil fuels could require the Group to reduce, modify or shut down certain operations and subject it to additional obligations to bring its facilities into compliance. This could adversely impact project development and the economic value of some of the Group's assets.

Impact on the valuation of reserves

Policies for scheduling the shutdown of hydrocarbon operations affect exploration programmes in France and Italy. In Gabon, 80% of the national economy is based on oil sales, which reduces the risk of an impact on the sector. In Venezuela, the Group's licence is valid until 2026 with a possible 15-year extension. Reserves are considerably higher than the production volume estimated for the current production period.

Impact on demand for oil and gas products

In Tanzania, the Stiegler's Gorge hydroelectric dam currently under construction could eventually affect the demand for gas.

Impact on access to financing

The risk of a scarcity of bank financing for the fossil fuel sector is a risk for the Group, whose financing is mostly based on loans from credit institutions. The possibility of having recourse to a shareholder loan as well as mechanisms for pooling risks and investments by partnering with other oil companies are risk mitigating factors.

As the Group's portfolio of assets in production currently stands, the Group's low-carbon strategy consists in measuring its energy consumption and greenhouse gaz emissions precisely, defining energy savings and energy efficiency programmes, using renewable energy sources when available, monitoring industry practices, and carrying out reasonable due diligence vis-à-vis its partners in the case of assets not operated by the Group.

Please refer to section 4.2 *Environmental performance* of this universal registration document for further information relating to the Group's climate footprint and to the www.cdp.net website for access to the Group's comprehensive annual report on climate risk.

2.4.4 Ethical risk and risk of non-compliance

Due to its large number of contracts, decentralised structure and operations in countries subject to highly corrupt environments, the Group is exposed to a risk of corrupt practices or influence peddling.

To limit these risks, the Group has implemented procedures aimed at ensuring compliance with ethical rules of business conduct. In particular, it has adopted an Ethics Charter to supplement its Code of Conduct and Anti-corruption Guidelines, and conducts training sessions on this matter for Group employees. This risk is taken extremely seriously, especially as the Group operates in countries whose laws on preventing ethical risk and corruption may have an extraterritorial application, such as the Sapin II Law in France, the Foreign Corrupt Practices Act in the United States and the UK Bribery Act 2010 in the United Kingdom.

However, despite these preventive actions, there is no full guarantee that their implementation by the Group will prevent any breach or that all employees, subcontractors or suppliers of the Group will comply with these rules.

In addition to financial penalties, the risk of non-compliance with rules of ethical business conduct exposes the Group to a risk of criminal or civil litigation, loss of contracts, or even damage to the Group's reputation.

For more information on the Group's anti-corruption programme, please refer to section 2.6.3 below.

2.5 INSURANCE

The Group has taken out the following insurance:

- directors and officers liability;
- fire, storm, natural disaster and water damage;
- theft and vandalism, glass breakage;
- third-party liability for offices, not including professional third-party liability, and basic legal protection.

In addition to this traditional risk cover insurance, the Group has taken out insurance policies that are specific to its business and to the nature and location of its assets.

The Company regularly reviews its policies (coverage and premiums) in consultation with a specialist broker as part of a uniform Group programme covering public liability and property damage, on the one hand, and directors and officers liability on the other.

Insurance policies related to oil activities cover:

- risks of potential damage to oil facilities, including the pipeline network and drilling rigs that are reimbursed up to their declared value, risks of real losses of assets that are covered up to their replacement value, and risks of pollution related to drilling operations (in March 2019 the loss of the RG01 drilling rig on the Ezanga block was the subject of an insurance recovery in the order of $5 million paid to the Group);
- risks of general and third-party liability up to $75 million per claim. The total amount of insurance premiums per year paid by the Group will be approximately €2 million for the period from 1 March 2020 to 28 February 2021.

To date, the Company has not taken out business interruption cover.

As part of its oil exploration, production and development operations, the Group risks causing environmental damage resulting, for example, from collapses, blowouts, pollution, leaks, fires and explosions of oil wells and surrounding facilities. Damage of this type is covered by policies providing "Energy Package"-type cover.

Agreements signed with the subcontractors and service providers used by the Group also contain an obligation for these subcontractors and service providers to take out insurance for an amount that covers their liability.

2.6 INTERNAL CONTROL AND RISK MANAGEMENT

At the request of the Chief Executive Officer, the Finance department and company secretary have compiled the items that make up this section on the basis of work conducted by the Company's internal departments. The resulting section has been presented to the Audit Committee and Risk Observatory. It indicates the internal control and risk management procedures in place, in a purely descriptive manner, in accordance with the Reference Framework and its Application Guide established in 2010 under the auspices of the French Financial Markets Authority (*Autorité des marchés financiers*).

2.6.1 Definition and objectives

Internal control at Maurel & Prom may be defined as all of the control policies and procedures implemented by Company and Group management and staff with the aim of ensuring that:

- accounting and financial data are reliable and fair;
- accounting records are accurate and complete;
- the Group's business operations are carried out properly and optimally;
- the management and execution of transactions and the conduct of personnel are consistent with the guidelines given to Group operations by the company bodies and consistent with the Group's values, standards and internal rules;
- applicable local laws and regulations are complied with;
- the Group's assets are safeguarded through, among other things, the prevention and management of the risks resulting from the Group's business activity, and particularly the risks detailed in section 2.1 *Risks factors* and chapter 7 *Additional information* of this universal registration document.

The objective of internal control is to provide reasonable assurance that rules and regulations are being complied with, that assets are being safeguarded and that operations are effective. It cannot, however, provide an absolute guarantee that these risks have been completely eliminated.

2.6.2 Organisation of internal control

Maurel & Prom's objective is to make its workers aware of their responsibilities with regard to internal control procedures,

knowing that these procedures are predicated on the culture, behaviour and expertise of each individual.

To this end, and as key players in internal control, the Company's executive management and functional departments, in conjunction with the Board of Directors and more particularly the Audit Committee and Risk Observatory, define internal control priorities. On the basis of these priorities, the Group's employees work together to implement procedures that aim to achieve the objectives. Operational coordination of internal audit procedures is handled by the company secretary.

Management sets up the organisational structure, methods and procedures to ensure that business activities are controlled and supervised. It meets regularly to discuss management issues both within and outside the normal course of business.

Members of the Management Committee, the Chief Executive Officer and operational and functional managers meet regularly to deal with matters relating to the Company's management and to analyse the effectiveness of the actions undertaken. If necessary, in between meetings, each Management Committee member may call an extraordinary meeting. This committee's primary goal is to analyse anomalies and malfunctions, as well as risk factors, and prevent any possible consequences resulting from them. In this regard, it issues recommendations and suggestions.

2.6.3 Risk management

In a review with all departments involved and during internal meetings (legal, insurance and management control), the Company's off-balance sheet commitments and material risks are identified and quantified. Commitments likely to be made by the Company are handled centrally at head office.

The Group has implemented an approach, led by management, to identify and manage risks. It includes a process whereby operations are reviewed and approved by the operating subsidiaries.

Throughout the year, the Board of Directors ensures that the risks involved in the Group's activities and the monitoring measures to be implemented are fully understood. A half-yearly review of all risks is drawn up under its authority, with the assistance of the Audit Committee and Risk Observatory, at the end of the reporting period. The purpose is to identify the main risks for which mitigation solutions exist and to ensure that these solutions are implemented within the Group.

To this end, risks were mapped and presented to the Audit Committee (bringing together the former tasks of the Audit Committee and Risk Observatory) and Board of Directors on 15 and 17 December 2015 respectively. This mapping, which combines proposals and decisions on how to implement action plans, allows each identified risk to be optimally managed and ensures that the residual risk will be acceptable to the Group. The mapping was updated at the end of 2016 and presented to the Board of Directors at its meeting of 31 March 2017. A new risk mapping was produced at the end of 2019 and its conclusions were presented to the Audit Committee, Risk Observatory and Board of Directors on 21 and 22 April 2020.

Risks related to the effects of climate change and the measures being taken by the Company to reduce them are described in chapter 4, section 2.4.3 of this universal registration document.

In addition, risks are identified and managed on the basis of an organisational structure in which clearly defined responsibilities are assigned and formalised through the distribution of operational and functional organisation charts, the establishment of delegated powers, a regular process of operational and financial reporting and the formation of multidisciplinary teams dedicated to each project or action plan presenting specific risks that are deemed significant.

The main external risks are oil prices and the political, regulatory and corporate risks related to the Group's exploration and production regions, as described in section 2.1. *Risk factors* of this universal registration document.

The Company's management, in coordination with the subsidiary managers, the Board of Directors, the Audit Committee and the Risk Observatory, identify and analyse the risks that are likely to have a material impact on the Group's operations or assets.

The Group has insurance covering several types of risk, including policies specific to its oil activity and the nature and location of its assets. This coverage is described in section 2.2 of this universal registration document.

In the second half of 2017, the Group established an anti-corruption programme stemming from Law No. 2016/1691 of 9 December 2016 on transparency, the fight against corruption and modernisation of economic life, known as the "Sapin II Law", which requires the implementation of measures and procedures to prevent and detect acts of corruption. The law is applicable to any company (i) whose registered office is in France, (ii) with at least 500 employees, and (iii) with consolidated sales in excess of €100 million.

To apply the law, the Maurel & Prom Group has established an Ethics Charter and Code of Conduct. The Group uses these as the cornerstone of its fundamental values and Principles of Conduct. Anti-corruption Guidelines reaffirm the Group's commitment to upholding the essential values of honesty, good faith, integrity, loyalty and commitment.

The measures taken by the Maurel & Prom Group to prevent corruption are multifaceted.

Anti-corruption falls within the Group's legal department, under the responsibility of the company secretary. The legal department determines the Group's anti-corruption policy and defines the framework of Group procedures. The department also provides operational support to the subsidiaries and various Group entities for the implementation of these policies and procedures. The department oversees this implementation and makes sure the Group's policies and procedures are complied with.

In 2019, the legal department began a complete overhaul of corruption risk mapping in conjunction with internal control and dedicated teams from Group subsidiaries.

The Maurel & Prom Group has a number of intermediary holding companies that fully or jointly own Group interests in certain subsidiaries. These holding companies are in turn directly owned by the Company.

The Group has published details of the amounts paid to governments of countries in which it operates in section 7.9 *Sums paid to governments of countries where extractive activities are carried out* of this universal registration document.

The Group prohibits all forms of corruption and has set up a system for taking disciplinary action.

In 2017, the Maurel & Prom Group reaffirmed the values and Principles of Conduct behind every action taken by its executives, supervisory staff and employees worldwide, and more generally by any individual representing Maurel & Prom. For example, the Group included Anti-corruption Guidelines in its Code of Conduct in accordance with anti-corruption laws, regulations and standards. These include the guidelines resulting from the Sapin II Law in France, the US Foreign Corrupt Practices Act and the UK Bribery Act 2010.

These documents are also shared with the Group's stakeholders, on whom they are binding.

The Group has implemented a policy and procedures to prevent and identify acts of corruption within the Group.

The Group's purchasing policy is based on a tendering process. Calls for tender are open to shortlisted companies only. Group suppliers are selected according to objective, non-discriminatory criteria.

In addition, the Group strictly complies with local public procurement rules and procedures.

Since 2019 the Group has been engaged in an overhaul of its tendering process. Specifically, it is implementing a policy that will apply to all contracting procedures with suppliers, subcontractors and trading partners and will be standardised for the entire Group while taking into account local conditions.

Pursuant to the legal obligations under the Sapin II Law, the Group has had an internal alert system in place since the second half of 2017. Suspicions or breaches of ethical rules can be reported to the email address conformite@maureletprom.fr.

The alert system is open to Group employees and external stakeholders. It can handle alerts in several languages and is available 24/7.

In 2019 the system recorded no alerts.

At the time of their adoption, the Principles of Conduct were communicated to all employees and are gradually being disseminated to all Group partners. A substantial number of Group employees in five countries have received training in the Group's Principles of Conduct and anti-corruption rules.

Group subsidiaries participate in the Extractive Industry Transparency Initiative surveys when so requested. The most recent survey concerning the Group was on Tanzania for the period 2014/2015 and was the subject of a Tanzania Extractive Industry Transparency Initiative report in June 2017.

2.6.4 Implementation

The Group is made up of a holding company, subsidiaries and operating establishments, each of which reports to a local management team which in turn reports to the Group's executive management. This local management team coordinates the Group's activities by country or by geographical area.

In the countries in which the Group's operations are the most developed, the operating subsidiaries have their own financial, accounting and legal departments in addition to their technical departments. For subsidiaries that do not have their own administrative departments, the Company's functional departments provide support services for such operations. The prevention and control of industrial and environmental risks are the responsibility of the operating entities.

The operational and financial managers of the establishments and subsidiaries receive appropriate delegations of powers on a case-by-case basis.

"Business line" responsibilities are assumed by the different functional managers in charge of exploration, development and production, drilling, HSE, and finance/administration/human resources activities at Group level. Consequently, important decisions are prepared in coordination with and validated by the functional managers concerned before being sent to the Group's executive management for approval.

From a legal standpoint, the preparation and validation of key actions in the corporate affairs of Group subsidiaries are handled centrally by the Group's legal department.

To limit the legal risks linked to disputes, the Group has set up a centralised legal department, supported by lawyers specialising in the areas of law concerned, to formalise its contractual commitments, comply with its obligations of any kind and defend its interests, when such issues are deemed to present a significant risk factor.

Lastly, in conjunction with the Audit Committee, management mapped the risks and CSR challenges in 2015 in order to take account of the impact of potential events on the achievement of the Group's strategic and operational goals. This mapping formalises CSR risks and ranks them in relation to traditional risks. A mapping updated at the end of 2016 was presented to the Audit Committee, Risk Observatory and Board of Directors on 31 March 2017. A new risk mapping was produced at the end of 2019 and presented to the Audit Committee, Risk Observatory and Board of Directors on 21 and 22 April 2020.

Specifically, executive teams approved the assessment made of the CSR risks. For their respective activities, Group entities identified, analysed and measured their risks. The main risk factors identified are described in section 2.1 *Risk Factors* of this universal registration document.

The Company's Finance department is responsible for preparing the Group's consolidated income statements. This department continuously monitors changes in accounting regulations, especially those concerning international standards, in close coordination with the Statutory Auditors.

The consolidated financial statements are prepared half-yearly. The accounting data from the operating subsidiaries are reviewed by the head office in Paris before being incorporated into the financial statements. The financial statements are prepared by the Company's financial department prior to being evaluated and audited by executive management, the Audit Committee and the Board of Directors.

Maurel & Prom's Management Control department coordinates the financial preparation of the Group's budget and the consolidated monthly reports. It performs analyses of the difference between the budget and the actual figures as well as a general analysis of costs.

To further strengthen internal control procedures, the main operating entities have a management auditor with a dual operational and functional reporting line.

Cash flows, positions and liquidity as well as financial instruments are managed centrally at head office (under the cash pooling agreement) by the Finance department. This department is also in charge of managing risks associated with financial instruments and cash and foreign exchange activities under the policy issued by the Group's executive management.

With respect to information systems, the Group uses standard tools for financial and cost accounting, consolidation, treasury and employee management.

The entire financial communication process is the responsibility of the Chief Executive Officer and the Board of Directors.

Every quarter, Maurel & Prom discloses its sales figures to the market. In addition, within two months of the half-year end and within three months of the year end, the Group publishes its accounts. These include a balance sheet, an income statement and a cash flow statement related to the period in question, plus notes to the financial statements.

The communication schedule is distributed at the beginning of the period in accordance with Euronext requirements for companies whose shares are traded on its regulated market. The financial documents provided to the market are prepared by the financial department and approved by the Company's Board of Directors.

The Statutory Auditors validate the interim and annual financial documents before they are distributed.

The Group has drawn the attention of its employees who have access to inside information to the requirement to refrain from conducting market transactions on the Company's financial instruments during periods in which they hold inside information, as well as during the blackout periods, and not to disclose information likely to have an impact on the share price.

Oil operations are carried out within a framework involving host countries that must intervene in the application of specific legal limits, and often as partners.

The usual practice of partnerships involves the partners' participation, based on the understanding that all investments or oil cost commitments must be within a budget that is approved and/or validated by all partners involved in the various joint operating agreements.

This results in operational internal control procedures requiring expenditure to be committed systematically by cost centre managers at each operational stage (prospecting, drilling, and operations).

2.6.5 Supervision of internal control procedures

2.6.5.1 Board of Directors

The Board of Directors, along with executive management, has always emphasised the importance it places on internal control and its main areas of application.

2.6.5.2 The Audit Committee and Risk Observatory

The Audit Committee and Risk Observatory are in charge of monitoring internal control measures, with priority being placed on the accounting and financial areas, without disregarding the other functions. They report to the Board of Directors.

The main duties of these committees are described in Sections 3.2.2.3 (a) and 3.2.2.3 (b) of this

universal registration document.

2.6.5.3 Executive management

The main role of executive management is to define the general principles governing internal control and ensure they are properly applied.

2.6.5.4 Internal auditors

Since 2009, the Group's audit and internal control process has been coordinated by Maurel & Prom's company secretary. He reports directly to the Management Committee and reports on his work to the Audit Committee and Risk Observatory.

To perform due diligence procedures, he relies on the internal auditing in place at the Group's main operating subsidiary (Maurel & Prom Gabon S.A.) and on external consultants who are duly appointed for this purpose.

The duties assigned will specifically take into account the assessment of the most significant risks. The weight and contribution of prior activities and their precedence are taken into consideration in the risk assessment.

2.6.5.5 The Statutory Auditors

The Statutory Auditors, through their various audits, perform their professional due diligence to validate the preparation, treatment and consistency of the accounting and financial information for the Company and its subsidiaries.

They are informed in advance of the process used to prepare the financial statements, and they present a summary of their work to financial and executive management, the Audit Committee, Risk Observatory and Board of Directors.

The Statutory Auditors conduct the internal control checks deemed necessary as part of their engagement to certify the financial statements and provide their observations to the Audit Committee and Risk Observatory.

2.7 ACHIEVEMENTS IN 2019 AND OUTLOOK FOR 2020

In 2019 the Group continued the process it had begun in 2018 of setting up an integrated organisational structure of the internal control function between head office and its subsidiaries. The aim is to make procedures and controls more standardised.

The roll-out of a new ERP system in 2019 will eventually contribute to that objective by re-examining and redefining operating procedures, particularly those related to the supply chain and logistics. Tender procedures and delegations of power and authority have already been reviewed and adapted.

The main objectives for 2020 are the updating and better monitoring of AFE procedures and the forecasting of potential budget overruns. Pay-related procedures will also be reviewed.

3 CORPORATE GOVERNANCE

The Company has confirmed that the AFEP-MEDEF Corporate Governance Code, as revised in January 2020 ("**AFEP-MEDEF Code**"), is the Corporate Governance Code with which it voluntarily complies, within the meaning of Article L. 225-37-4 of the French Commercial Code. The AFEP-MEDEF Corporate Governance Code is available on the websites of AFEP (www.afep.com) and MEDEF (www.medef.com). The Corporate Governance High Committee (HCGE) in responsible for monitoring the correct application of the AFEP-MEDEF Code, in line with the provisions set out in said Code.

This chapter contains the report on corporate governance, prepared in accordance with Article L. 225-37 of the French Commercial Code. The report was prepared by several of the Company's functional departments, particularly the finance, human resources, legal and administration departments, and has been reviewed by the Audit Committee, the Risk Observatory and the Appointments and Remuneration Committee. It was approved by the Board of Directors at its meeting of 22 April 2020.

3.1 STATEMENTS ON CORPORATE GOVERNANCE

In accordance with the "comply or explain" rule of Article L. 225-37-4 of the French Commercial Code and Article 27.1 of the AFEP-MEDEF Code, the Company considers that, with the exception of factors disclosed and explained in full below in respect of the fiscal year ended 31 December 2019, the Company complies with the recommendations of that Code.

AFEP-MEDEF recommendations	Company practices
Article 10 of the AFEP-MEDEF Code: Assessment of the Board of Directors *10.1 "The Board assesses its ability to respond to the needs of the shareholders who have entrusted it with the administration of the company by periodically reviewing its composition, structural organisation and operations (which also involves reviewing the Board's committees).* *Each Board reviews the desirable balance of its own composition and that of its committees and periodically considers whether its structural organisation and operations are adequate to perform its tasks.* *10.2 (...)* *10.3 The assessment is carried out as follows:* — *once a year, the Board discusses its operations;* — *a formal assessment is made at least every three years. This assessment may be carried out under the supervision of the Appointments Committee or an independent director, with the help of an external consultant;* — *Shareholders are informed each year of the assessments carried out and, if applicable, of any steps taken as a result."*	The Board tabled an agenda item at its meeting of 22 April 2020 to discuss its membership (in terms of the number of women directors on the Board, members' skills and international representation) and operation, as well as the operation of its special committees, and the information contained in the reports given to members with the aim of improving the Board's work. It should be noted that, with a view to complying with the recommendations of the AFEP-MEDEF Code and furthering the process of continuous improvement of the Company's corporate governance, a formal assessment is being carried out of fiscal year 2019 with the assistance of an external consultant. As at the publication date of this universal registration document, it had not yet been completed.
Article 17.2.2 of the AFEP-MEDEF Code: Succession planning for executive corporate officers *"The Appointments Committee (or an ad hoc committee) should design a plan for the replacement of executive corporate officers. This is one of the committee's main tasks, even though such a task may, if necessary, be entrusted by the Board to an ad hoc committee."*	The introduction of a succession plan for the Chairman of the Board of Directors was not deemed necessary by the Appointments and Remuneration Committee due to the presence of PIEP as a controlling shareholder. As a reminder, the agreements relating to the takeover bid launched in 2016 by PIEP on the Company's shares (the "**takeover bid**") included governance-related commitments, with PIEP having the option to appoint all directors (including the Chairman of the Board of Directors), with the exception of independent directors. There are no plans to adjust the balance in terms of the Company's corporate governance, it being noted that PIEP, through the directors representing it (i.e. four[1] out of seven directors), holds a majority within the Board of Directors.

(1) Following the resignation of Narendra Widjajanto on 18 March 2020, this number has decreased to three. A director will be co-opted so that PIEP will still have four out of the seven directors and thus the Board majority.

AFEP-MEDEF recommendations	Company practices
	With regard to executive management, Olivier de Langavant has held the position of Chief Executive Officer since 1 November 2019. The formalisation of a succession plan for the Chief Executive Officer will be launched by the Appointments and Remuneration Committee.
Article 20 of the AFEP-MEDEF Code: Directors' Code of Ethics *"In the absence of legal provisions to the contrary, directors must be shareholders in their own right and, pursuant to the Bylaws or Internal Regulations, hold a minimum number of shares to justify the remuneration received. If a director does not own those shares when he/she takes up office, that director must use his/her remuneration to purchase them."*	The Internal Regulations of the Company's Board of Directors (the "**Internal Regulations**") stipulate that directors must commit to (i) purchasing 500 shares every year using the remuneration they receive in respect of their directorship (or any smaller number of shares corresponding to an amount of €3,000), and (ii) keeping those shares until the end of their term of office. This rule does not apply to the Company's controlling shareholder director or to directors representing this controlling shareholder, to the extent that PIEP holds, as at 31 December 2019, 143,082,389 of the Company's shares.
Article 22 of the AFEP-MEDEF Code: Termination of employment upon appointment as a corporate officer *22.1. "It is recommended that, if an employee becomes an executive corporate officer, that employee's Employment Contract with the company or a company within the group should be terminated either by signing a severance agreement, or by the employee's resignation.* *22.2. This recommendation applies to the Chairman, the Chairman & Chief Executive Officer, and the Chief Executive Officer in companies with a Board of Directors, and to the Chairman of the Management Board and to the Chief Executive Officer in companies with a Management Board and Supervisory Board, and to the managing partners of partnerships limited by shares.* 22.3. It is not aimed at employees of a group of companies who are executive corporate officers in a subsidiary of that group, whether listed or unlisted."	The shareholding obligation for corporate officers set out in the Internal Regulations does not apply to directors representing the Company's controlling shareholder. As Aussie B. Gautama, the current Chairman of the Board of Directors, is a director representing the controlling shareholder and as such is already exempt from personally holding shares in the Company, it was not considered appropriate to require him to personally hold a set number of shares because of his role as Chairman of the Board of Directors. Michel Hochard joined the Company on 28 August 2007 as an employee and as the Company's Chief Financial Officer. When he was appointed to the position of Company Chief Executive Officer, the Board of Directors, at its meeting of 26 May 2014, agreed to maintain his Employment Contract but suspend it for duration of his role, in accordance with the provisions of the French Labour Code. The Board deemed that in view of his years of service (seven) at the time of his appointment as Chief Executive Officer, it was difficult to force him to waive his rights under his Employment Contract, and particularly the statutory and contractual protections, if his contract is broken (dismissal indemnity in the event of termination for real and serious cause, and severance and non-compete remuneration packages). In addition, under the French Labour Code, the Company has no means of forcing an employee to resign or sign a severance agreement. It should also be noted that as Company Chief Executive Officer, Michel Hochard did not benefit from any actual or potential termination package or other benefit due as a result of his role being discontinued or changed (and no non-compete remuneration). Suspending Michel Hochard's Employment Contract was thus a justified, minimum protection for an employee appointed as a corporate officer who could easily be removed as Chief Executive Officer. Since the termination of Michel Hochard's role as Company Chief Executive Officer (30 October 2019), no executive corporate officer within the Company has had an Employment Contract.

AFEP-MEDEF recommendations	Company practices
Article 23 of the AFEP-MEDEF Code: Shareholding obligation for executive corporate officers *"The Board of Directors sets a minimum number of shares which executive corporate officers must hold in bearer form, until the end of their terms of office. This decision is reviewed at least each time their term of office is renewed.* *(...)* *Until this shareholding target is reached, executive corporate officers shall commit a portion, to be determined by the Board, of their options exercised or performance share allocated to achieving this target. This information is included in the Company's corporate governance report."*	The shareholding obligation for corporate officers set out in the Internal Regulations does not apply to directors representing the Company's controlling shareholder. As Aussie B. Gautama, the current Chairman of the Board of Directors, is a director representing the controlling shareholder and as such is already exempt from personally holding shares in the Company, it was not considered appropriate to require him to personally hold a set number of shares because of his role as Chairman of the Board of Directors.
Article 25.3.3 of the AFEP-MEDEF Code: long-term remuneration of executive corporate officers – Risk-hedging transactions *"executive corporate officers who are beneficiaries of stock options and/or performance shares must make a formal commitment not to engage in any hedging transactions in respect of their own risks, either on options or on shares resulting from the exercise of options or on performance shares, until the end of the period determined by the Board of Directors for holding shares."*	Pursuant to the agreements relating to the takeover bid, PIEP offered all beneficiaries whose shares were not available to be contributed to the takeover bid the option of entering into a liquidity agreement, the price of which is determined on the basis of a multiple resulting from the takeover bid. To the extent that all bearers of bonus shares fulfilling the aforementioned conditions are eligible for this liquidity mechanism, and even though that mechanism could potentially be considered risk hedging within the meaning of the AFEP-MEDEF Code, Michel Hochard was offered such an agreement, whether in respect of bonus shares awarded to him prior to holding the position of Chief Executive Officer (in his capacity as an employee of the Company or corporate officer in a company absorbed by the Company) that were not available to be contributed to the takeover bid, or performance shares awarded to him in the context of his position at 25 February 2016 prior to the takeover bid, it being specified that the legal conditions relating to holding shares applicable to executive corporate officers are still complied with under the implementation of this liquidity mechanism. Since the end of Michel Hochard's role as the Company's Chief Executive Officer (30 October 2019), no executive corporate officer within the Company has had a liquidity mechanism that could be characterised as a risk hedging transaction within the meaning of the AFEP-MEDEF Code.

AFEP-MEDEF recommendations	Company practices
Article 25.5 of the AFEP-MEDEF Code: Departure of executive corporate officers *"[...] The law gives shareholders a major role by making these predefined benefits, paid on termination of office of the executive corporate officer, subject to the procedure for related party agreements. It requires total transparency and makes severance pay conditional on performance.* *Performance conditions set by boards for this severance pay must be assessed over at least two fiscal years. They should be challenging and should not permit severance pay for a director unless the departure is forced, regardless of how the departure is portrayed.* *Severance pay should not be paid to an executive corporate officer who leaves the Company voluntarily to take on new functions, or changes roles internally within a group, or if they are eligible to receive their retirement package.* *If paid, severance should not exceed two years' remuneration (fixed and variable).* *When a non-compete clause is stipulated, the Board states in the terms of departure when the director leaves whether a non-compete clause applies, especially when the director leaves the company to accept a retirement package or after accepting a retirement package. In any event, the total of these two packages must not exceed the ceiling (see above).* *This two-year limit also covers payments related to Employment Contract termination, where applicable."*	Under his Employment Contract as Chief Financial Officer (suspended during his term of office as the Company's Chief Executive Officer), Michel Hochard received (i) non-compete remuneration amounting to 35% of the remuneration he would have received for two years after the end of his contract and (ii) dismissal remuneration equivalent to 24 months' gross pay, if dismissed or forced to discontinue his role as Chief Financial Officer within 18 months following a change of control of the Company or a significant change in the majority shareholder's interest in the Company. These benefits, which were granted to Michel Hochard when he joined the Company in 2007 as Chief Financial and Administrative Officer, were adjusted in 2011 to take account of the economic and financial context and the Group's development outlook at the time. These benefits, the principle and amount of which have remained unchanged since 2011, were granted under Michel Hochard's Employment Contract and relate solely to that Employment Contract. When Michel Hochard was appointed as Company Chief Executive Officer, the Board of Directors decided at its meeting of 26 May 2014 not to put an end to the remuneration or benefits due or that may be due as a result of discontinuation of, or change in, his role as Chief Financial Officer, or terminate the non-compete remuneration package applicable to him under his Employment Contract (see explanation above regarding Recommendation 21 of the AFEP-MEDEF Code). Michel Hochard's Employment Contract, which resumed on 1 November 2019 following the end of his term of office as Chief Executive Officer, was terminated on 31 December 2019. At its meeting of 1 August 2019, the Company's Board of Directors decided not to release Michel Hochard from the non-compete clause in his Employment Contract. Therefore, as from the termination of his Employment Contract, Michel Hochard was entitled to compensation equal to 35% of his fixed and variable remuneration paid in respect of his role as Chief Executive Officer in 2018 (plus a payment of 10% of this amount corresponding to paid annual leave) for a period of 24 months. Michel Hochard also benefited from a gross severance payment of €750,000 decided on during the 1 August 2019 meeting of the Board of Directors. The payment, in two separate instalments on 31 January 2021 and 31 January 2022, is subject to the approval of the General Shareholders' Meeting on 30 June 2020.

3.2 ADMINISTRATION AND MANAGEMENT OF THE COMPANY

3.2.1 Administrative and management bodies

Following the decision by the Board of Directors on 26 May 2014, the roles of Chairman of the Board of Directors and Chief Executive Officer were separated as of that date to improve the operation of the Board of Directors and to allow the Chairman of the Board of Directors to focus on the major strategic decisions affecting the Company.

Aussie B. Gautama has served as Chairman of the Board of Directors since 10 April 2017 (see section 3.2.1.1 (A) of this Annual Report).

Olivier de Langavant has served as Chief Executive Officer of the Company since 1 November 2019.

Michel Hochard's term of office as Chief Executive Officer had been renewed by the 13 June 2019 Board of Directors meeting until the closest of the following two dates: (i) the date of which the Board of Directors appointed his successor as Chief Executive Officer and (ii) the 21 December 2019. His term of office was terminated on the date on which his successor's term of office began.

During the Board of Directors meeting of 25 April 2019, the Internal Regulations of the Board of Directors were updated to comply with the revised version of the AFEP-MEDEF Code of June 2018.

3.2.1.1 Members of the Board of Directors and executive management

A) Board of Directors

Membership of the Company's Board of Directors as at 31 December 2019 and description of changes that occurred during fiscal year 2019

Presentation of the membership of the Board of Directors at 31 December 2019

The Board of Directors is composed of at least three members and no more than twelve members, appointed for three-year periods by the Ordinary General Shareholders' Meeting, barring legal exception in the case of mergers[1].

Membership of the Board of Directors as at 31 December 2019 is described in the table below:

	Personal information				Experience		Position on the Board			
	Age	M/F	Nationality	Number of shares[a]	Number of directorships in a listed company[b] [c]	Inde-pendance	Date of first appointment	Term of current appoint-ment	Years of service on the board	Involvement in Board committees[d]
Aussie B. Gautama Chairman of the Board of Directors	64	M		0	0	No	10/04/2017	2021 AGM	3 years	-
Nathalie Delapalme	63	F		516	0	Yes	20/05/2010	2020 AGM	9 years	ARC (Chairman) AC RO
Carole Delorme d'Armaillé	57	F		1,000	0	Yes	27/03/2013	2021 AGM	6 years	RO (Chairman)
Roman Gozalo	74	M		1,500	0	Yes	12/06/2008	2020 AGM	10 years	AC (Chairman) RO ARC
Denie S. Tampubolon	56	M		0	0	No	25/08/2016	2019 AGM	2 years	ARC
Ida Yusmiati	55	F		0	0	No	20/03/2019	2021 AGM	<1year	RO
Narendra Widjajanto[e]	56	M		0	0	No	20/03/2019	2021 AGM	<1year	AC

(a) The shareholding obligation for corporate officers set out in the Internal Regulations does not apply to directors representing the Company's controlling shareholder.
(b) Number of directorships (outside the Group) in listed companies, including foreign companies.
(c) It should be noted that in accordance with the recommendations of the AFEP-MEDEF Code and the Internal Regulations, when appointing a director or renewing their term of office, the Appointments and Remuneration Committee ensures that the Company director concerned holds no more than four other directorships in listed companies outside the Company, including foreign companies. In order to ensure compliance with the aforementioned rules and the rules relating to the total number of directorships permitted by the French Commercial Code, the Internal Regulations stipulate that all directors must inform the Board of Directors (and the Appointments and Remuneration Committee) of any positions that they hold in other companies, including membership of Board committees or the supervisory committees of these French or foreign companies.
(d) AC = Audit Committee; ARC = Appointments and Remuneration Committee; RO = Risk Observatory.
(e) For information, it should be noted that Narendra Widjajanto has resigned as director, with effect from 18 March 2020.

Nationalities: French: Indonesian:

(1) There are no Board members representing employee shareholders or representing employees as the Company is not required to have such a member under applicable laws and regulations.

Changes to the membership of the Board of Directors during the 2019 fiscal year

Changes to the membership of the Board of Directors and the Board of Directors' committees during the 2019 fiscal year are presented in the table below:

	Departures	Appointments	Renewals
Board of Directors	Aris Mulya Azof [a] (20 March 2019) Maria R. Nellia [b] (20 March 2019)	Ida Yusmiati (20 March 2019) Narendra Widjajanto (20 March 2019)	Aussie B. Gautama (13 June 2019 AGM) Denie Tampubolon (13 June 2019 AGM)
Appointments and Remuneration Committee	N/A	N/A	N/A
Audit Committee	Aris Mulya Azof [c] (20 March 2019)	Narendra Widjajanto [e] (20 March 2019)	N/A
Risk Observatory	Maria R. Nellia (20 March 2019) [d]	Ida Yusmiati (20 March 2019)	N/A

N/A: Not Applicable.

(a) For information, it should be noted that Aris Mulya Azof resigned as director with effect from 20 March 2019 and was replaced by Narendra Widjajanto, who was co-opted during the same meeting and whose co-optation as director was ratified by the General Shareholders' Meeting of 13 June 2019.

(b) For information, it should be noted that Maria R. Nellia resigned as director with effect from 20 March 2019 and was replaced by Ida Yusmiati, whose co-optation as director was ratified by the General Shareholders' Meeting of 13 June 2019.

(c) For information, it should be noted that Narendra Widjajanto was appointed on 20 March 2019 as a member of the Audit Committee as a replacement for Aris Mulya Azof.

(d) . For information, it should be noted that Ida Yusmiati was appointed on 20 March 2019 as a member of the Risk Observatory as a replacement for Maria R. Nellia, subject to approval by the General Shareholders' Meeting of 13 June 2019 of her co-optation as director.

(e) For information, it should be noted that following the resignation of Narendra Widjajanto on 18 March 2020, at its meeting on 31 March 2020 the Board of Directors decided to appoint Ida Yusmiati as a member of the Audit Committee.

3

Frequency of meetings and directors' attendance

The Board of Directors met seven times during the fiscal year ended 31 December 2019, i.e. three meetings more than provided for in the Internal Regulations, and the average attendance rate of its members was 96% of directors present.

Moreover, 14 meetings of the Board of Directors' committees took place during the 2019 fiscal year:

- the Audit Committee met four times, with an average attendance rate of 100%;
- the Appointments and Remuneration Committee met six times, with an average attendance rate of 94%;
- the Risk Observatory met four times, with an average attendance rate of 100%.

Directors' attendance at Board and committee meetings during the 2019 fiscal year is presented in the table below (information presenting the situation of directors present, without taking into account directors who were represented) [a]:

	Attendance at Board of Directors' meetings	Attendance at Audit Committee meetings	Attendance at Appointments and Remuneration Committee meetings	Attendance at Risk Observatory meetings
Aussie B. Gautama	100%	N/A	N/A	N/A
Maria R. Nellia [b]	100%	N/A	N/A	100%
Denie S. Tampubolon	86%	N/A	83.4%	N/A
Nathalie Delapalme	100%	100%	100%	100%
Carole Delorme d'Armaillé	100%	N/A	N/A	100%
Roman Gozalo	100%	100%	100%	100%
Aris Mulya Azof [c]	100%	100%	N/A	N/A
Ida Yusmiati [d]	100%	N/A	N/A	100%
Narendra Widjajanto [e]	83.33%	100%	N/A	N/A
TOTAL	**96%**	**100%**	**94%**	**100%**

(a) Percentages are rounded down or up to the nearest whole number, as appropriate.

(b) Until 20 March 2019, effective date of Maria R Nellia's resignation as director and member of the Risk Observatory.

(c) Until 20 March 2019, effective date of Aris Mulya Azof's resignation as director and member of the Audit Committee.

(d) As from 20 March 2019, the date on which Ida Yusmiati was appointed as a director and as a member of the Risk Observatory.

(e) As from 20 March 2019, the date on which Narendra Widjajento was appointed as a director and as a member of the Audit Committee.

Independence of the Directors

In accordance with the recommendations of the AFEP-MEDEF Code reprised in the Internal Regulations, the Company undertakes to comply with the proportion of independent directors stipulated in those recommendations, namely that at least one third of the members of the Board of Directors shall be independent given the fact that the Company is controlled by PIEP within the meaning of Article L. 233-3 of the French Commercial Code.

Directors are considered independent if they have no relationship of any kind with the Company, its Group or its management that may influence their judgement. Thus, an independent director should be understood to mean not only being a non-executive corporate officer, i.e. one that does not exercise any management functions within the Company or its Group, but also not having any special links with it (such as being a significant shareholder, employee, or other).

The Internal Regulations specify the criteria, listed below, that the Appointments and Remuneration Committee and the Board examine to qualify a director as independent:

- not be or have been in the past five years:
  - an employee or executive corporate officer of the Company,
  - an employee, executive director or director of a company consolidated by the Company,
  - an employee, executive corporate officer or director of the Company's parent company or a company consolidated by that parent company *(Criterion 1)*;
- not be an executive corporate officer of a company in which the Company directly or indirectly holds an office as director or in which an employee nominated as such or an executive corporate officer of the Company (currently or who has held such an office for less than five years) holds an office as director *(Criterion 2)*;
- not be [1] a customer, supplier, investment banker or financing banker:
  - of importance for the Company or its Group,
  - or deriving a significant portion of business from the Company or its Group *(Criterion 3)*;
- not have close family ties with another corporate officer *(Criterion 4)*;
- not have been a statutory auditor of the Company in the preceding five years *(Criterion 5)*;
- not be a director of the Company of more than 12 years' standing, after which the status of independent director cannot apply *(Criterion 6)*.

A non-executive corporate officer cannot be considered to be independent if he or she receives variable remuneration in cash or shares or any remuneration that is related to the performance of the Company or Group *(Criterion 7)*.

Directors who represent major shareholders of the Company can be considered independent if they do not participate in the control of the Company. If a director has in excess of 10% of the Company's capital or voting rights, the Board of Directors should automatically investigate, through its Appointments and Remuneration Committee, the director's independent status, taking into consideration the composition of the Company's capital and the existence of a potential conflict of interest *(Criterion 8)*.

The Board of Directors may also decide that a director, although meeting the above criteria, should not qualify as an independent director as a result of his or her particular circumstances or those of the Company, in terms of his or her shareholding or for any other reason. Conversely, the Board of Directors may decide that a director who does not meet the above criteria is nevertheless independent.

When a business relationship exists, to assess the significance of the business relationship with the Company or Group, the Board of Directors performs a quantitative and qualitative review of the situation of each director. The significance is assessed from the point of view of the Company and that of the director him – or herself.

In accordance with the recommendations of the AFEP-MEDEF Code and the Internal Regulations, qualification as an independent director is discussed by the Appointments and Remuneration Committee and reviewed each year by the Board of Directors with regard to the criteria mentioned above. The qualification as independent director is also discussed when appointing a new director to the Board.

Consequently, the Board of Directors believes that based on the recommendation of the Appointments and Remuneration Committee at its meeting of 22 April 2020, the following directors should be considered to be independent as at 31 December 2019:

- Nathalie Delapalme;
- Carole Delorme d'Armaillé; and
- Roman Gozalo.

As at 31 December 2019, the Company's Board of Directors therefore comprised more than a third of independent directors (three out of the seven members), in accordance with the recommendations of the AFEP-MEDEF Code.

Note that no independent Board member has any direct or indirect business relationships with the Company or the Group. The Board of Directors has therefore had no need to assess the significance of business relationships in terms of the independence criteria, given the characteristics of the Company and its business relationships.

(1) Or be directly or indirectly linked to these individuals.

The following table summarises the situation of the Company's directors as at 31 December 2019 with respect to the above independence criteria set out in the AFEP-MEDEF Code and included in the Internal Regulations:

	Criterion 1: Employee or executive corporate officer in the past five years [a]	Criterion 2: Cross-director ships [a]	Criterion 3: Significant business relationship [a]	Criterion 4: Family ties [a]	Criterion 5: Auditing [a]	Criterion 6: 12 years [a]	Criterion 7: Non-executive corporate officer status [a]	Criterion 8: Major shareholder status [a]
Aussie B. Gautama Chairman of the Board of Directors	✗	✓	✓	✓	✓	✓	✓	✗
Nathalie Delapalme	✓	✓	✓	✓	✓	✓	N/A	N/A
Carole Delorme d'Armaillé	✓	✓	✓	✓	✓	✓	N/A	N/A
Roman Gozalo	✓	✓	✓	✓	✓	✓	N/A	N/A
Denie S. Tampubolon	✗	✓	✓	✓	✓	✓	N/A	✗
Ida Yusmiati	✗	✓	✓	✓	✓	✓	N/A	✗
Narendra Widjajanto	✗	✓	✓	✓	✓	✓	N/A	✗

N/A: Not Applicable.
(a) "✓" = an independence criterion met; "✗" = an independence criterion not met.

Diversity policy

Board of Directors diversity policy

The Board of Directors pays particular attention to the diversity of directors' profiles, notably in terms of balanced representation of women and men, qualifications and professional experience. This diversity in expertise and points of view, which is key to good corporate governance, contributes positively to discussion and helps ensure the rapid and in-depth understanding of the Company's development challenges coupled with greater efficiency in terms of decision-making and supervision processes.

In this respect, the Board of Directors regularly reviews its composition and determines guidelines to be provided to ensure the best possible balance.

Criteria	Policy and objectives	Implementation methods and results obtained during the 2019 fiscal year
Age and years of service of members of the Board of Directors	A generational balance is sought on the Board of Directors, beyond the rule in the Bylaws that the number of directors over the age of seventy (70) may not exceed one-third of the number of directors in office. In addition to the age of directors, finding a balanced distribution in terms of years of service on the Board of Directors, which helps combine drive and experience, is also an objective.	Directors are aged between 55 and 74 years old, and have an average age of 60. Terms of office are staggered in order to avoid all reappointments occurring at the same time and to make the process more harmonious for directors and years of service more balanced. The Board of Directors believes that its composition in terms of age and years of service is balanced, with directors that have historical knowledge of the Company and directors that have joined the Board more recently.

Criteria	Policy and objectives	Implementation methods and results obtained during the 2019 fiscal year
Representation of women and men	Compliance with the provisions of Article l.225-18-1 of the French Commercial Code on gender equality, which specifies that at least 40% of directors must be of the same gender within the Board of Directors and, when a Board of Directors has at least eight members, that the difference between the number of men and women may not exceed two. Gender balance on committees.	As at 31 December 2019, the Company's Board of Directors was composed of three women and four men, i.e. 43% of women directors with a difference between the number of men and women of less than two. The Board of Directors considers that the 43% of women directors reached at 31 December 2019 corresponds to a balanced representation of men and women. The Appointments and Remuneration Committee and the Risk Observatory are chaired by women.
Nationalities International profiles	Recruitment of international profiles: — recruitment of foreign or multi-cultural directors; — and/or with international experience in strategic markets for the Company.	The majority of directors have international careers and responsibilities.
Qualifications and professional experience	Targeting complementarity among directors' experience. Expertise relating to the Company's strategy and growth objectives.	The experience and expertise of directors are in line with the Company's strategy and development objectives.

Management bodies' diversity policy

In terms of management bodies' diversity policy, new recommendation n° 7 of the AFEP-MEDEF Code as revised in January 2020, states that the Board of Directors should, based on proposals by executive management, set diversity targets within its management bodies.

The Diversity Policy shall be determined in 2020 by the Board of Directors, in accordance with new recommendation n° 7 of the AFEP-MEDEF Code.

Biographies of the members of the Board of Directors

Biographies of the members of the Board of Directors for the 2019 fiscal year (information as at 31 December 2019)

Aussie B. GAUTAMA

Chairman of the Board of Directors

Date of first appointment: 10 April 2017

Term of office start date: 10 April 2017

Term of office expiry date: General Shareholders' Meeting called to approve the financial statements for the fiscal year ending 31/12/2021

Number of shares held: 0[1]

Involvement in Board of Directors' committees: None

Indonesian citizen, aged 64

Maurel & Prom
51 rue d'Anjou, 75008 Paris

Main role outside the Company

— Advisor to the President Director, PIEP (Indonesia)

Current directorships and offices

Directorships and offices held within the Group

None

Directorships and offices held outside the Group

None

Directorships and offices that have expired during the past five years

— Deputy Planning Management, SKK Migas (Indonesia)

Summary of main areas of expertise and experience

Aussie B. Gautama has been Chairman of the Board of Directors since 10 April 2017. He is highly experienced in managing Exploration and Production activities in the hydrocarbon industry through the management positions he has held in major groups within the hydrocarbon sector.

Aussie B. Gautama held a number of successive positions at Total between 1982 and 2012. In 1991 he joined Total in Paris, working as a geologist on the Midgard project in Norway for two years. From 1998 to 2000, he worked at Total Libya as head of geology and geophysics. In 2005 he returned to Total in Paris where he spent two years coordinating the OML 130 Egina-Preowei project in Nigeria. From 2007 to 2012 he served as Vice President Geosciences & Reservoir at Total E&P Indonesia. In 2012 Aussie B. Gautama was appointed Deputy for Planning Management at SKK Migas, the Indonesian regulatory authority tasked with managing Exploration and Production activities in the country's hydrocarbon industry. In 2015 he joined the Petramina Group as Advisor to the President Director.

A graduate of the Bandung Institute of Technology in Indonesia, Aussie B. Gautama has also received a solid international education at schools such as ENSPM and INSEAD.

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(1) The shareholding obligation for corporate officers set out in the Internal Regulations does not apply to directors which represent the Company's controlling shareholder.

Nathalie DELAPALME

Independent director

Date of first appointment: 20 May 2010

Term of office start date: 22 June 2017

Term of office expiry date: General Shareholders' Meeting called to approve the financial statements for the fiscal year ending 31/12/2019

Number of shares held: 516

Involvement in Board of Directors' committees:

- Chairman of the Appointments and Remuneration Committee;
- Member of the Audit Committee;
- Member of the Risk Observatory.

French citizen, aged 63

Maurel & Prom
51 rue d'Anjou, 75008 Paris

Main role outside the Company

- Executive Director of the Mo Ibrahim Foundation (Africa)

Current directorships and offices

Directorships and offices held within the Group

- Director and member of the CSR Committee of Seplat Petroleum Development Company Ltd (Nigeria)*

Directorships and offices held outside the Group

- Director and member of the governance, appointments and remuneration committee of EBI S.A. (France)
- Director of Pierre Fabre S.A. (France).

Directorships and offices that have expired during the past five years

- Director and member of the appointments and remuneration committee of CFAO (France)

Summary of main areas of expertise and experience

Nathalie Delapalme has held senior accounting and financial positions within the French government. Her vast experience with Africa is an asset for the Board of Directors.

Nathalie Delapalme began her career in the French Senate, where she served from 1984 to 1985 and again from 1997 to 2002, mainly as an administrator and then as an advisor to France's National Finance, Budget and Accounts Commission. She was also a Deputy Director serving under the Minister for Development Cooperation between 1995 and 1997, and then became Africa advisor to the Foreign Minister from 2002 to 2007. From 2007 to 2010 she held the position of General Inspector of Finances for the Inspectorate-General of Finance (IGF), and in June 2010 she joined the Mo Ibrahim Foundation as Executive Director for Research and Public Policy.

* Listed company.

Carole DELORME d'ARMAILLÉ

Independent director

Date of first appointment:
27 March 2013

Term of office start date:
18 June 2015

Term of office expiry date:
General Shareholders' Meeting called to approve the financial statements for the fiscal year ending 31/12/2020

Number of shares held: 1,050

Involvement in Board of Directors' committees:

- Chairman of the Risk Observatory.

French citizen, aged 57

Maurel & Prom
51 rue d'Anjou, 75008 Paris

Main role outside the Company

- Chief Executive Officer of the Office de Coordination Bancaire et Financière (France)

Current directorships and offices

Directorships and offices held within the Group

None

Directorships and offices held outside the Group

- Chairman of Athys Finances SASU (France)

Directorships and offices that have expired during the past five years

None

Summary of main areas of expertise and experience

Carole Delorme d'Armaillé brings to the Board of Directors her vast expertise in banking and finance.

She has had a dual career as group treasurer and head of professional associations in the financial services sector. She began in the financial division of Péchiney before joining the Altus Group's SBT-BAITF bank and then the Global Markets team at JP Morgan in Paris. In 1995 she returned to the packaging sector at Crown Cork & Seal (formerly CarnaudMetalbox). In the 2000s, she became managing director of the Association Française des Trésoriers d'Entreprise (AFTE, the French Association of Corporate Treasurers) and then went on to spend 10 years as director of investor communications and relations at Paris EUROPLACE, an organisation tasked with promoting the Paris financial marketplace. Since the beginning of 2016 she has served as Chief Executive Officer of the Office de Coordination Bancaire et Financière in Paris.

Roman GOZALO

Independent director

Date of first appointment:
12 June 2008

Term of office start date:
22 June 2017

Term of office expiry date:
General Shareholders' Meeting called to approve the financial statements for the fiscal year ending 31/12/2019

Number of shares held: 1,500

Involvement in Board of Directors' committees:

- Chairman of the Audit Committee;
- Member of the Risk Observatory;
- Member of the Appointments and Remuneration Committee.

French citizen, aged 74

Maurel & Prom,
51 rue d'Anjou, 75008 Paris

Main role outside the Company

None

Current directorships and offices

Directorships and offices held within the Group

None

Directorships and offices held outside the Group

None

Directorships and offices that have expired during the past five years

- Observer at MPI SA[(1)] (until 27 July 2015)

Summary of main areas of expertise and experience

Roman Gozalo has extensive experience in the management of hydrocarbon companies, having held management positions in several of this sector's major groups.

Roman Gozalo developed his management expertise by serving as the executive manager of three subsidiaries of the Total Group from 1988 to 2002 and also as Administrative Director (General Secretary) of the Elf Group from 1995 to 1999.

(1) Formerly Maurel & Prom Nigeria, MPI was listed on Euronext Paris from 15 December 2011 to 23 December 2015. MPI was absorbed by the Company on 23 December 2015.

Denie S. TAMPUBOLON

Director

Date of first appointment: 25 August 2016

Term of office start date: 25 August 2016

Term of office expiry date: General Shareholders' Meeting called to approve the financial statements for the fiscal year ending 31/12/2021

Number of shares held: 0 [1]

Involvement in Board of Directors' committees:

- Member of the Appointments and Remuneration Committee.

Indonesian citizen, aged 56

Maurel & Prom
51 rue d'Anjou, 75008 Paris

Main role outside the Company

- President Director, PIEP (Indonesia)

Current directorships and offices

Directorships and offices held within the Group

None

Directorships and offices held outside the Group

- Member of the Board of Commissioners, PT Pertamina Hulu Mahakam (Indonesia)
- Member of the Board of Commissioners, PT Pertamina Hulu Sanga-sanga (Indonesia)

Directorships and offices that have expired during the past five years

- Senior VP Upstream Business Development, PT Pertamina (Persero) (Indonesia)
- Member of the Board of Commissioners, PT Pertamina Internasional EP (Indonesia)
- Member of the Board of Commissioners, PT Pertamina EP Cepu (Indonesia)

Summary of main areas of expertise and experience

Denie S. Tampubolon has extensive experience in the hydrocarbons sector, having spent the majority of his career in management positions within the Pertamina Group.

Denie S. Tampubolon began his career at Pertamina in 1990, working in the Exploration department covering the Kalimantan region. From 1995 to 2000 he worked as an analyst in the research department before joining the Strategic Planning and Portfolio Management department. From 2000 to 2005 he was assigned to the Secretariat of the Organization of the Petroleum Exporting Countries (OPEC) in Vienna. He returned to Pertamina in 2006 where he held a number of positions before becoming Director of Upstream Business Intelligence in 2009. From 2010 to 2011, Denie S. Tampubolon was seconded as ministerial special advisor to Indonesia's Ministry of Energy and Mineral Resources. Returning to Pertamina in 2012, he joined the Upstream Business Development department. In July 2013 he was appointed as Senior Vice President of Upstream Business Development and held this position until June 2018. From November 2013 to February 2014, Denie S. Tampubolon also served as Chairman and Chief Executive Officer of PIEP. Between 2015 and 2017 he was also a member of the Board of Commissioners of PT Pertamina EP Cepu, a subsidiary of PT Pertamina (Persero), jointly managing with ExxonMobil the Cepu block. Between December 2015 and June 2017, Denie S. Tampubolon was also Chairman and Chief Executive Officer of PT Pertamina Hulu Indonesia, a subsidiary of PT Pertamina (Persero), managing the Mahakam and other product-sharing agreements in Indonesia. Since 2015, he has been a member of the Board of Commissioners of PT Pertamina Hulu Mahakam. Since June 2018, Denie S. Tampubolon has also been President Director of PIEP.

(1) The shareholding obligation for corporate officers set out in the Internal Regulations does not apply to directors which represent the Company's controlling shareholder.

Maria R. NELLIA

Director

Date of first appointment:
10 April 2017

Term of office start date:
10 April 2017

Term of office expiry date:
General Shareholders' Meeting called to approve the financial statements for the fiscal year ending
31 December 2020 – Resigned on 20 March 2019

Number of shares held: 0[1]

Involvement in Board of Directors' committees:

- Member of the Risk Observatory.

Indonesian citizen, aged 55

Maurel & Prom
51 rue d'Anjou, 75008 Paris

Main role outside the Company

- Vice President Commercial SCM & ICT, PIEP (Indonesia)

Current directorships and offices

Directorships and offices held within the Group

None

Directorships and offices held outside the Group

- Director Pertamina International Malaysia E&P (PMEP)

Directorships and offices that have expired during the past five years

- Vice President Commercial & Business Support manager, PIEP (Indonesia)

Summary of main areas of expertise and experience

Maria R. Nellia brings to the Board of Directors her vast experience in the hydrocarbon sector, having spent several years in management positions in leading groups in this sector.

She has worked in the hydrocarbon sector for more than 29 years, since 1989. She began her career in August 1989 at Mobil Oil Indonesia and then at Exxon Mobil as Geophysicist Exploration Development. She further developed her expertise in managing a hydrocarbon company by joining a number of multinational companies in this sector, including PT Landmark Concurrent Solusi Indonesia, a Halliburton-group company in 2000, PT Medco E&P Indonesia in 2004 and Eni Indonesia in 2007. During this period she held many different positions, including that of Exploration Project Liaison Superintendent at Eni Indonesia in 2014. She joined PIEP in 2015 and currently serves as Vice President Commercial & Business Support.

Maria R. Nellia received her bachelor's degree in Geophysical Engineering from the Colorado School of Mines, USA in 1988. Maria R. Nellia has also expanded on her interest in the oil industry by publishing a research paper entitled "3D Seismic Facies Analysis of a Reefal Buildup of the NSO "A" Area, Offshore North Sumatra".

(1) The shareholding obligation for corporate officers set out in the Internal Regulations does not apply to directors which represent the Company's controlling shareholder.

Aris MULYA AZOF

Director

Date of first appointment:
20 June 2018

Term of office start date:
20 June 2018

Term of office expiry date: General Shareholders' Meeting called to approve the financial statements for the fiscal year ending 31 December 2020 – Resigned on 20 March 2019

Number of shares held: 0[1]

Involvement in Board of Directors' committees:

— Member of the Audit Committee.

Indonesian citizen, aged 49

PT Pertamina Internasional EP – Patra Jasa Office Tower, 12th Floor – Jl. Jend. Gatot Subroto Kav 32-34 Jakarta, 12950, Indonesia

Main role outside the Company

— Director of Finance and Commercial, PIEP (Indonesia)

Current directorships and offices

Directorships and offices held within the Group

None

Directorships and offices held outside the Group

None

Directorships and offices that have expired during the past five years

— VP Financing, PT Pertamina (Persero) (Indonesia)
— VP Subsidiary and Joint-Venture Management, PT Pertamina (Persero) (Indonesia)
— President Director and CEO, PT Trans Pacific Petrochimical Indotama (Indonesia)

Summary of main areas of expertise and experience

Aris Mulya Azof has recognised expertise in the oil sector gained through various management positions within the Pertamina Group.

Between May 2010 and March 2014, Aris Mulya Azof was VP Subsidiary and Joint-Venture Management at PT Pertamina (Persero). Between March 2014 and January 2018, he was VP Financing at PT Pertamina (Persero). Since February 2018, Aris Mulya Azof has been Director of Finance and Commercial at PIEP. Between October 2012 and March 2015, Aris Mulya Azof also held the position of President Director and CEO at PT Trans Pacific Petrochemical Indotama.

(1) The shareholding obligation for corporate officers set out in the Internal Regulations does not apply to directors which represent the Company's controlling shareholder.

Narendra WIDJAJANTO

Director

Date of first appointment:
20 March 2019

Term of office start date:
20 March 2019

Term of office expiry date:
General Shareholders' Meeting called to approve the financial statements for the fiscal year ending 31/12/2020
Resignation 18 March 2020

Number of shares held: 0 [1]

Involvement in Board of Directors' committees:

— Member of the Audit Committee.

Indonesian citizen, aged 55

Maurel & Prom
51 rue d'Anjou, 75008 Paris

Main role outside the Company

— Senior Vice President of Corporate Finance, PT Pertamina (Persero)

Current directorships and offices

Directorships and offices held within the Group

None

Directorships and offices held outside the Group

— President Commissioner, PT Elnusa (Indonesia)
— Member of the Board of Commissioners, PT Pertamina Power Indonesia
— President of PT Kilang Pertamina Balikpapan

Directorships and offices that have expired during the past five years

— Vice President Treasury, PT Pertamina (Persero) (Indonesia)
— Finance and Business Support Director, PIEP (Indonesia)
— SVP Corporate Finance of PT Pertamina (Persero) (Indonesia) (end of term of office end-2019)

Summary of main areas of expertise and experience

Narendra Widjajanto has extensive experience in accounting and corporate finance in the oil and gas and information technology industries. He brings a wealth of expertise in finance and accounting to the Board of Directors.

Narendra Widjajanto joined the Finance department of the Pertamina Group in 1990, where he managed budget and oil accounting in the South and Central Sumatra region. In 2000, he was an analyst for the financing of the Bontang LNG refinery improvement project and was certified as an SAP Enterprise Resource Planning (ERP) Finance Consultant in 2001. Between 2001 and 2005, he played an active role in the transformation programme of Pertamina's information system and implemented the company's first ERP system. From 2005 to 2007, he was Vice President Finance of Pertamina Energy Services Singapore. In 2009, he was appointed Vice President Shared Processing Center within the IT department. In 2011, he joined Pertamina Geothermal Energy as Finance Director until 2013, when he was transferred to Pertamina Retail as Director of Finance until 2014. Between 2014 and 2016, he was Vice President Treasury Pertamina head Quarters and set up both Pertamina's currency hedging programme and the Pertamina Treasury Center. Between 2016 and 2017, he was Finance and Business Support Director at Pertamina Exploration and Production and until 2019 Senior Vice President Corporate Finance at Pertamina's registered office. He completed the financing for the Java One Power project in 2018.

Narendra Widjajanto holds a degree in accounting from Padjadjaran University in Indonesia and a Master's Degree in Science from the University of Illinois at Urbana-Champaign in the United States.

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(1) The shareholding obligation for corporate officers set out in the Internal Regulations does not apply to directors which represent the Company's controlling shareholder.

Ida YUSMIATI

Director

Date of first appointment:
20 March 2019

Term of office start date:
20 March 2019

Term of office expiry date:
General Shareholders' Meeting called to approve the financial statements for the fiscal year ending 31/12/2020

Number of shares held: 0[1]

Involvement in Board of Directors' committees:

- Member of the Risk Observatory.

Indonesian citizen, aged 54

Maurel & Prom
51 rue d'Anjou, 75008 Paris

Main role outside the Company

- SVP Upstream Business Development, PT Pertamina (Persero) (Indonesia)

Current directorships and offices

Directorships and offices held within the Group

None

Directorships and offices held outside the Group

None

Directorships and offices that have expired during the past five years

- VP Business Initiatives and Valuation – Upstream Directorate, PT Pertamina (Persero) (Indonesia)
- Director, PT Pertamina Hulu Mahakam (Indonesia)
- Senior Manager Strategic Planning and Portfolio management – PHE Corporate, PT Pertamina (Persero) (Indonesia)

Summary of main areas of expertise and experience

Ida Yusmiati brings to the Board of Directors extensive experience in the hydrocarbon sector, having spent a large part of her career in management positions within several groups in this sector.

Ida Yusmiati held various positions within the ARCO Group between 1997 and 2000, and then within the BP Indonesia Group between 2004 and 2009.

Between 2009 and 2015, she was Senior manager Commercial/Finance at PT Pertamina (Persero). Then, between 2013 and 2015, she was Senior manager Strategic Planning and Portfolio Management, also at PT Pertamina (Persero). From December 2015 to September 2018, she was appointed Director of PT Pertamina Hulu Mahakam. Between April 2015 and September 2018, she also held the position of VP Business Initiatives and Valuation – Upstream Directorate at PT Pertamina (Persero). Since September 2018, Ida Yusmiati is SVP Upstream Business Development – Upstream Directorate.

Ida Yusmiati is a graduate of the Bandung Institute of Technology.

(1) The shareholding obligation for corporate officers set out in the Internal Regulations does not apply to directors which represent the Company's controlling shareholder.

B) Chief Executive Officer

Biographies of the Chief Executive Officers

Michel HOCHARD (Chief Executive Officer between 1 January and 30 October 2019)

Chief Executive Officer

Date of first appointment:
26 May 2014

Term of office start date:
22 June 2017

Term of office expiry date:
31 October 2019

Number of shares held:
306,000

French citizen, aged 69

Maurel & Prom
51 rue d'Anjou, 75008 Paris

Main role outside the Company

Current directorships and offices [1]

For information, it should be noted that pursuant to Article 14.1 of Appendix 1 to Regulation (EC) No. 809/2004 of 29 April 2004, the Company does not list below all of the Company's subsidiaries in which Michel Hochard was also a member of an administrative, management or supervisory body at 31 December 2019.

Directorships and offices held within the Group

— Director of Seplat Petroleum Development Company Ltd (Nigeria)*

Directorships and offices held outside the Group

None

Directorships and offices that have expired during the past five years

For information, it should be noted that pursuant to Article 14.1 of Appendix 1 to Regulation (EC) No. 809/2004 of 29 April 2004, the Company does not list, in this section, all the Company's subsidiaries in which Michel Hochard was also a member of an administrative, management or supervisory body during the past five fiscal years.

— Chief Executive Officer and then Deputy Chief Executive Officer of MPI S.A. (France) [2]
— Director of Newton Energy Limited (Nigeria)

Summary of main areas of expertise and experience

Michel Hochard has a diploma from the Institut Commercial de Nancy (ICN). He is a qualified accountant and worked as an internal auditor in the Finance department of Elf Aquitaine and as head of the finance division for Africa & the Middle East. He also served as Finance Director at SNEAP and at Elf Aquitaine Production. He was Deputy Director of Human Resources at Elf Exploration Production and Operations Director at PriceWaterhouseCoopers BPO. He also served as Chief Executive Officer of MPI until 27 August 2014. From September 2007 until his appointment as Chief Executive Officer, he was the Company's Chief Financial Officer. Michel Hochard's Employment Contract as CFO has been suspended for his term of office as the Company's Chief Executive Officer (see section 3.1 of this Annual Report). His term of office as Chief Executive Officer ended on 30 October 2019 and his Employment Contract on 31 December 2019.

* Listed company.
(1) It should be noted that in accordance with the recommendations of the AFEP-MEDEF Code and the Internal Regulations, Michel Hochard, the Company's Chief Executive Officer, as an executive corporate officer, may not hold more than two other directorships in listed companies outside the Group, including foreign companies. He must also seek the opinion of the Board of Directors before accepting a new directorship in a listed company outside the Group, including any foreign company.
(2) Formerly Maurel & Prom Nigeria, MPI was listed on Euronext Paris from 15 December 2011 to 23 December 2015. MPI was absorbed by the Company on 23 December 2015.

Olivier de Langavant (Chief Executive Officer since 1 November 2019)

Chief Executive Officer

Date of first appointment: 1 August 2019, with effect from 1 November 2019

Term of office expiry date: General Shareholders' Meeting called to approve the financial statements for the fiscal year ending 31/12/2019

Number of shares held: 0

French citizen, aged 63

Maurel & Prom
51 rue d'Anjou, 75008 Paris

Main role outside the Company

Current directorships and offices[1]

Directorships and offices held within the Group

For information, it should be noted that pursuant to Article 14.1 of Appendix 1 to Regulation (EC) No. 809/2004 of 29 April 2004, the Company does not list below all of the Company's subsidiaries in which Olivier de Langavant was also a member of an administrative, management or supervisory body at 31 December 2019. He joined Maurel & Prom as Chief Executive Officer as of 1 November 2019.

— Director of Seplat Petroleum Development Company Ltd[1] (Nigeria)*

Directorships and offices held outside the Group

None

Directorships and offices that have expired during the past five years

None

Summary of main areas of expertise and experience

Following positions in France and then the Ivory Coast, Olivier de Langavant joined Elf Aquitaine (now Total) in 1981 as a Reservoir Engineer – a role which took him to France, the Congo, the United States and Colombia – before being appointed Operations Director in the Netherlands. He served as Deputy Managing Director of Total E&P Angola from 1998 to 2002, and the Managing Director of Total E&P Myanmar. In 2005, he returned to Angola as Managing Director of Total E&P Angola. In 2009, Olivier de Langavant was appointed Finance, Economics & Information Systems SVP of Total E&P, based at the Total Group's head office, before taking up the position of Strategy, Business Development and R&D SVP of Total E&P in 2011. From 2015 to 2017, he served as the Total Group's SVP for the Asia-Pacific region, based in Singapore. Since 2012, he has also been a member of the Total Group's Management Committee (Group Performance Management Committee since 2015).He has been a director of Seplat Petroleum Development Company Ltd since 28 January 2020.

* Société cotée.
(1) It should be noted that in accordance with the recommendations of the AFEP-MEDEF Code and the Internal Regulations, Olivier de Langavant, the Company's Chief Executive Officer, as an executive corporate officer, may not hold more than two other directorships in listed companies outside the Group, including foreign companies. He must also seek the opinion of the Board of Directors before accepting a new directorship in a listed company outside the Group, including any foreign company.

C) Observer

In accordance with the Bylaws and the Internal Regulations, the Board of Directors may appoint a maximum of four observers to the Company, chosen from among the natural persons. The term of office for observers is set at three years. Observers are required to attend and observe the meetings of the Board of Directors, and may be consulted by it. They may also present observations at General shareholders' meetings on the proposals submitted to them, if they see fit. They must be invited to every meeting of the Board of Directors. The Board of Directors may assign specific tasks to observers. They may sit on committees created by the Board of Directors, except for the Audit Committee. The Board of Directors may decide to pay observers a proportion of the remuneration allotted to Board members by the General Shareholders' Meeting, and authorise the reimbursement of expenses that observers incur during the course of their work for the Company. No observers had been appointed by the Board of Directors as at the date of this Annual Report.

3.2.2 Operations of administrative and management bodies

3.2.2.1 Organisation and operations of the Board of Directors

A) Description of the Board of Directors

The Board of Directors determines the strategies for the Company's business and ensures their implementation. With due respect to the powers expressly given to the shareholders' meetings and within the limits of the corporate purpose, it addresses all questions related to the Company's proper functioning and governs, by its decisions, the affairs that concern it. The Board of Directors is mandated by all the shareholders. It is collectively answerable and legally responsible to the General Shareholders' Meeting in the performance of its duties.

In its relations with third parties, the Company is bound even by acts of the Board of Directors that are not included within the scope of the corporate purpose (unless the Company can prove that the third party knew that the act was beyond the scope of that purpose or that, given the circumstances, the third party could not have been unaware of that fact), the publication of the Bylaws alone not constituting sufficient proof.

The Internal Regulations also reprise and set out certain articles in the Bylaws including membership of the Board of Directors and the concept of independent director, the operating rules, missions, rights and obligations incumbent on directors as laid down in a "charter", the appointment and role of observers and the membership and remits of the Audit Committee, the Risk Observatory and the Appointments and Remuneration Committee. The Internal Regulations are available on the Company's website: www.maureletprom.fr.

B) Chairman of the Board of Directors

The Board of Directors chooses a Chairman from among its own members, who should be an individual, and, if it so decides, one or more Vice Chairmen. The Board of Directors sets the term of their office, which cannot exceed the term of their office as a director. The Board can terminate these offices at any time.

Since 10 April 2017, the role of Chairman of the Board of Directors has been held by Aussie B. Gautama.

The age limit for the role of Chairman of the Board of Directors is 75. If the Chairman of the Board of Directors reaches this age during his/her term in office, he/she is deemed to have automatically resigned.

Powers of the Chairman of the Board of Directors

The Chairman of the Board of Directors organises and directs the work of the Board of Directors, and reports on this work to the General Shareholders' Meeting. The Chairman oversees the proper operation of the Company's bodies and ensures, in particular, that the directors are capable of fulfilling their duties.

The Chairman may convene a meeting of the Board of Directors as often as necessary and at least once per quarter. He sets the meeting's agenda and chairs the meeting.

More specifically, the Chairman offers his assistance and expertise to executive management without prejudice to management's executive responsibilities or the prerogatives of the Board of Directors and its committees. In this regard, he may represent the Company on a global level, particularly with government authorities and the Company's partners and strategic stakeholders. He may furthermore be consulted by executive management on all significant events concerning the Company's strategy in the context of the strategic objectives set for it by the Board of Directors, the Company's organisation, major investment and disinvestment projects, important financial transactions, community initiatives, and the appointment of senior managers for the Company's key activities and functions. He may also attend any meeting regarding the aforementioned subjects, but in any event will be kept regularly informed by executive management of significant events or situations related thereto.

The Chairman of the Board of Directors represents the Board of Directors with respect to shareholders. He reports back to the Board of Directors on this task.

C) Operating rules of the Board of Directors

Convening of the Board of Directors

The Board of Directors meets at least four times a year and as often as is necessary in the interest of the Company, and is convened by its Chairman. When the Board of Directors has not met for more than two months, at least one-third of the Board's members are required to ask the Chairman to convene a Board meeting. The Chief Executive Officer may also ask the Chairman to convene a Board meeting to consider a specific agenda. The Chairman of the Board of Directors is then bound to act on such requests. The frequency and duration of Board of Directors' meetings allow for in-depth review and discussion of matters within its remit.

The agenda is set by the Chairman of the Board of Directors, and is sent to the members within a reasonable amount of time before the meeting is held. The Board may be convened by any means (verbally, by letter, by email, by fax or by phone) with reasonable advance notice, unless in an emergency.

The meetings are held at any location indicated in the notice to meeting. The Board of Directors meets at a location selected by the Chairman of the Board of Directors to enable as many Board members as possible to attend.

Attendance at Board of Directors' meetings

Directors may be represented at Board of Directors meetings by another director, in accordance with laws, regulations, the Bylaws and the Internal Regulations. The proxy authority must be in writing. No director may hold more than one proxy in any given meeting.

Except when the Board of Directors meets to deliberate on matters specified in Articles L. 232-1 and L. 233-16 of the French Commercial Code (preparation and approval of the company annual and consolidated financial statements and management report for the Company and the Group), directors are deemed to be present, for the purposes of establishing a quorum and a majority, if attending by video conference or teleconference (including conference calls) and using equipment that allows them to be identified and guarantees their actual attendance, i.e. by at least transmitting attendees' voices and ensuring clear, continuous, live transmission of the deliberations. Where such methods are used in certain meetings, the Chairman must indicate that in the notice to meeting.

Deliberations by the Board of Directors

The meetings of the Board of Directors are chaired by the Chairman of the Board of Directors or, in his/her absence, and if so appointed, by the Vice-Chairman most senior in age. During the 2019 fiscal year, all of the Board of Directors' meetings were chaired by the Chairman of the Board of Directors. If the Chairman and Vice-Chairman of the Board of Directors are both absent, the Board of Directors appoints one of the directors present to chair the meeting. The General Secretary of the Company acts as the secretary for the meeting.

The Board of Directors may only validly deliberate when at least half of its members are present. Decisions are made by the majority vote of the members present or represented. In the event of a tie, the meeting Chairman has the casting vote.

An attendance register is kept, which is signed by the directors attending each Board of Directors' meeting, and gives the names of the directors attending the meeting by videoconference or by any other means of telecommunication authorised by law who are deemed to be present.

Each member is informed of the responsibilities and of the confidentiality of the information received in the Board of Directors' meetings that he/she attends.

The deliberations of the Board of Directors must be clear and are recorded in meeting minutes established in accordance with the law. The meeting minutes are recorded in a special register and signed by the Chairman of the Board of Directors and a director. The draft minutes are provided to all directors for approval prior to signature. Without being unnecessarily detailed, the draft minutes must include, in addition to all the information required by applicable laws and regulations, a summary of the deliberations and decisions taken by succinctly listing the questions raised or reservations expressed and any technical incident related to the videoconference or to any means of telecommunications used that may have disrupted the meeting.

In accordance with the applicable legal provisions, the Statutory Auditors are invited to attend the meetings of the Board of Directors called to review the interim and annual financial statements.

Frequency of meetings of the Board of Directors and directors' attendance

The frequency of meetings and directors' average attendance rates are presented in the *Frequency of meetings and directors' attendance* section of this chapter.

D) Role of the Board of Directors

The Board of Directors is a collegiate body mandated by all the shareholders and exercises the authority devolved to it by law to act in the corporate interests of the Company in all circumstances. It determines the Company's business strategy and ensures its implementation. With due respect to the powers expressly given to the shareholders' meetings and within the limits of the corporate purpose, it addresses all questions related to the Company's proper functioning and governs, by its decisions, the affairs that concern it.

As part of its mission, the Board of Directors has authority for the following matters, including without limitation:

- preparing the parent company financial statements, the consolidated financial statements, the annual management report (for the Company and the Group) and documents setting out management forecasts;
- discussing and approving the major operations envisaged by the Group (i.e. (i) that may significantly impact the strategy of the Company and of the companies that it controls, their financial structure or their scope of activity, the Group's results or the structure of its balance sheet or risk profile, (ii) organic growth operations, and (iii) internal restructuring operations) and giving its prior approval to any significant operation outside the Company's stated strategy;
- approving all proposed mergers and demergers;
- defining the Company's financial communication policy and ensuring the quality of the information provided to shareholders and the financial markets via the financial statements that it approves, the Annual Report and press releases, or when major transactions are conducted;

- at least one meeting a year to reviewing the entire strategy of the Group;
- authorising surety bonds, endorsements and guarantees;
- convening General shareholders' meetings and setting their agenda;
- choosing the Company's organisational structure;
- appointing and dismissing the Chairman of the Board of Directors, the Chief Executive Officer, and any deputy Chief Executive Officer tasked with managing the Company, checking their management performance, setting their remuneration and approving the scope of their powers;
- appointing members of the Board of Directors' special committees;
- approving the list of directors each year who are considered to be independent in accordance with the Internal Regulations;
- co-opting, in the circumstances stipulated by law, one or more directors;
- granting to one or more directors any special mandates for one or more specific purposes;
- assessing its own work by reviewing its own operating procedures, checking that important issues are properly prepared and discussed and measuring each director's actual contribution to its work in terms of their expertise and their involvement in its deliberations;
- distributing remuneration among the members of the Board of Directors;
- setting all exceptional remuneration for directors for all duties performed or offices held;
- deciding to relocate the registered office within France, subject to ratification at the next Ordinary General Shareholders' Meeting;
- authorising "regulated" agreements;
- reviewing issues related to the Company's corporate and environmental responsibility;
- review risk mapping and more specifically risks related to corporate, environmental and societal responsibility and certain risks related to specific files;
- staying informed of all important events affecting the Company's markets;
- carrying out all inspections and checks that it considers appropriate.

It addresses the following issues in particular, in conjunction with its special committees:

- the proper definition of powers within the Company and the proper exercise of the respective powers and responsibilities of management bodies within the Company;
- the fact that no one person has the power to commit the Company without supervision, excluding corporate officers acting under delegated powers received;
- the proper running of internal control bodies and the satisfactory nature of the terms of the Statutory Auditors' assignment; and
- the proper running of the special committees it has created.

It is further specified that the Board of Directors is kept informed about:

- the financial position, cash position and commitments of the Company and the Group;
- the Company's liquidity position, in a timely manner, to enable it to take, as applicable, any decisions relative to its financing and indebtedness; and
- market trends, the competitive environment and the main challenges, including with regard to the Company's corporate and environmental responsibility.

Work of the Board of Directors in 2019

The following agenda items were deliberated upon at the meetings of the Board of Directors held in 2019:

- review and approval of the parent company and consolidated financial statements for the fiscal year ended 31 December 2018, proposed allocation of income for the fiscal year ended 31 December 2018, the management report and the report on corporate governance;
- convening of the annual Ordinary and Extraordinary General Shareholders' Meeting and setting of the agenda, draft resolutions, and approval of the Board of Directors' Report for that Meeting;
- review of directors' status in terms of the independence criteria adopted in the Internal Regulations;
- resignation of two directors and co-opting of two replacement directors;
- delegation of powers to the Chief Executive Officer with respect to surety bonds, endorsements and guarantees and report of the Chief Executive Officer;
- review of the list of regulated agreements the execution of which continued during the last fiscal year;
- approval of the implementation of a plan to award performance and bonus shares to employees;
- method for distributing the remuneration among the members of the Board of Directors;
- company policy in terms of professional gender equality and equal pay;
- setting of remuneration for the Chairman of the Board of Directors and the Chief Executive Officer;
- renewal of the terms of office as directors of Aussie Gautama and Denie Tampubolon;
- renewal of the term of office of the Chairman of the Board of Directors; renewal of the term of office of the Chief Executive Officer;
- activation of the share buyback programme;
- updating the Internal Regulations;
- review of the financial statements for the first half of 2019 and the draft statement concerning the 2019 first-half results;
- appointment of a new Chief Executive Officer, setting of his powers and remuneration;
- amerisur Resources Plc project;
- approval of the appointment of a new Managing Director for the subsidiary M&P Exploration Production Tanzania to replace the current Managing Director and of a new legal representative for the establishment of the company Établissements Maurel & Prom in Tanzania;

- presentation of a year-end estimate for 2019 and the draft budget for 2020;
- establishment and implementation of the policy for the remuneration of corporate officers;
- update of the Code of Conduct;
- adoption of the regulated agreements charter and the procedure for the periodic review of ordinary agreements concluded under normal conditions.

Executive sessions without the presence of the Chief Executive Officer were also held.

E) Nature of the information provided to directors for the preparation of their work and duties

Information prior to each meeting of the Board of Directors

A detailed file is sent to the members of the Board of Directors, within a sufficient period of time, prior to each meeting containing the information that allows a full examination to be made of the points included within the agenda of the Board of Directors.

More specifically, it contains the minutes of the previous meeting, the significant events occurring since the previous meeting of the Board of Directors and, where relevant, ongoing or planned operations.

The Chief Executive Officer generally provides comment on these documents during the meetings of the Board of Directors.

The members of the Board of Directors may also request prior to or in relation to the meetings of the Board of Directors any additional information and documents they consider vital to the performance of their duties, specifically in relation to the meetings' agenda. The directors must ensure that they have sufficient information in a timely manner for the Board of Directors to hold valid deliberations.

Between Board of Directors meetings, the Company also provides the directors with useful information if such information is important or when required in urgent matters. Such information also includes any relevant information, including information of a critical nature, regarding the Company, notably press and financial analysis articles.

Financial information

Each quarter, the Chief Executive Officer presents a report on the activity of the Group and its main subsidiaries for the past quarter.

A detailed and annotated income statement and balance sheet are presented by the Chief Financial Officer at each half-year and year-end.

In the three months after the closing of each fiscal year, the draft consolidated financial statements are sent to the Board of Directors for verification. The Board of Directors then presents its activity report and the financial statements for the period to the General Shareholders' Meeting.

The Board of Directors ensures that investors and shareholders receive relevant, balanced and educational information regarding the strategy, growth and non-financial stakes that are material to the Company and its long-term prospects.

Information on particular transactions

With regard to transactions for external growth or the sale of assets, the Board of Directors examines the data that are provided to it by the Chief Executive Officer on the transactions and strategy, and gives its view on the advisability of the proposals submitted, and if necessary, authorises the Chief Executive Officer to proceed with the transactions.

Permanent information

The Board of Directors may also ask the Chief Executive Officer and management, whenever necessary, for any information or analysis that it deems appropriate, or, to give a presentation on a specific subject. Directors may ask to meet with the Company's senior executives, without executive corporate officers having to be present, subject to having informed them about this beforehand.

In addition, between meetings, the members of the Board of Directors are regularly kept informed of the events or transactions that are significant to the Company.

Each director may also request any additional training as he or she considers necessary on the specific features of the Company, its businesses and its industry sector. Training is organised, offered and paid for by the Company. For fiscal year 2019, the two directors co-opted in 2019 received training in the rules of governance in listed companies referring to the AFEP-MEDEF Code and European and French rules applicable to listed companies, as well as in insider trading and financial results. The training sessions were conducted by a law firm. The Company also provided several training courses on matters of corporate law and stock market law applicable to the Company's operations.

Directors' duties

The Internal Regulations include a directors' charter that sets out the principles to which directors must adhere. The charter tasks directors with certain obligations aimed mainly at ensuring that they understand the provisions that are applicable to them, avoid conflict of interest situations, devote the necessary time and attention to their duties, comply with the legal provisions and the AFEP-MEDEF Code governing multiple simultaneous mandates, and observe strict confidentiality requirements in respect of information of a non-public nature that go beyond exercising discretion as required by law. It also reminds them that despite their being individual shareholders in the Company, they each represent all shareholders and must act in the corporate interest in all circumstances, unless acting on their own account. They are also bound by an obligation of loyalty.

In accordance with the provisions of the AFEP-MEDEF Code and the Internal Regulations, directors must attend General shareholders' meetings. Note that in this regard, all directors attended the General Shareholders' Meeting of 13 June 2019.

The Internal Regulations are available on the Company's website: www.maureletprom.fr.

F) Assessment of the Board of Directors

The Board of Directors carries out a self-assessment in which it reviews its membership, structure and operation as well as that of its committees. This assessment is designed to review the Board of Directors' operating procedures, to check that important issues are correctly prepared and discussed and to measure each director's actual contribution to the work of the Board of Directors in terms of their expertise and their involvement in its deliberations.

This assessment is also an opportunity for the Board of Directors to analyse the desired balance of representation both on the Board and the special committees, specifically in terms of diversity (gender representation, nationality, age, qualifications and professional experience, etc.) and to periodically analyse whether its structure and operating procedures are suited to the performance of its duties. The Board of Directors' diversity policy is presented in the "Board of Directors diversity policy" section of this chapter. At its meeting of 22 April 2020, the Board of Directors discussed its membership (in terms of the number of women directors on the Board, members' skills and international representation) and operation, as well as the operation of its special committees, and the information contained in the reports given to members with the aim of improving the Board's work.

The directors meet periodically and at least once per year, without the Company's executive corporate officers, to assess their performance and discuss the future management of the Company.

Furthermore, the Board of Directors devotes one agenda item a year to a discussion about the way that it operates, and carries out a formal assessment every three years. This formal evaluation may be carried out under the supervision of the Appointments Committee or an independent director, with the help of an external consultant. With regard to the assessment of the Board for fiscal year 2019, the Company decided to use a specialist consulting firm to evaluate how well the Board was performing. This assessment is still ongoing but is expected to be completed by end-June 2020.

The main purpose of the assessment is to draw up a report on the Board's operating procedures by evaluating how well its deliberations are organised and what is the effective involvement of each director in the Board's work relative to their respective expertise. The topics addressed in this assessment pertain primarily to the Board's general operating procedures, the structure and quality of its governance, the appropriateness of its membership, its tasks, the running of its Board meetings, director information, the choice of issues addressed, the quality of deliberations, and the individual participation of each director and their contribution to the Board's work.

The assessment also covers the operating procedures, membership, tasks and organisation of the Board's committees, as well as the coordination between the committees and the Board.

Ultimately the assessment will highlight the areas in which Board and its committees perform strongly and issue recommendations for any areas requiring improvement.

3.2.2.2 Organisation and operation of the special committees

In accordance with the Internal Regulations, the Board of Directors has three special committees designed to help the Board run smoothly and to provide the Board with efficient support as it prepares its decisions. These include: (i) the Audit Committee, (ii) the Appointments and Remuneration Committee, and (iii) the Risk Observatory.

The external consultant has also been tasked with assisting the Board in its examination of the role and organisation of its committees. This is also expected to be completed by end-June 2020.

A) Audit Committee

Membership of the Audit Committee

At least two-thirds of the Audit Committee must be made up of independent directors of the Company; it may not include any executive corporate officers of the Company. The members of the Audit Committee are selected by the Board of Directors from among its members. The members of the Audit Committee are experts in finance, accounting or statutory account auditing (see section 3.2.1.1 (a) of this Annual Report).

The Chairman of the Audit Committee is appointed by the Board of Directors for the duration of his or her term as director or for a period set by the Board of Directors. The appointment or renewal of the Chairman of the Audit Committee, as proposed by the Appointments and Remuneration Committee, is closely reviewed by the Board of Directors.

The members of the Audit Committee are appointed for the term of their mandates as members of the Board of Directors, or for a term set by the Board of Directors. They may, however, resign during any meeting of the Board of Directors without reason or advance notice.

When appointed, the members of the Audit Committee may receive information on the particularities of the Company's accounting, financial and operational systems.

As at 31 December 2019, membership of the Audit Committee was as follows:

- Roman Gozalo (Chairman and independent director);
- Nathalie Delapalme (independent director);
- Narendra Widjajanto (director).

Changes to the membership of the Audit Committee during the 2019 fiscal year are presented in the table in the *Changes to the membership of the Board of Directors* section of this chapter.

Operation of the Audit Committee

Convening meetings of the Audit Committee

The Audit Committee is convened by its Chairman or at the request of the Chairman of the Board of Directors and meets as often as he or she deems necessary or appropriate, at least twice yearly and in any event prior to the meetings of the Board of Directors held to approve the financial statements.

The Audit Committee may be convened by any means (orally, by letter, by email, by fax or by telephone) with reasonable advance notice, unless in an emergency.

The Chairman of the Audit Committee sets the agenda for the meetings and sends it to the Chairman of the Board of Directors and the Chief Executive Officer, as required.

Attendance at meetings of the Audit Committee

Only the members of the Audit Committee are automatically entitled to attend its meetings.

The Chairman of the Board of Directors, the Chief Executive Officer, the other directors, the Chief Financial Officer, the Chief Audit Executive, the external auditors and all other persons may attend its meetings when invited to do so by the Committee's Chairman.

If the Audit Committee is conducting interviews of the chief financial officers and heads of accounting, cash and internal audit, such interviews may be conducted without the Company's executive management.

At least once a year, the Audit Committee must meet to speak with the internal and external auditors without other members of management being present. It is preferable that the Audit Committee schedule separate meetings to speak with the internal and external auditors.

The Audit Committee may contact the Company's senior executives after having informed the executive corporate officers and is responsible for reporting on that to the Board of Directors. The Audit Committee may, provided that it informs the Chairman of the Board of Directors or the Board of Directors beforehand and is responsible for reporting thereon to the Board of Directors, use external appraisers, at the Company's expense, to request external technical studies. In such cases, the Audit Committee must ensure the expertise and objectivity of these appraisers.

Audit Committee meetings may be held anywhere. Prior to each meeting, at the request of one or more members of the Audit Committee, the Audit Committee Chairman may decide that the meeting will take place by means of teleconference or video conference (including conference calls), allowing the members to be identified and guaranteeing their effective attendance, i.e. by transmitting at least attendees' voices and ensuring clear, continuous, live transmission of the deliberations. Audit Committee members attending the meeting by telecommunication or videoconference means are deemed in attendance and counted for a quorum. Where such methods are used in certain meetings, the Chairman must indicate that in the notice to meeting.

The special committees carry out their duties under the responsibility of the Board of Directors. The members of each special committee to the Board of Directors act in a collegiate manner.

Deliberations of the Audit Committee

Audit Committee meetings are chaired by its Chairman.

The Audit Committee shall only be quorate if at least half its members are present. The proposals, opinions, reports and recommendations that the Committee issues to or prepares for the attention of the Board of Directors are agreed by a majority of the Committee's members in attendance at the meeting. In the event of a tie, the Chairman of the Committee has the casting vote.

Information provided to the members of the Audit Committee

Documentation relating to the agenda for the Audit Committee meeting is prepared using a standard format and is sent to committee members in advance of the relevant meeting.

General Secretary of the Audit Committee

The Chairman of the Audit Committee appoints the person who will perform the Committee's secretarial functions.

Minutes of the meetings of the Audit Committee

The Audit Committee reports on its work at the next meeting of the Board of Directors, in the form of opinions, information, proposals, reports, recommendations or full and accurate minutes, and notifies the Board promptly of any problems encountered.

Role of the Audit Committee

The general role of the Audit Committee, as defined by the Internal Regulations, is to assist the Board of Directors so that the latter has the information and resources needed to ensure the quality of internal controls and the reliability of the financial information provided to shareholders and the financial markets.

The role of the Audit Committee is as follows:

Accounts, transactions and financial information

- review the parent company and consolidated financial statements as well as those of the Company's main subsidiaries;
- review the scope of the Group's consolidated companies and, as the case may be, the reasons why companies have not been included;
- check that the accounting methods adopted (i) for the preparation of the parent company and consolidated financial statements, (ii) for the Group's scope of consolidation and (iii) for the processing of material transactions are relevant and consistent;
- review any material transactions that may cause conflicts of interest;
- monitor the process of preparing financial information;
- monitor the effectiveness of internal control and risk management systems, their deployment and the implementation of corrective actions in coordination with the Risk Observatory when material weaknesses or irregularities are found or identified;
- review the Statutory Auditors' main findings regarding the parent company and consolidated financial statements as well as internal control and internal audit;

- receive internal audit and risk control reports;
- interview the heads of internal audit and risk control and, in coordination with the Risk Observatory, express an opinion on the organisation of their departments;
- remain informed of the internal audit programme;
- receive internal audit reports and a periodic summary of those reports;
- review the report prepared by the Chairman of the Board of Directors on those same topics at the General Shareholders' Meeting;
- review, in coordination with the Risk Observatory, the risks to which the Company is exposed and the solutions adopted by the Company to address such risks;
- review material off-balance-sheet commitments;
- ensure that systems to detect and correct any deficiencies are in place. To that end, the Audit Committee assesses the importance of any deficiencies or weaknesses of which it has been informed and in turn notifies the Board of Directors;
- review risk mapping and more specifically risks related to corporate, environmental and societal responsibility and certain risks related to specific files;
- review any matter likely to have a material impact on the substance and presentation of the parent company and consolidated financial statements.

The parent company and consolidated financial statements are reviewed by the Audit Committee sufficiently in advance of those documents being reviewed by the Board of Directors.

The review of the financial statements is accompanied by a presentation by management describing the exposure to risks and the material off-balance sheet commitments of the Company as well as the accounting options applied.

Relations with the Statutory Auditors

- regularly interview the Statutory Auditors, in particular at meetings discussing the process of preparing financial information and the review of parent company and consolidated financial statements, to hear their reports on the performance of their tasks and the conclusions of their review, it being understood that the Statutory Auditors may be interviewed without the executive officers directors being present. The purpose of such meetings is to allow the Audit Committee to be informed by the Statutory Auditors of the main risk areas or uncertainties identified, the audit approach adopted, and any problems encountered in performing their tasks;
- be informed by the Statutory Auditors of any material weaknesses in internal control identified during their review in terms of the procedures for preparing and processing accounting and financial information;
- interview the Statutory Auditors regarding (i) their schedule of work and the sampling they have undertaken, (ii) any modifications that they consider should be made to the accounts or accounting documents and their observations on the evaluation methods used, (iii) any irregularities and inaccuracies they may have discovered and (iv) any conclusions arising from the observations and adjustments to the results for the period compared with those for the previous period;
- propose to the Board of Directors the procedure for selecting the Statutory Auditors, prepare a call for tender, if necessary, as provided for by law, and approve the specifications and choice of auditor;
- manage the procedure for selecting the Statutory Auditors and submit a recommendation regarding the Statutory Auditors proposed for appointment by the General Shareholders' Meeting;
- where applicable, supervise the call for tender process and approve the specifications and choice of firms consulted, selecting the Statutory Auditors on a "best bid" rather than a "lowest bid" basis in compliance with the rotation obligations stipulated by law; and
- oversee the Statutory Auditors' legal review of the parent company and consolidated financial statements.

Monitoring the rules for independence and objectivity of the Statutory Auditors

- monitor the independence of the Statutory Auditors;
- ensure that it receives communication from the Statutory Auditors each year including (i) their statement of independence, (ii) the amount of fees paid to the Statutory Auditors' network by the companies controlled by the Company for services not directly linked to the Statutory Auditors' certification duties and (iii) information on the services performed relating directly to the Statutory Auditors' certification duties;
- review with the Statutory Auditors the risks to their independence and the safeguards taken to mitigate those risks;
- make sure that the fees paid by the Company and the Group to the Statutory Auditors, and the percentage they represent of the revenue of the auditors' firms and their network, do not jeopardise the Statutory Auditors' independence;
- make sure that the Statutory Auditors ensure that their duties exclude all other work not linked to this assignment by referring to the Statutory Auditors' professional Code of Ethics and standards of practice, with the firm appointed and the network to which it belongs refraining from all other work or consultancy (legal, tax, IT or other) performed directly or indirectly for the Company in accordance with applicable provisions.

Approval of the services provided by the Statutory Auditors

- review beforehand work that is incidental or directly additional to the audit of the accounts that may be performed by the selected firms (such as acquisition audits) but excluding evaluation and consultancy work; and
- pre-approve services other than certification in accordance with the methods set out in Article 3.4 of the Audit Committee Internal Regulations which are included in the Internal Regulations.

Activity of the Audit Committee during the fiscal year ended 31 December 2019

During the fiscal year ended 31 December 2019, the Audit Committee held four working sessions attended by the Company's financial management and the Statutory Auditors. The attendance rate at these sessions was 100% (see the *Frequency of meetings and directors' attendance* section of this chapter, which presents the average attendance rate of each member of the Audit Committee at meetings of this committee).

At these sessions, the Audit Committee worked mainly on:

- approving the parent company and consolidated financial statements for the fiscal year ended 31 December 2018;
- reviewing the Annual Report (including the Company and Group management report, the annual financial report and the Board of Director's report on corporate governance and internal control);
- approving the financial statements for the first half of 2019;
- forecasting profits for 2019;
- preparing the budget for 2020;
- reviewing the regulated agreements charter;
- renegotiating bank financing;
- the new regulation for the CEMAC region; and
- the renewal of the terms of office of the Statutory Auditors.

B) Appointments and Remuneration Committee

Membership of the Appointments and remuneration Committee

At least half the Appointments and Remuneration Committee must be made up of independent directors of the Company; it may not include any executive corporate officers of the Company. The members of the Appointments and Remuneration Committee are selected by the Board of Directors from among its members or from outside the Board for their expertise.

The Chairman of the Appointments and Remuneration Committee, who should qualify as an independent director, is appointed by the Board of Directors for the duration of his or her term as director or for a period set by the Board of Directors. The appointment or renewal of the Chairman of the Appointments and Remuneration Committee is closely reviewed by the Board of Directors.

The members of the Appointments and Remuneration Committee are appointed for a term commensurate with their term of office as a member of the Board of Directors, or for a term set by the Board of Directors. Members of the Appointments and Remuneration Committee may, however, resign without reason or advance notice.

In the event that the roles of Chairman of the Board of Directors and Chief Executive Officer are separated, the non-executive Chairman may be a member of the Appointments and Remuneration Committee.

As at 31 December 2019, membership of the Appointments and Remuneration Committee was as follows:

- Nathalie Delapalme (Chairman, independent director);
- Roman Gozalo (independent director);
- Denie S. Tampubolon (director).

Membership of the Appointments and Remuneration Committee remained unchanged during the 2019 fiscal year (see the "Changes to the membership of the Board of Directors" section of this chapter).

Operation

Convening meetings of the Appointments and Remuneration Committee

The Appointments and Remuneration Committee is convened by its Chairman or at the request of the Chairman of the Board of Directors, and meets as often as the Chairman deems necessary or appropriate, at least twice yearly.

The Appointments and Remuneration Committee may be convened by any means (orally, by letter, by email, by fax or by telephone) with reasonable advance notice, unless in an emergency. The Chairman of the Appointments and Remuneration Committee sets the agenda for the meetings and sends it to the Chairman of the Board of Directors and the Chief Executive Officer, as required.

Attendance at meetings of the Appointments and Remuneration Committee

Only the members of the Appointments and Remuneration Committee are automatically entitled to attend its meetings.

The executive corporate officer is involved with the work of the Appointments and Remuneration Committee, except during discussions regarding (i) the renewal of his or her office and (ii) the analysis of its remuneration policy, including when the roles of Chairman of the Board and Chief Executive Officer are combined.

To carry out its work, the Appointments and Remuneration Committee may interview the Company's and the Group's senior managers, after having informed the executive corporate officers about it and is responsible for reporting on that to the Board of Directors. The Appointments and Remuneration Committee may also be assisted by external consultants and request external technical studies on matters relating to their expertise, at the Company's expense, after having informed the Chairman of the Board of Directors or the Board of Directors itself about it and is responsible to report thereon to the Board of Directors. The Appointments and Remuneration Committee ensures the objectivity and independence of the consultants used.

Appointments and Remuneration Committee meetings may be held anywhere. Prior to each meeting, at the request of one or more members of the Appointments and Remuneration Committee, the Chairman of the Appointments and Remuneration Committee may decide that the meeting would take place by means of telecommunication or by videoconference (including conference calls) that allows them to be identified and guarantees their effective participation, i.e. by at least transmitting attendees' voices and ensuring clear, continuous, live transmission of the deliberations. Appointments and Remuneration Committee members attending the meeting via these means are deemed to be present for the purposes of establishing a quorum. Where such methods are used in certain meetings, the Chairman must indicate that in the notice to meeting.

Deliberations by the Appointments and Remuneration Committee

Appointments and Remuneration Committee meetings are chaired by its Chairman.

The Appointments and Remuneration Committee shall only be quorate if at least half its members are present. The proposals, opinions, reports and recommendations that the Committee issues to or prepares for the attention of the Board of Directors are agreed by a majority of the Committee's members in attendance at the meeting. In the event of a tie, the Committee's Chairman has the casting vote.

Information for members of the Appointments and Remuneration Committee

Documentation relating to the agenda of the Appointments and Remuneration Committee meeting is prepared using a standard format and is sent to its members before each meeting.

Secretarial functions for the Appointments and Remuneration Committee

The Chairman of the Appointments and Remuneration Committee appoints the person who will perform the Committee's secretarial functions.

Minutes of Appointments and Remuneration Committee meetings

The Appointments and Remuneration Committee reports on its work at the next meeting of the Board of Directors, in the form of opinions, information, proposals, reports, recommendations or full and accurate minutes.

Role of the Appointments and Remuneration Committee

Selection and appointments

The Appointments and Remuneration Committee is responsible for the preparation and membership of the Company's management bodies. In this respect, its duties are as follows:

- to formulate reasoned proposals for the Board of Directors regarding the appointment of the Company's executive and non-executive corporate officers as well as its directors. These proposals are made after reviewing in detail all factors to be taken into account in its deliberations, specifically:
  - the desired balance of representation on the Board of Directors in light of the composition of and changes in the Company's shareholder structure,
  - the gender balance on the Board of Directors,
  - nationalities and international experience: the search for and assessment of potential candidates, and
  - the opportunities for renewing mandates;
- to strive to reflect a diversity of experience and points of view while ensuring that the Board of Directors retains the necessary objectivity and independence from executive management and any particular group of shareholders, and ensuring the stability of the Company's corporate bodies;
- to strive, when formulating its proposals, to ensure that (i) the independent directors in office account for (a) at least half of the members of the Board of Directors if the Company's capital is widely held and the Company has no controlling shareholders or (b) at least one-third of the members of the Board of Directors if the Company is controlled within the meaning of Article L. 233-3 of the French Commercial Code, and (ii) the Audit Committee and Risk Observatory do not include any executive corporate officer and that at least two-thirds of the members of the Audit Committee are independent directors and one member of the Risk Observatory is independent;
- to organise a procedure for selecting future independent directors and carry out its own research on potential candidates before approaching them;
- to review, each year before the publication of the Annual Report and on a case by case basis, the status of each director in terms of the independent criteria given in the Internal Regulations and submit its proposals to the Board of Directors for the latter to review the status of each candidate, as described in Article 1.2 of the Internal Regulations. The Appointments and Remuneration Committee also reviews the independence of candidates before appointing them as a new director;
- to prepare a succession plan for executive corporate officers; and
- to give its advice, when requested by the Board of Directors, on the recruitment or dismissal of a non-executive corporate officer.

Remuneration (for executive corporate officers, non-executive corporate officers, corporate officers and employees)

The duties of the Appointments and Remuneration Committee are as follows:

- reviewing and formulating proposals regarding the remuneration and benefits for executive corporate officers (fixed and variable remuneration, where appropriate). It defines the rules for setting the variable portion of said remuneration and then checks to make sure that the rules are applied;
- making recommendations with regard to the retirement and benefits plan, benefits in kind and rights to various pecuniary benefits for directors and corporate officers and the financial conditions of their departure from the Board;
- providing advice to the Board of Directors on the general policy for the award of bonus shares or performance shares, long-term incentive arrangements and financial instruments proposed by the Group's executive management in accordance with applicable rules and recommendations;
- submitting its proposal to the Board of Directors on award of bonus shares or performance shares, long-term incentive arrangements and financial instruments, explaining the reasons for its choice and the consequences;
- formulating proposals, at the beginning of each fiscal year, for that year, on the remuneration policy for executive corporate officers as well as the elements of the remuneration mentioned above, in compliance with laws, regulations, the AFEP-MEDEF Code, market conditions and the Company's best interests. Board of Directors meetings relating to the remuneration of executive corporate officers are held without the latter attending;

- checking that the remuneration policy for executives who are not corporate officers of the Company is consistent with market practices and the Company's best interests. In this respect, the Appointments and Remuneration Committee must be kept informed of the remuneration policy for key non-executive corporate officers. In relation to this, the Committee involves the executive corporate officers in its work;
- recommending to the Board of Directors (i) the total amount of Board members' remuneration that will be submitted for approval to the General Shareholders' Meeting and (ii) the method for distributing the remuneration among the members of the Board of Directors, taking into account the actual attendance of those members at meetings of the Board of Directors and of the special committees on which they sit, it being specified that the variable portion is the predominant component. To do so, at the end of each fiscal year the Appointments and Remuneration Committee obtains the attendance record for the meetings of the Board of Directors and its special committees from the Company's General Secretary. Using the applicable rules, the Appointments and Remuneration Committee calculates and proposes the remuneration for each of the directors and their services. The proposals are then submitted to the Board of Directors for deliberation, in principle no later than the Board of Directors meeting held to approve the financial statements;
- issuing an opinion, if so requested, on any proposals for exceptional remuneration made by the Board of Directors to compensate any member assigned particular duties or given a special mandate, in compliance with the provisions of Article L. 225-46 of the French Commercial Code; and
- reviewing any issue submitted to it by the Chairman of the Board of Directors relating to the matters described above as well as any planned capital increases reserved for employees.

Activity of the Appointments and Remuneration Committee during the fiscal year ended 31 December 2019

The Appointments and Remuneration Committee met six times during 2019, with an attendance rate of 94% (see the *Frequency of meetings and directors' attendance* section of this chapter, which presents the average attendance rate of each member of the Appointments and Remuneration Committee at meetings of this committee).

The Appointments and Remuneration Committee notably:

- reviewed and proposed the renewal of the terms of office of directors;
- proposed the co-optation of two directors;
- led the search for the Chief Executive Officer's successor;
- proposed the remuneration policy for the Chief Executive Officer and the Chairman of the Board of Directors for the 2019 fiscal year;
- studied the proposed resolutions for the remuneration of the Chairman of the Board of Directors and the Chief Executive Officer ahead of the General Shareholders' Meeting;
- examined the remuneration element of the report on corporate governance;
- proposed the allocation of the remuneration received by the directors in respect of their directorship;
- examined and recommended the application for the new Chief Executive Officer, his remuneration and the principle of a golden hello payment;
- examined and recommended the appointment of Olivier de Langavant as General Manager of Maurel & Prom Gabon;
- examined the criteria for the achievement of targets under the long term Incentive Plan for Group employees;
- recommended the adoption and implementation of a new long term Incentive Plan for Group employees;
- recommended the appointment of a new Managing Director for the subsidiary M&P Exploration Production Tanzania to replace the current Managing Director and of a new legal representative for the establishment of the company Établissements Maurel & Prom in Tanzania;
- proposed the remuneration policy for corporate officers.

Its recommendations regarding remuneration were based principally on an analysis of the individual performances and contributions of the individuals concerned.

C) Risk Observatory

Membership of the Risk Observatory

At least one member of the Risk Observatory must be an independent director of the Company; it shall not include any executive corporate officers of the Company.

The Chairman of the Risk Observatory is appointed by the Board of Directors for the duration of his or her term as director or for a period set by the Board of Directors. The appointment or renewal of the Chairman of the Risk Observatory, as proposed by the Appointments and Remuneration Committee, is closely reviewed by the Board of Directors.

The members of the Risk Observatory are selected by the Board of Directors from among its members or from outside the Board for their skills and expertise in the area of activities of the Risk Observatory.

The members of the Risk Observatory are appointed for a term commensurate with their term of office as a member of the Board of Directors, or for a term set by the Board of Directors. Members of the Risk Observatory who are not directors are appointed for a term of one year, renewable automatically. They may, however, resign without reason or notice.

As at 31 December 2019, membership of the Risk Observatory was as follows:

- Carole Delorme d'Armaillé (Chairman, independent director);
- Nathalie Delapalme (independent director);
- Roman Gozalo (independent director);
- Ida Yusmiati (director).

Changes to the membership of the Risk Observatory during the 2019 fiscal year are presented in the table *Changes to the membership of the Board of Directors* of this chapter.

Operation of the Risk Observatory

Convening meetings of the Risk Observatory

The Risk Observatory is convened by its Chairman or at the request of the Chairman of the Board of Directors and meets as often as he or she deems necessary or appropriate, at least twice yearly and in any event prior to the meetings of the Board of Directors held to approve the financial statements.

The Risk Observatory may be convened by any means (orally, by letter, by email, by fax or by telephone) with reasonable advance notice, unless in an emergency. The Chairman of the Risk Observatory sets the meeting agenda.

Attendance at meetings of the Risk Observatory

Only the members of the Risk Observatory are automatically entitled to attend its meetings.

The Chairman of the Board of Directors, the Chief Executive Officer, the other directors, the Chief Financial Officer, the Chief Audit Executive, the external auditors and all other persons may attend its meetings only when invited to do so by the Risk Observatory's Chairman.

If the Risk Observatory is conducting interviews of the Chief Financial Officer, heads of accounting, cash and internal audit, the interviews may be conducted without the Company's executive management, if the Risk Observatory so desires.

At least once a year, the Risk Observatory must meet to speak with the internal and external auditors without other members of management being present. It is preferable that the Risk Observatory schedule separate meetings to speak with the internal and external auditors.

The Risk Observatory may, subject to informing the Chairman of the Board of Directors or the Board of Directors itself and assuming responsibility for reporting thereon to the Board of Directors, use external consultants to request external technical studies. In such cases, the Risk Observatory must ensure the expertise and objectivity of these appraisers.

Risk Observatory meetings may be held anywhere. Prior to each meeting, at the request of one or more members of the Risk Observatory, the Chairman of the Risk Observatory may decide that the meeting would take place by means of telecommunication or by videoconference (including conference calls) that allows them to be identified and guarantees their effective participation, i.e.by at least transmitting attendees' voices and ensuring clear, continuous, live transmission of the deliberations. Risk Observatory members attending the meeting by means of telecommunication or videoconference are deemed in attendance and counted for a quorum. Where such methods are used in certain meetings, the Chairman must indicate that in the notice to meeting.

Deliberations of the Risk Observatory

Risk Observatory meetings are chaired by its Chairman.

The Risk Observatory shall only be quorate if at least half its members are present. The proposals, opinions, reports and recommendations that the Risk Observatory issues to or prepares for the attention of the Board of Directors are agreed by a majority of the Risk Observatory's members in attendance at the meeting. In the event of a tie, the Risk Observatory's Chairman has the casting vote.

Information for members of the Risk Observatory

Documentation relating to the agenda for the Risk Observatory meeting is prepared using a standard format and is sent to Risk Observatory members in advance of the relevant meeting.

Secretarial functions for the Risk Observatory

The Chairman of the Risk Observatory appoints the person who will perform the Observatory's secretarial functions.

Minutes of the meetings of the Risk Observatory

The Risk Observatory reports on its work at the next meeting of the Board of Directors, in the form of opinions, information, proposals, reports, recommendations or full and accurate minutes, and notifies the Board promptly of any problems encountered.

The Annual Report must also include an outline of the activity of the Risk Observatory in the past year.

Role of the Risk Observatory

The Risk Observatory's role, as approved by the Board of Directors and included in the Internal Regulations, is as follows:

- monitor, in coordination with the Audit Committee, the effectiveness of internal control and risk management systems, their deployment and the implementation of corrective actions when material weaknesses or irregularities are found or identified;
- review any material transactions that may cause conflicts of interest;
- review the Statutory Auditors' main findings regarding the parent company and consolidated financial statements as well as internal control and internal audit;
- receive internal audit and risk control reports;
- review the Board of Directors report on those same topics at the General Shareholders' Meeting;
- interview the heads of internal audit and risk control and, in coordination with the Audit Committee, express an opinion on the organisation of their departments;

- review, in coordination with the Audit Committee, the risks to which the Company is exposed and the solutions adopted by the Company to address such risks, paying particular attention to potential tax risks and their consequences in terms of reputation;
- ensure that systems to detect and correct any deficiencies are in place. To that end, the Risk Observatory assesses the importance of any deficiencies or weaknesses of which it has been informed and in turn notifies the Board of Directors regarding these matters; and
- review, with the assistance of the auditors and external consultants, the Group's corporate and environmental responsibility strategy and the options chosen for its implementation.

Activity of the Risk Observatory during the fiscal year ended 31 December 2019

The Risk Observatory met four times during 2019, with an attendance rate of 100% (see the *Frequency of meetings and directors' attendance* section of this chapter, which presents the average attendance rate of each member of the Risk Observatory at meetings of this committee).

The Risk Observatory mainly addressed risks and more specifically risks related to corporate, environmental and societal responsibility as well as certain risks related to specific files.

The Risk Observatory notably:

- examined the risks while reviewing the annual and interim financial statements;
- reviewed, during the examination of the 2018 Annual Report, chapter 2 "Risk and Control" and chapter 4 "Statement of non-financial performance".

3.2.2.3 Limitations on the powers of executive management

The Chief Executive Officer has the broadest powers to act in the Company's name in all circumstances, and exercises his or her powers within the limits of the Company's corporate purpose, in due respect of those powers that the law expressly reserves for shareholders' meetings and the Board of Directors.

He represents the Company in its relations with third parties. The acts of the Chief Executive Officer are binding on the Company, even if they do not fall within the corporate purpose.

The provisions of the Bylaws or decisions taken by the Board of Directors which limit the powers of the Chief Executive Officer are not binding on third parties (Article L. 225-56 of the French Commercial Code).

Since 24 April 2017, for transactions not included in the annual budget approved by the Board of Directors, the Board's prior approval is now required for the following decisions to be made by the Chief Executive Officer (and the Deputy CEO as necessary):

- any Financial Commitment (immediate or deferred) in an amount exceeding five per cent (5)% of the Group's non-current assets per Transaction;
- the Group's strategy in terms of financing and hedging of interest and exchange rate risks and oil prices, as well as the signing, amendment or early repayment of loans or bond issues whose amount exceeds twenty per cent (20%) of the Group's net debt;
- any Transaction, regardless of the amount, that may affect the Group's strategy or materially change its scope (in particular, purchasing or selling stakes in significant mining rights);
- any Transaction on Company shares outside the liquidity agreement and share repurchase plan approved by the Board of Directors;
- any decision to undertake a procedure to list the Company on a regulated market or delist any financial instrument issued by the Company or one of its subsidiaries;
- any surety bonds, endorsements and guarantees in the Company's name for an amount not to exceed fifty million euros (€50 million) per transaction or a combined total amount of one hundred million euros (€100 million) per year, with the understanding that firstly, in accordance with the Company's Bylaws, this authority has a one-year validity, and secondly, that the Chief Executive Officer shall report annually to the Board of Directors on the amount and nature of the surety bonds, endorsements and guarantees that he has granted under this authority;
- any Material transaction involving a merger, demerger, partial transfer of assets or similar transaction;
- the signature, amendment or termination of any joint venture or agreement related to the mining sector or partnership that may have a material impact on the Group's business;
- the provision of collateral on business assets;
- the adoption of significant changes in accounting methods;
- in the event of litigation, the conclusion of any transaction that has a net impact for the Group (after taking account of insurance) exceeding ten million euros (€10 million);
- the appointment or dismissal of a member of the senior management team (members of the Executive Committee); and
- the hiring/appointment, dismissal/lay-off of the person(s) serving as Chief Executive Officer of the main subsidiaries.

In compliance with the provisions of Articles L. 225-35 and R. 225-38 of the French Commercial Code, the Board of Directors unanimously resolved to renew the authorisation for the Chairman and Chief Executive Officer to freely grant endorsements or guarantees in the name of the Company for one year, starting on 13 June 2019, regardless of the term of the commitments that are secured, endorsed or guaranteed and up to the limit of the aforementioned amounts. The Chief Executive Officer may not grant any endorsement, security bond or guarantee that exceeds this cap to a third party without the express authorisation of the Board of Directors. Furthermore, the Chief Executive Officer may grant surety bonds, endorsements or guarantees in the name of the Company to the tax and customs authorities with no restriction as to the amount.

Unless the context expressly indicates otherwise, the above terms have the meaning so assigned to them:

Financial Commitment(s) or **Transaction(s)** means any total, firm Financial Commitment for a period of five (5) years following the initial decision-making, such as an acquisition, investment, restructuring or asset sale, including mining rights or equity stakes (even minority stakes) in companies.

Material or **Materially** means an inclusive amount exceeding five per cent (5%) of the Group's non-current assets at the time of the Transaction, with the information and data available at the time, for the total duration of the Transaction.

These restrictions on powers are listed in the Internal Regulations which are available on the Company's website: www.maureletprom.fr.

3.2.2.4 Relationships between the Company and members of the Board of Directors and management

A) Prevention of market abuse

The Company has introduced a Code of Conduct relating to the prevention of insider trading transactions (the "**Code**"). This code was last updated by the Board of Directors following the entry into force of European Regulation (EU) 596/2014 on market abuse ("**MAR**") on 3 July 2016 and the publication on 26 October 2016 of the French Financial Markets Authority Position-Recommendation n° 2016-08 regarding ongoing information and the management of inside information. The Code of Conduct was updated on 12 December 2019 to take into account recent regulatory changes.

The Code sets out the rules of professional conduct relating to transactions in financial instruments carried out by corporate officers and by employees of the Company and Group, as well as some of the main legal provisions on which it is based.

The Code includes the definition of inside information and gives examples of information that could be considered as such. It then outlines the type of person(s) who could be considered "insiders".

The prevention of insider trading requires the establishment of specific procedures. The Code provides in particular:

- a summary of the obligation of discretion of insiders, including:
  - the general obligation not to carry out transactions involving the financial instruments when holding inside information before it becomes public knowledge,
  - the general ban on disclosing inside information outside the ordinary scope of their office, function or profession, for other purposes, or for another activity, than those for which the information is intended,
  - the ban on carrying out transactions on the financial instruments: the code provides that, subject to exceptions set out in the relevant regulations, insiders must not carry out any transactions, on their own behalf or on behalf of a third party, either directly or indirectly, which relate to the financial instruments during the following blackout periods: (i) between (and including) the fifteenth calendar day preceding the publication of the Company's quarterly information and the trading day following the publication of this information and (ii) between (and including) the thirtieth calendar day preceding the publication of the press release for the annual and half-year results and the trading day following the publication of this information. Moreover, Company shares allocated free of charge cannot be sold (i) during the ten trading days before and the three trading days after the date on which the consolidated financial statements, or failing this the annual financial statements, are published and/or (ii) within the period between the date on which the Company and/or Group's corporate bodies become aware of inside information and the date ten trading days after this inside information is made public,
  - the ban on carrying out speculative transactions, in particular by engaging in hedging transactions on the financial instruments, including on shares, share purchase or subscription options, rights to shares that may be granted free of charge, and shares resulting from the exercise of options or granted free of charge, except for the implementation of liquidity agreements on shares that may be granted free of charge,
  - the obligation for Group corporate officers to hold financial instruments;
- a reminder of rules relating to insider lists;
- specific obligations for corporate officers, senior-level management and their relations to individually disclose any transactions involving the financial instruments to the French Financial Markets Authority and the Company.

Finally, the Code presents the main penalties applied.

The Code is available on the Company's website: www.maureletprom.fr.

B) Company shares held by Board members

The Internal Regulations stipulate that directors must commit to (i) purchasing 500 shares every year using the remuneration they receive in respect of their directorships (or any smaller number of shares corresponding to an amount of €3,000), and (ii) keeping those shares until the end of their term of office. This rule does not apply to the Company's controlling shareholder director or to directors representing the Company's controlling shareholder. As at 31 March 2020, PIEP held 143,082,389 Company shares, representing 71.29% of the capital.

To the Company's knowledge, the details of equity interests in the Company held by the corporate officers at 31 December 2019 are included in the "Presentation of the membership of the Board of Directors at 31 December 2019" section of this chapter, which presents the members of the Board of Directors.

C) Securities transactions

No securities transaction carried out by one or more of the Company's corporate officers after their appointment was reported to the Company during the fiscal year ended 31 December 2019 and up until the date of this Annual Report.

D) Contracts with the issuer or its subsidiaries granting benefits under the terms of such contracts

With the exception of the agreement described below, the members of the Board of Directors have not, as of the date of the Annual Report, entered into any contracts with Company code or its subsidiaries that grant benefits under the terms of such contracts.

Tender Offer Agreement

It should be noted that on 25 August 2016, the Company, PIEP and PT Pertamina (Persero) signed a tender offer agreement relating the takeover bid, which included in particular:

- the commitment on the part of PIEP to implement a liquidity facility of bonus shares for beneficiaries of these shares;
- the Company's commitments in terms of governance, with PIEP having the option, in the event of a successful takeover, to appoint all members of the Company's Board of Directors (with the exception of independent members) to reflect the Company's potential new share ownership structure.

3.2.2.5 Disclosures about members of the Board of Directors and executive management

A) Potential conflicts of interest

As at 31 December 2019 and the date of this Annual Report, the Company was not aware of any potential conflict of interest between the private interests of the members of the Board of Directors and/or executive management and their duties with respect to the Company.

In order to prevent a potential conflict of interest, the Internal Regulations require that members of the Board of Directors comply with strict obligations. To this end, the Internal Regulations of the Board of Directors provide that each director:

- is obliged *"to inform the Board of Directors of any existing or potential conflict of interest arising from his or her duties in another company, and must take all appropriate measures (particularly concerning information available to directors) and refrain from attending discussions and voting in the corresponding deliberations"*;
- cannot *"assume responsibilities, on a personal basis, in companies or in businesses that compete with the Company or the Group without notifying the Board of Directors and the Chairman of the Appointments and Remuneration Committee"*;
- must not *"use his or her title and office as a director to procure for personal gain or provide to a third party any benefit, financial or otherwise"*;
- must *"refrain from any individual interference in corporate affairs, especially by making direct contact with senior managers, employees, the Group's customers, shareholders or investors, unless for the specific task entrusted to him or her by the Board of Directors or the Board of Directors' committee of which he or she is a member"*; and
- must *"immediately notify the Chairman of the Board of Directors of any agreement entered into by the Company in which he or she has a direct or indirect interest"*.

The Internal Regulations were updated during the 25 April 2019 meeting of the Board of Directors to take into account changes to the AFEP-MEDEF Code in its revised version of June 2018.

Additionally, every year the Company asks the directors about conflicts of interest that may exist.

The Internal Regulations, which include rules relating to the prevention of conflicts of interest, are available on the Company's website: www.maureletprom.fr.

To the best of the Company's knowledge, there are no family ties between members of executive management and members of the Board of Directors.

B) Other information

To the Company's knowledge, over the past five years no member of the Board of Directors or executive management:

- has been convicted of fraud;
- has been involved, as an executive or non-executive corporate officer, in any bankruptcy, sequestration or liquidation proceedings;
- has been prevented by a court from acting as a member of an administrative, management or supervisory body of an issuer, or from being involved in managing or conducting the affairs of an issuer;
- has been convicted of any offence and/or received an official public penalty issued by the statutory or regulatory authorities (including professional bodies).

3.2.3 Remuneration and benefits of all kinds granted to corporate officers

3.2.3.1 Executive corporate officers

On the recommendation of the Appointments and Remuneration Committee, the Board of Directors determines the remuneration of its executive and non-executive corporate officers, taking into account in particular the rules and determination principles set out in the AFEP-MEDEF Code.

The remuneration policy for the Company's executive corporate officers is reviewed and discussed each year by the Board of Directors. This remuneration concerns the Chairman of the Board of Directors and the Chief Executive Officer.

Note that any positions held by executive corporate officers in the Company's subsidiaries are not compensated.

A) Remuneration policy for the 2019 fiscal year

Remuneration policy for the Chairman of the Board of Directors for the 2019 fiscal year

In essence, the remuneration of the Chairman of the Board of Directors for the fiscal year ended 31 December 2019 comprised a fixed portion and the remuneration by vertue of his directorship and did not include any other remuneration or benefits.

The principles and criteria for determining the remuneration and benefits of any kind paid or awarded to the Chairman of the Board of Directors for the fiscal year ended 31 December 2019 that were approved by 99.86% of participants at the Company's General Shareholders' Meeting of 13 June 2019 under the 13th resolution are provided in the Company's 2018 Annual Report, section 3.2.3.1 (c).

Remuneration policy for the Chief Executive Officer for the 2019 fiscal year

In essence, the remuneration of the Chief Executive Officer comprised a fixed portion, variable remuneration, benefits in kind (including the reimbursement of travel expenses) as well as the possibility, in exceptional cases, to grant him the corresponding exceptional remuneration. The remuneration policy for the Chief Executive Officer for the fiscal year does not include any other components or benefits than those described above.

It should also be noted that the remuneration policy for the Chief Executive Officer is matched to that of other Group executives, as necessary.

The principles and criteria for determining the remuneration and benefits of any kind paid or awarded to the Chief Executive Officer for the fiscal year ended 31 December 2019 that were approved by 98.38% of participants at the Company's General Shareholders' Meeting of 13 June 2019 under the 14th resolution are provided in the Company's 2018 Annual Report, section 3.2.3.1 (c).

B) Details of the remuneration of the Chairman of the Board of Directors and of the Chief Executive Officer for the last two fiscal years

Remuneration paid or awarded for the 2019 fiscal year

At its meeting of 25 April 2019, the Board of Directors, acting on the recommendation of the Appointments and Remuneration Committee, set the remuneration of the Chairman of the Board of Directors and the Chief Executive Officer for the fiscal year ended 31 December 2019 based on the terms provided for in the remuneration policies approved by the General Shareholders' Meeting of 13 June 2019 under the 15th and 16th resolutions respectively.

We draw your attention to the fact that, pursuant to Articles L. 225-37-2 and L. 225-100 of the French Commercial Code, the variable remuneration components of the Chief Executive Officer shall only be paid after the General Shareholders' Meeting of 30 June 2020 has approved the fixed, variable and exceptional components of the total remuneration and benefits of any kind paid or granted to the Chief Executive Officer for the fiscal year ended 31 December 2019 pursuant to the terms set out by Article L. 225-100 of the French Commercial Code.

Chairman of the Board of Directors

In line with the 2019 remuneration policy (see the Company's 2018 Annual Report, section 3.2.3.1 (c)), the fixed remuneration paid by the Company to Aussie B. Gautama for the fiscal year ended 31 December 2019 includes an annual fixed component amounting to €125,000 and the remuneration by vertue of his directorship on the same basis as other directors, in the amount of €54,150.

Chief Executive Officer

A) Michel Hochard

In line with the 2019 remuneration policy (see the Company's 2018 Annual Report, section 3.2.3.1 (c)), the fixed remuneration paid by the Company to Michel Hochard for the fiscal year ended 31 December 2019, specifically the period between 1 January and 30 October 2019 (when his term of office ended), was €354,166.70, equivalent to the prorata temporis of the fixed amount of €425,000.

With regard to annual variable remuneration, in accordance with the 2019 remuneration policy (see the Company's 2018 Annual Report, section 3.2.3.1 (c)), during its 25 April 2019 meeting, the Board of Directors, on the recommendation of the Appointments and Remuneration Committee, decided that this remuneration would be determined based on quantifiable criteria related to the Company's operating, financial and strategic performance, as well as on qualitative criteria.

The quantifiable and qualitative criteria selected for 2019, which are considered to be particularly representative of the Company's performance, are as follows:

— Quantifiable criteria:

1. the increase in net hydrocarbon reserves at the end of 2019 compared with those at the end of 2018: 20% of annual fixed remuneration;
2. growth in EBITDA compared with that forecast in the 2019 budget: 20% of annual fixed remuneration;
3. the completion at the end of 2019 of all the investments provided for in the 2019 budget: 20% of annual fixed remuneration;

— Qualitative criteria:

1. ongoing efforts in terms of safety and the environment: 20% of annual fixed remuneration;
2. the individual performance of the Chief Executive Officer: 20%[1] of annual fixed remuneration.

The Board of Directors, during its 22 April 2020 meeting, on the recommendation of the Appointments and Remuneration Committee, assessed the expected achievement level of the quantifiable and qualitative criteria of the annual variable remuneration of Michel Hochard and set its amount according to the conditions provided for in the 2019 remuneration policy (see the Company's 2018 Annual Report, section 3.2.3.1 (c)).

This assessment showed that the achievement level of the quantifiable criteria was 0% (from a possible maximum of 60%). By contrast, the achievement level of the qualitative criteria was 35% (from a possible maximum of 40%) of the fixed annual remuneration due to the Chief Executive Officer for the 2019 fiscal year, it being specified that the criterion relating to continued efforts in terms of safety and the environment was only partially satisfied at 15% (from a possible maximum of 20%) while the criterion relating to the Chief Executive Officer's individual performance was fully satisfied at 20% (the maximum possible).

With regard to qualitative criteria:

— in terms of safety and the environment, significant progress was made regarding the environmental impact of the Company's activities in fiscal 2019 compared to the previous fiscal year.

There was a notable drop in environmental incidents during fiscal 2019, with only one significant incident recorded.

(1) This percentage may be raised up to 50% of the annual fixed compensation; however, the total annual variable compensation may not exceed 100% of the annual fixed compensation.

Regarding safety, the performance was highly satisfactory with a notable drop in LTIF (Lost Time Injury Frequency) and only a slight increase in the TRIR (Total Recordable Injury Rate).

— the criterion related to the Chief Executive Officer's individual performance was fully satisfied because of Michel Hochard's total involvement in arranging the transition with his successor. This was extremely successful and therefore maintained the balance between the Company's governance structure and the sustainability of its current operations.

The assessment carried out by the Board of Directors led it to set Michel Hochard's variable remuneration for 2019 at 35% of his annual fixed remuneration due for the same fiscal year, i.e. €123,958, of the maximum percentage of 100% of fixed remuneration that variable remuneration may represent for this fiscal year. The quantified targets of quantifiable criteria, along with the evaluation sub-criteria for qualitative targets, which were set precisely and predetermined, are not publicly disclosed for confidentiality purposes, in line with the provision of Article 26.2 of the AFEP-MEDEF Code.

In line with the 2019 remuneration policy (see the Company's 2018 Annual Report, section 3.2.3.1 (c)), Michel Hochard received, during the fiscal year ended 31 December 2019, benefits in kind (a foreign travel per diem in the amount of €1,250 for business trips outside France, a death and disability plan applicable within the Company, and a mobile phone) totalling €114,632 (€31,250 of which was paid for fiscal year 2018).

The Board of Directors, during its 1 August 2019 meeting, and in accordance with the 2019 remuneration policy for the Chief Executive Officer adopted by the General Shareholders' Meeting on 13 June 2019, decided to grant, subject to the approval of the 30 June 2020 General Shareholders' Meeting, a gross exceptional remuneration of €750,000 to Michel Hochard, corresponding to the gross rounded off amount of his fixed and variable remuneration for the period from 1 January to 31 December 2018. The payment of this exceptional remuneration to Michel Hochard will be made in two (2) separate instalments on 31 January 2021 and 31 January 2022. This exceptional remuneration is designed to reward Michel Hochard for his unwavering commitment, the quality of the results obtained during his term as Chief Executive Officer – including the restructuring of the Group's debt, which allowed the Maurel & Prom Group to continue its expansion and access external growth opportunities, and the improvement in the Group's financial position, which allowed dividends to be paid to shareholders in 2019 – the enthusiasm with which he performed his duties, especially during the Group's external growth projects, which will eventually allow the Maurel & Prom Group to diversify its production beyond Gabon, and the successful completion of the Maurel & Prom Group's projects carried out up to the end of his term of office, including the resumption of the development programme in Gabon and exploration projects in southern Gabon.

In accordance with the 2019 remuneration policy, (see the Company's 2018 Annual Report, section 3.2.3.1 (c)), Michel Hochard did not receive, during the fiscal year ended 31 December 2019, any components of remuneration or benefits other than those described above for his role as Chief Executive Officer.

Pursuant to the provisions of Article L. 225-100 of the French Commercial Code, the Chief Executive Officer's variable and exceptional remuneration in respect of fiscal year 2019 will not be paid until the General Shareholders' Meeting called to approve the financial statements for fiscal year 2019 has approved the fixed, variable and exceptional components of total remuneration and benefits of any kind to be paid or granted to the Chief Executive Officer in respect of fiscal year 2019 (*ex post* vote).

In fiscal year 2019, Michel Hochard, Chief Executive Officer, was also a director of Seplat Petroleum Development Company Ltd ("Seplat"). As such, he received £117,878 in remuneration from Seplat for his directorship in 2019. It should be noted, however, that the sums he received in respect of this directorship are not related to his office as the Company's Chief Executive Officer.

Michel Hochard's Employment Contract as the Company's Chief Administrative and Financial Officer (which was suspended for the duration of his role as Company Chief Executive Officer) contained a two-year non-compete clause which comes into force upon termination of his contract on any grounds whatsoever. The clause bars him from performing any equivalent salaried role in a similar field of business for a Company competitor. The financial indemnity owed for this non-compete obligation amounts to 35% of the remuneration he would have earned for the corresponding time period. The Company could, however, unilaterally decide to release Michel Hochard from this obligation. Moreover, if Michel Hochard is dismissed or forced to discontinue his role as Chief Financial Officer within 18 months following a change of control of the Company or a significant change in the majority shareholder's interest in the Company, he would receive dismissal remuneration equivalent to 24 months' gross pay (calculated based on the average gross monthly pay received over the 15 months preceding the dismissal or forced departure), it being noted that this remuneration would be in addition to the legal and statutory remuneration due when the Employment Contract is terminated. Following the termination of his term of office as Chief Executive Officer as at 31 October 2019, Michel Hochard reverted to the status of company employee, until 31 December 2019 at which date he received his retirement package.

The Board of Directors decided not to release Michel Hochard from his non-compete clause. In fact, the Board deemed that in view of his years of service as an employee (seven) at the time of his appointment as Chief Executive Officer, it was difficult to force him to waive his rights under his Employment Contract, particularly legal and statutory protections, if his contract is broken (dismissal indemnity in the event of termination for real and serious cause, and severance and non-compete remuneration packages). In addition, under the French Labour Code, the Company has no means of forcing an employee to resign or sign a severance agreement. It should also be noted that as Company Chief Executive Officer, Michel Hochard did not benefit from any actual or potential termination package or other benefit due as a result of his role being discontinued or changed (and no non-compete remuneration). Suspending Michel Hochard's Employment Contract was thus a justified, minimum protection for an employee appointed as a corporate officer who could easily be removed as Chief Executive Officer.

Accordingly, Michel Hochard was entitled to compensation equal to 35% of the fixed and variable remuneration due over the corresponding period, and this for a period of 24 months. The known and fully-committed fixed and variable remuneration that was taken into account was that received for his role as Chief Executive Officer between 1 January and 31 December 2018. The gross annual amount of the compensation therefore corresponds to 35% of €750,000, plus an additional 10% which corresponds to paid annual leave. As a result, the remuneration of this non-compete clause will be a gross monthly payment of €24,062.50 for a period of 24 months as of the date of the termination of his Employment Contract.

As at 31 December 2019, he was granted remuneration of €411,089 with respect to his Employment Contract including wages and severance payments on retirement.

B) Olivier de Langavant

In light of the change in Chief Executive Officer, the Board of Directors during its 1 August 2019 and 12 December 2019 meetings examined the details of the remuneration of Olivier de Langavant which includes:

- fixed remuneration paid for the fiscal year ended 31 December 2019 of €75,000, which corresponds to the fixed annual amount of €450,000 calculated pro rata temporis for the duration of his term of office;
- no annual variable remuneration, long-term variable remuneration or benefits in kind were paid in respect of this fiscal year.

In order to accept his new role as Chief Executive Officer, Olivier de Langavant had to waive his rights to a certain number of benefits and in particular his right to an early retirement scheme to release himself from commitments to his previous employer. To compensate for this loss of benefits, the Chief Executive Officer will benefit from a gross golden hello payment of €400,000 payable entirely in Company shares valued at the average share price during October 2019. This golden hello payment is granted provided that Olivier de Langavant does not resign from his term of office during the first year and will be definitively granted on 1 November 2020. Moreover, Olivier de Langavant undertakes to hold and not sell the shares granted in this respect until 1 November 2022.

Remuneration paid or awarded for the 2018 fiscal year

At its meeting of 24 April 2018, the Board of Directors, acting on the recommendation of the Appointments and Remuneration Committee, set the remuneration of the Chairman of the Board of Directors and the Chief Executive Officer for the fiscal year ended 31 December 2018 based on the terms provided for in the remuneration policies approved by the General Shareholders' Meeting of 20 June 2018 under the 15th and 16th resolutions respectively.

Pursuant to Articles L. 225-37-2 and L. 225-100 of the French Commercial Code, the variable remuneration components of the Chief Executive Officer were only paid after the General Shareholders' Meeting of 13 June 2019 approved the fixed, variable and exceptional components of the total remuneration and benefits of any kind paid or granted to the Chief Executive Officer for the fiscal year ended 31 December 2018 pursuant to the terms set out by Article L. 225-100 of the French Commercial Code.

Chairman of the Board of Directors

In line with the 2018 remuneration policy (see the Company's 2017 Annual Report, section 3.2.3.1 (c) I), the fixed remuneration paid by the Company to Aussie B. Gautama for the fiscal year ended 31 December 2018 includes an annual fixed component amounting to €120,000 and a remuneration by vertue of his directorship on the same basis as other directors, in the amount of €61,476.

Chief Executive Officer

In line with the 2018 remuneration policy (see the Company's 2017 Annual Report, section 3.2.3.1 (c) II), the fixed remuneration paid by the Company to Michel Hochard for the fiscal year ended 31 December 2018 was €425,000.

With regard to annual variable remuneration, in accordance with the 2018 remuneration policy (see the Company's 2017 Annual Report, section 3.2.3.1 (c) II), during its 24 April 2018 meeting, the Board of Directors, on the recommendation of the Appointments and Remuneration Committee, decided that this remuneration would be determined based on quantifiable criteria related to the Company's operating, financial and strategic performance, as well as on qualitative criteria.

The quantifiable and qualitative criteria selected for 2018, which are considered to be particularly representative of the Company's performance, are as follows:

- Quantifiable criteria:

1. the increase in net hydrocarbon reserves at the end of 2018 compared with those at the end of 2017: 20% of annual fixed remuneration;
2. growth in EBITDA compared with that forecast in the 2018 budget: 20% of annual fixed remuneration;
3. the completion, by the end of 2018, of all investments planned in the 2018 budget: 20% of annual fixed remuneration;

- Qualitative criteria:

1. ongoing efforts in terms of safety and the environment: 20% of annual fixed remuneration;
2. the individual performance of the Chief Executive Officer: 20%[1] of annual fixed remuneration.

The Board of Directors, during its 25 April 2019 meeting, on the recommendation of the Appointments and Remuneration Committee, assessed the expected achievement level of the quantifiable and qualitative criteria of the annual variable remuneration of Michel Hochard and set its amount according to the conditions provided for in the 2018 remuneration policy (see the Company's 2017 Annual Report, section 3.2.3.1 (c) II).

This assessment found the achievement level of the quantifiable criteria to be 40% (from a possible maximum of 60%) of the annual fixed remuneration due to Michel Hochard for the 2018 fiscal year. The criterion for the achievement, by the end of 2018, of all the investments set out in the 2018 budget was not met, whereas the other two criteria were fully met. The achievement level of qualitative criteria was 35% (from a possible maximum

(1) This percentage may be increased to 50% of annual fixed remuneration, but the total annual variable remuneration may not exceed 100% of annual fixed remuneration.

of 40%) of the annual fixed remuneration due to the Chief Executive Officer for the 2018 fiscal year, as the criterion relating to continued efforts in terms of safety and the environment were only partially met. The partial failure to meet this criterion is mainly due to the restart in 2018 of drilling operations which are more risky in nature than production operations (see section 4.1.7.5 *Industrial accidents and occupational diseases* of this Annual Report). Due notably to the work achieved and the investment of the Chief Executive Officer in the "Rockover transaction" (as described in section 7.3.2.3 "Rockover" of this Annual Report) and the creation of M&P Trading (as described in section 7.3.3 "Crude oil trading in Gabon" of this Annual Report), as part of the development of the Group's activities, the Board of Directors noted that the achievement level of criteria relating to the individual performance of the Chief Executive Officer was 25% of the annual fixed remuneration due to the Chief Executive Officer for the 2018 fiscal year. The assessment carried out by the Board of Directors led it to set Michel Hochard's variable remuneration for 2018 at 75% of his annual fixed remuneration due for the same fiscal year, i.e. €318,750, of the maximum percentage of 100% of fixed remuneration that variable remuneration may represent for this fiscal year. The quantified targets of quantifiable criteria, along with the evaluation sub-criteria for qualitative targets, which were set precisely and predetermined, are not publicly disclosed for confidentiality purposes, in line with the provision of Article 25.2 of the AFEP-MEDEF Code.

In accordance with the 2018 remuneration policy, (see the Company's 2017 Annual Report, section 3.2.3.1 (c) II), Michel Hochard received, during the fiscal year ended 31 December 2018, benefits in kind (a foreign travel per diem in the amount of €1,250 for business trips outside France, provisions under a profit-sharing agreement applied within the Company, and a mobile phone) totalling €90,538 (€59,288 of which was paid during fiscal year 2018).

In accordance with the 2018 remuneration policy, (see the Company's 2017 Annual Report, section 3.2.3.1 (c) II), Michel Hochard did not receive, during the fiscal year ended 31 December 2018, any components of remuneration or benefits other than those described above.

In fiscal year 2018, Michel Hochard, Chief Executive Officer, was also a director of Seplat Petroleum Development Company Ltd ("Seplat"). As such, he received £114,444 in remuneration from Seplat for his directorship in 2018. It should be noted, however, that the sums he received in respect of this directorship are not related to his office as the Company's Chief Executive Officer.

For information purposes, Michel Hochard's Employment Contract as the Company's Chief Administrative and Financial Officer (which is suspended for the duration of his role as Company Chief Executive Officer) contains a two-year non-compete clause which comes into force upon termination of his contract on any grounds whatsoever. The clause bars him from performing any equivalent salaried role in a similar field of business for a Company competitor. The financial indemnity owed for this non-compete obligation amounts to 35% of the remuneration he would have earned for the corresponding time period. The Company may, however, unilaterally decide to release Michel Hochard from this obligation. Moreover, if Michel Hochard is dismissed or forced to discontinue his role as Chief Financial Officer within 18 months following a change of control of the Company or a significant change in the majority shareholder's interest in the Company, he would receive dismissal remuneration equivalent to 24 months' gross pay (calculated based on the average gross monthly pay received over the 15 months preceding the dismissal or forced departure), it being noted that this remuneration would be in addition to the legal and statutory remuneration due when the Employment Contract is terminated. As at 31 December 2018, he had received no remuneration for the components set out in his Employment Contract.

Comparative tables for remuneration components for fiscal years 2018 and 2019

Summary table of remuneration, options and shares granted to each executive corporate officer (AMF Table No. 1)

Name and title of executive corporate officer: Aussie B. Gautama, Chairman of the Board of Directors since 10 April 2017	**Fiscal year 2019**	**Fiscal year 2018**
Remuneration due for the fiscal year	179,150	181,476
Value of multi-year variable remuneration granted during the year	-	-
Value of options granted during the year	-	-
Value of performance shares allocated during the year	-	-
TOTAL	**179,150** [a]	**181,476**

(a) The remuneration components due to Aussie B. Gautama for his role as Chairman of the Board of Directors in fiscal year 2019 will be subject to approval by the General Shareholders' Meeting of 30 June 2020.

Name and title of executive corporate officer: Olivier DE LANGAVANT, Chief Executive Officer	Fiscal year 2019	Fiscal year 2018
Remuneration due for the fiscal year	75.000	-
Golden hello payment	400,000 [b]	
Value of multi-year variable remuneration granted during the year	-	-
Value of options granted during the year	-	-
Value of performance shares allocated during the year	-	-
TOTAL	**475,000 [a]**	

(a) The amount paid in fixed remuneration calculated pro rata to the actual term of office served by Olivier de Langavant as Chief Executive Officer in fiscal year 2019, based on annual gross fixed remuneration of €450,000. The remuneration components due to Olivier de Langavant for his role as Chief Executive Officer in fiscal year 2019 will be subject to approval by the General Shareholders' Meeting of 30 June 2020.

(b) This gross golden hello payment corresponds to a total amount of €400,000 payable entirely in Company shares valued at the average share price during October 2019. This golden hello payment is granted provided that Olivier de Langavant does not resign from his term of office during the first year and will be definitively granted on 1 November 2020. Moreover, Olivier de Langavant undertakes to hold and not sell the shares granted in this respect until 1 November 2022.

Name and title of executive corporate officer: Michel Hochard, Chief Executive Officer	Fiscal year 2019	Fiscal year 2018
Remuneration due for the fiscal year	1,342,757	834,288
Value of multi-year variable remuneration granted during the year	-	-
Value of options granted during the year	-	-
Value of performance shares allocated during the year	-	-
TOTAL	**1,342,757 [A]**	**834,288**

(a) The remuneration components due to Michel Hochard for his role as Chief Executive Officer in fiscal year 2019 will be subject to approval by the General Shareholders' Meeting of 30 June 2020. The variable component of Michel Hochard's remuneration will only be paid following the approval of the fixed, variable and exceptional components of remuneration paid or granted to Michel Hochard for the 2019 fiscal year.

Summary table of each executive corporate officer's remuneration (AMF Table No. 2)

Name and title of executive corporate officer: Aussie B. Gautama, Chairman of the Board of Directors since 10 April 2017	Amounts in fiscal year 2019		Amounts in fiscal year 2018	
	Due	Paid	Due	Paid
Fixed remuneration	125,000	125,000 [a]	120,000	120,000
Annual variable remuneration	-	-	-	-
Variable multi-year remuneration	-	-	-	-
Exceptional remuneration	-	-	-	-
Remuneration by vertue of his directorship	54,150		61,476	61,476
Benefits in kind	-	-	-	-
TOTAL	**179,150 [B]**	**125,000**	**181,476**	**181,476**

(a) €5,000 was paid in January 2020.

(b) The remuneration components due to Aussie B. Gautama for his role as Chairman of the Board of Directors in fiscal year 2019 will be subject to approval by the General Shareholders' Meeting of 30 June 2020.

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Name and title of executive corporate: Olivier de LANGAVANT, Chief Executive Officer since 1 November 2019	Amounts in fiscal year 2019		Amounts in fiscal year 2018	
	Due	Paid	Due	Paid
Fixed remuneration	75,000 [a]	75,000	-	-
Annual variable remuneration	-		-	-
Variable multi-year remuneration	-	-	-	-
Exceptional remuneration	400,000 [b]		-	-
Remuneration by vertue of his directorship	-	-	-	-
Benefits in kind (travel allowance – company car)	-	-	-	-
TOTAL	**475,000**	**75,000**	**-**	**-**

(a) The amount paid in fixed remuneration calculated pro rata to the actual term of office served by Olivier de Langavant as Chief Executive Officer in fiscal year 2019, based on annual gross fixed remuneration of €450,000. The remuneration components due to Olivier de Langavant will be subject to approval by the General Shareholders' Meeting of 30 June 2020.
(b) This golden hello payment is granted provided that Olivier de Langavant does not resign from his term of office during the first year and will be definitively granted on 1 November 2020. Moreover, Olivier de Langavant undertakes to hold and not sell the shares granted in this respect until 1 November 2022.

Name and title of executive corporate officer: Michel HOCHARD, Chief Executive Officer until 31 October 2019	Amounts in fiscal year 2019		Amounts in fiscal year 2018	
	Due	Paid	Due	Paid
Fixed remuneration	354,167	354,167	425,000	425,000
Annual variable remuneration	123,958 [a]	-	318,750	-
Variable multi-year remuneration	-	-	-	-
Exceptional remuneration	750.000	-	-	-
Remuneration by vertue of his directorship	-	-	-	-
Benefits in kind (travel allowance) and overseas per diems	114,632	114,632	90,538	59,288
TOTAL	**1,342,757**	**468,799**	**834,288**	**484,288**

(a) . The variable component of Michel Hochard's remuneration will only be paid following the approval of the fixed, variable and exceptional components of remuneration paid or granted to Michel Hochard for the 2019 fiscal year by the General Shareholders' Meeting on 30 June 2020.
(b) This amount includes the €31,250 due in respect of 2018 benefits in kind which had not been paid in 2018 because of a settlement delay.

Options to subscribe for or purchase shares granted during the fiscal year to each executive corporate officer (AMF Table No. 4)

No options to subscribe for or purchase shares were granted to any executive corporate officer during the fiscal year ended 31 December 2019. It should be noted that the Company is no longer authorised by the General Shareholders' Meeting to grant options to subscribe for or purchase shares.

Options to subscribe for or purchase shares exercised during the fiscal year by each executive corporate officer (AMF Table No. 5)

No options to subscribe for or purchase shares were exercised by any executive corporate officer during the fiscal year ended 31 December 2019.

Bonus shares granted to each executive corporate officer during the fiscal year (AMF Table No. 6)

No bonus shares were granted to any executive corporate officer during the fiscal year ended 31 December 2019.

Bonus shares becoming available to each executive corporate officer during the fiscal year (AMF Table No. 7)

No bonus shares granted to any executive corporate officer became available during the fiscal year ending 31 December 2019.

History of bonus share grants (AMF Table No. 9)

Date of General Shareholders' Meeting	17/12/2015	15/06/2016	15/06/2016	20/06/2018	13/06/2019	13/06/2019
Date of Board meeting	25/02/2016	31/03/2017	24/04/2017	03/08/2018	03/08/2018	01/08/2019
Total number of bonus shares granted	1,080,600	895,000	240,000	157,700	157,700	385.150
Of which number of bonus shares granted to Michel Hochard, Chief Executive Officer	240,000 [a]	-	240,000 [b]	-	-	-
Vesting date	25/02/2017	31/03/2018	24/04/2020	03/08/2019	03/08/2020	01/08/2020
End of lock-up period	25/02/2018	31/03/2019	24/04/2020	03/08/2020	03/08/2021	01/08/2021
Number of shares vested to Michel Hochard	240,000	-	-	-	-	-
Aggregate number of shares cancelled or null and void	-	-	60,000	24,450	-	-
Bonus shares outstanding at year-end	-	-	-	-	157,700	385.150

(a) At its meeting of 25 February 2016, the Board approved the plan to award bonus performance shares and set the employment condition and three performance criteria related to:
- the reduction in the Group's structuring costs, for 42% of the shares granted;
- compliance with the commitments under the RCF, for 29% of the shares granted; and.
- the finalisation of the merger with MPI, for 29% of the shares granted.

The performance criteria were fully met.

(b) At its meeting of 24 April 2017, the Board approved the plan to award bonus performance shares and set the employment conditions and two performance criteria related to:
- the success of the transition phase following the acquisition of the Company by PIEP;
- participation in the implementation of succession planning and the process for recruiting the future Chief Executive Officer in conjunction with the Appointments and Remuneration Committee, and, if necessary, the transfer of files to the future Chief Executive Officer.

The Board of Directors assessed the employment condition and performance criteria during its 20 June 2018 meeting which was held following the annual General Shareholders' Meeting and recorded a criteria achievement rate of 75%, which entitled the Chief Executive Officer to 180,000 bonus shares. Note that these shares will be delivered at the end of the three-year vesting period.

Summary of benefits granted to executive corporate officers (AMF Table No.11)

	Employment Contract	Supplementary pension scheme	Remuneration or benefits due or that may be due as a result of termination or change of role	Remuneration relating to a non-compete clause
Aussie B. Gautama Position: Chairman of the Board of Directors First appointed: 10 April 2017 Term of office start date: 13/06/2019	No	No	No	No
Michel Hochard Position: Chief Executive Officer First appointed: 26 May 2014 Term of office start date: 22 June 2017 Term of office end date: 31 October 2019	Yes [a]	No [b]	No [c]	No
Olivier de Langavant Position: Chief Executive Officer First appointed: 1 November 2019	No	No	No	No

(a) The Employment Contract for the role of Company Chief Financial Officer held by Michel Hochard has been suspended since his appointment as the Company's Chief Executive Officer on 26 May 2014 and will remain so for his entire term of office as Chief Executive Officer (see section 3.1 of this Annual Report).

(b) Except for the group pension scheme.

(c) No provisions or stipulations provide for remuneration in the event that Michel Hochard is forced to leave his role as Chief Executive Officer. However, his Employment Contract, which is suspended for his term of office, provides for a severance and non-compete remuneration package if his Employment Contract as Chief Financial Officer is broken. This remuneration package is described in section 3.2.3.1 (b) of this Annual Report.

Shareholder vote on the remuneration components paid or awarded to executive corporate officers for the fiscal year ended 31 December 2019

The details of the remuneration paid or granted to Aussie B. Gautama in his capacity as Chairman of the Board of Directors for the fiscal year ended 31 December 2019 are described in the table below:

Aussie B. Gautama

Remuneration components paid or awarded for the fiscal year ended 31 December 2019	Amount or carrying amount submitted for vote	Description
Fixed remuneration	€125,000	During fiscal year 2019, Aussie B. Gautama received remuneration for his role as Chairman of the Board of Directors. During that period he received the gross sum of €125,000. Details of the annual fixed remuneration approved by the General Shareholders' Meeting of 13 June 2019 under the vote on the remuneration of the Chairman of the Board of Directors for the fiscal year ended 31 December 2019 provided in the Company's 2018 Annual Report, section 3.2.3.1 (c) I.
Annual variable remuneration	N/A	Aussie B. Gautama receives no variable remuneration.
Deferred variable remuneration	N/A	Aussie B. Gautama receives no deferred variable remuneration.
Variable multi-year remuneration	N/A	Aussie B. Gautama receives no variable multi-year remuneration.
Exceptional remuneration	N/A	Aussie B. Gautama receives no exceptional remuneration.
Stock options, performance shares and any other long-term remuneration	Options = N/A Equities = N/A Other remuneration = N/A	Aussie B. Gautama receives no stock options, performance shares or any other long-term remuneration.
Remuneration by vertue of his directorship	€54,150	This amount corresponds to the Remuneration by vertue of his directorship granted to Aussie B. Gautama during the fiscal year ended 31 December 2019. Details of the annual fixed remuneration approved by the General Shareholders' Meeting of 13 June 2019 under the vote on the remuneration of the Chairman of the Board of Directors for the fiscal year ended 31 December 2019 provided in the Company's 2018 Annual Report, section 3.2.3.1 (C) I.
Valuation of benefits of any kind	N/A	Aussie B. Gautama receives no other benefits.

Remuneration paid or awarded for the fiscal year just ended that have been or will be submitted for vote at the General Shareholders' Meeting under the procedure for regulated agreements and commitments	Amount or carrying amount submitted for vote	Description
Severance pay	N/A	Aussie B. Gautama is not entitled to a severance package.
Non-compete remuneration	N/A	Aussie B. Gautama is not entitled to non-compete remuneration.
Supplementary pension scheme	N/A	Aussie B. Gautama is not entitled to any supplementary pension scheme, with the exception of the existing group pension scheme.

The details of the remuneration paid or granted to Michel Hochard in his capacity as Chief Executive Officer for the fiscal year ended 31 December 2019 are described in the table below:

Michel Hochard

Details of remuneration due or awarded for the fiscal year ended 31 December 2019	Amount or carrying amount submitted for vote	Description
Fixed remuneration	€354,167	During fiscal year 2019, Michel Hochard received remuneration for his role as Chief Executive Officer. He received €354,167 which corresponds to the prorata temporis of his annual fixed remuneration of €425,000. Details of the annual fixed remuneration approved by the General Shareholders' Meeting of 13 June 2019 under the vote on the remuneration policy for the Chief Executive Officer for the fiscal year ended 31 December 2019 can be found in the Company's 2018 Annual Report, in section 3.2.3.1 (c) II.
Annual variable remuneration	€123,958	During the 2019 fiscal year, Michel Hochard received variable remuneration of €123,958. The Board of Directors assessed the achievement of performance criteria during its meeting of 22 April 2020 (see the *Remuneration paid for the 2019 fiscal year* section of this Annual Report, page 59). Details of the annual variable remuneration approved by the General Shareholders' Meeting of 13 June 2019 under the vote on the remuneration policy for the Chief Executive Officer for the fiscal year ended 31 December 2019 can be found in the Company's 2018 Annual Report, in section 3.2.3.1 (c) II.
Deferred variable remuneration	N/A	Michel Hochard receives no deferred variable remuneration.
Variable multi-year remuneration	N/A	Michel Hochard receives no variable multi-year remuneration.
Exceptional remuneration	750,000	During the 2019 fiscal year, Michel Hochard received exceptional remuneration of €750,000. This remuneration was decided on by the Board of Directors during its meeting on 1 August 2020. Details of the annual variable remuneration approved by the General Shareholders' Meeting of 13 June 2019 under the vote on the remuneration policy for the Chief Executive Officer for the fiscal year ended 31 December 2019 can be found in the Company's 2018 Annual Report, in section 3.2.3.1 (c) II.
Stock options, performance shares or any other long-term remuneration	N/A	Michel Hochard receives no stock options, performance shares or any other long-term remuneration.
Remuneration by vertue of his directorship	N/A	As Michel Hochard is not a Company director or an observer, he is not entitled to this remuneration.
Valuation of benefits of any kind	€114,632 (€31,250 of which was paid in fiscal year 2018)	Michel Hochard has his travel expenses and overseas per diems paid. Details of the annual fixed remuneration approved by the General Shareholders' Meeting of 13 June 2019 under the vote on the remuneration policy for the Chief Executive Officer for the fiscal year ended 31 December 2019 can be found in the Company's 20187 Annual Report, in section 3.2.3.1 (c) II.

Remuneration paid or awarded for the fiscal year just ended that have been or will be submitted for vote at the General Shareholders' Meeting under the procedure for regulated agreements and commitments	Amount or carrying amount submitted for vote	Description
Severance pay[a]	N/A	Michel Hochard is not entitled to a severance package for his role as CEO.
Non-compete remuneration[a]	N/A	Michel Hochard is not entitled to non-compete remuneration for his role as CEO.
Supplementary pension scheme	N/A	Michel Hochard is not entitled to any supplementary pension scheme, with the exception of the existing group pension scheme.

(a) A description of the severance package and non-compete agreement benefits under the suspended Employment Contract is provided in section 3.2.3.1
(b) of the Annual Report.

The details of the remuneration paid or granted to Olivier de Langavant in his capacity as Chief Executive Officer for the fiscal year ended 31 December 2019 are described in the table below:

Olivier de Langavant

Details of remuneration due or awarded for the fiscal year ended 31 December 2019	Amount or carrying amount submitted for vote	Description
Fixed remuneration	€75.000	During fiscal year 2019, Olivier de Langavant received remuneration for his role as Chief Executive Officer. He received €75,000 which corresponds to the prorata temporis of his annual fixed remuneration of €450,000. Details of the annual fixed remuneration approved by the General Shareholders' Meeting of 13 June 2019 under the vote on the remuneration policy for the Chief Executive Officer for the fiscal year ended 31 December 2019 can be found in the Company's 2018 Annual Report, in section 3.2.3.1 (C) II.
Annual variable remuneration	-	Olivier de Langavant received no annual variable remuneration in respect of this fiscal year
Deferred variable remuneration	N/A	Olivier de Langavant received no deferred variable remuneration.
Variable multi-year remuneration	N/A	Olivier de Langavant received no variable multi-year remuneration in respect of this fiscal year.
Exceptional remuneration	N/A	Olivier de Langavant received no exceptional remuneration.
Golden hello payment	€400.000	Olivier de Langavant benefited from a gross golden hello payment of €400,000 payable entirely in Company shares. This golden hello payment is granted on the condition that he does not resign from his term of office during the first year and will be definitively granted on 1 November 2020. Details of the golden hello payment approved by the General Shareholders' Meeting of 13 June 2019 under the vote on the remuneration policy for the Chief Executive Officer for the fiscal year ended 31 December 2019 can be found in the Company's 2018 Annual Report, in section 3.2.3.1 (C) II.
Stock options, performance shares and any other long-term remuneration	N/A	Olivier de Langavant received no stock options, performance shares or any other long-term remuneration.

Details of remuneration due or awarded for the fiscal year ended 31 December 2019	Amount or carrying amount submitted for vote	Description
Remuneration by vertue of his directorship	N/A	As Olivier de Langavant is not a Company director or an observer, he is not entitled to this remuneration.
Valuation of benefits of any kind	0	Olivier de Langavant did not benefit from a company car in 2019. Details of the annual fixed remuneration approved by the General Shareholders' Meeting of 13 June 2019 under the vote on the remuneration policy for the Chief Executive Officer for the fiscal year ended 31 December 2019 can be found in the Company's 2018 Annual Report, in section 3.2.3.1 (C) II.

Remuneration paid or awarded for the fiscal year just ended that have been or will be submitted for vote at the General Shareholders' Meeting under the procedure for regulated agreements and commitments	Amount or carrying amount submitted for vote	Description
Severance pay	N/A	Olivier de Langavant is not entitled to a severance package for his role as Chief Executive Officer.
Non-compete remuneration	N/A	Olivier de Langavant is not entitled to non-compete remuneration for his role as Chief Executive Officer.
Supplementary pension scheme	N/A	Olivier de Langavant is not entitled to a supplementary pension scheme.

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C) Principles and criteria governing the determination, allocation and award of the fixed, variable and exceptional components of total remuneration and benefits of any kind that may be owed or awarded for fiscal year 2020 to the Chairman of the Board and the Chief Executive Officer with respect to their office

Law No. 2016/1691 of 9 December 2016 on transparency, anti-corruption and modernization of economy – the "Sapin II Law" – requires a binding vote of the shareholders on the principles and criteria governing the determination, allocation and award of the fixed, variable and exceptional components of total remuneration and benefits of all kinds that may be owed or awarded to the Chairman of the Board and to the Chief Executive Officer for financial year 2020 (i.e. the remuneration policy).

The purpose of this section is to present, in accordance with the provisions of Article L. 225-37-2 of the French Commercial Code, the principles and criteria set by the Board of Directors, based on the recommendation of the Appointments and Remuneration Committee (the "**ARC**")[1].

We suggest that you approve the principles and criteria presented in this report. Two resolutions will be presented for the Chairman of the Board and for the Chief Executive Officer respectively. If the shareholders at the Ordinary and Extraordinary General Meeting scheduled for 30 June 2020 do not approve (one of) these resolutions, the relevant remuneration will be determined in accordance with remuneration granted for the previous fiscal year, which is the remuneration policy approved by the General Shareholders' Meeting of 13 June 2019 under the 13th and 14th resolutions.

As a reminder, all components of remuneration paid to the Chairman of the Board and to the Chief Executive Officer of the Company are determined by the Board of Directors, acting on the recommendation of the ARC by reference to the principles set out in the AFEP-MEDEF Corporate Governance Code for listed companies, as amended in January 2020 (the "**AFEP-MEDEF Code**").

Remuneration policy applying to the Chairman of the Board of Directors (a non-executive corporate officer) for fiscal year 2020

A policy aligned with the Company's corporate interest and which contributes to its strategy and long-term future

The Board of Directors believes that the remuneration policy applicable to the Chairman of the Board of Directors is in line with the Company's interests. Specifically, it contributes to the development of the Company's strategy and long-term expansion and takes into account the social and environmental challenges of the Company's business to ensure its longevity.

(1) The ARC consists of three members, two of whom (including the Chairman) are independent under the criteria of the AFEP-MEDEF Code as reprised in the Board of Directors' Internal Regulations.

In determining the remuneration policy for the Chairman of the Board of Directors, the Board is careful to align it with the Company's corporate interest so as to ensure its long-term future. It considers market practices and performance and sets the remuneration so as to encourage the Chairman's attendance at Board meetings.

Remuneration policy for the 2020 fiscal year

The Chairman of the Board's remuneration is made up of fixed and variable remuneration.

Fixed remuneration

The Chairman of the Board's fixed annual remuneration is determined, inter alia, based on a thorough analysis of market practices, size and market capitalization of the Company, the separation between the roles of the Chairman and those of the Chief Executive Officer, the Chairman's experience, technical skills, and the scarcity and critical importance of those skills, past individual remuneration and years of service of the Chairman of the Board.

Variable compensation

The Chairman of the Board also receives variable remuneration, on the same basis as other directors and following the same rules, which take into account the actual term of office served by each as member of the Board and actual attendance at Board meetings and the coefficient attributed to the office held by each member (Director, Chairman of the Board, Vice-Chairman of the Board, Chairman of a special committee and member of a special committee).

Implementation of the 2020 policy for Aussie B. Gautama

Aussie B. Gautama receives an annual fixed remuneration. After taking into account all of Aussie B. Gautama's remuneration components and a study conducted by a firm specialising in the structure and remuneration of Board chairmen, the Board of Directors, acting on the recommendation of the ARC, decided to maintain Aussie B. Gautama's remuneration for fiscal year 2020 at a gross amount of €125,000.

Aussie B. Gautama also receives variable remuneration in accordance with the remuneration policy applicable to directors.

Remuneration policy for the Chief Executive Officer (an executive corporate officer) for the 2020 fiscal year

A policy aligned with the Company's corporate interest and which contributes to its strategy and long-term future

The Board of Directors believes that the remuneration policy applicable to the Chief Executive Officer is in line with the Company's interests. Specifically, it contributes to the development of the Company's strategy and long-term expansion and takes into account the social and environmental challenges of the Company's business to ensure its longevity.

The remuneration policy applied to the Chief Executive Officer includes quantifiable criteria selected for how well they measure the achievement of his objectives, thus fully involving the Chief Executive Officer in the Company's performance and short- and long-term value creation. To promote the Company's development well into the future, the remuneration policy also includes conditions relating to operating and financial performance, strategic vision, management of the risks and challenges the Company has faced in recent years and ongoing efforts in terms of safety and the environment.

Remuneration policy for the 2020 fiscal year

The remuneration of the Chief Executive Officer comprises the following elements:

Fixed remuneration

The Chief Executive Officer receives a fixed annual remuneration.

Fixed annual remuneration compensates the Chief Executive Officer for his responsibilities. Its amount is based on an in-depth analysis of market practices, the size and market capitalisation of the Company, the separation of the roles of Chairman of the Board of Directors and Chief Executive Officer, experience, skills and their scarcity. Except in special circumstances, this fixed remuneration is only reviewed at relatively long intervals.

Annual variable remuneration

The Chief Executive Officer also receives an annual variable remuneration which is in line with the duties entrusted to him, his expertise and experience, as well as market practices. It is specified, in accordance with AFEP-MEDEF Code, that the allocation of annual variable remuneration will also benefit other Group employees.

As the variable component of the remuneration must be in line with the performance of the Chief Executive Officer, the Company's strategy and progress made by the latter, this remuneration is determined based on quantifiable and qualitative criteria:

- quantifiable criteria is based on the Company's operating, financial and strategic performance, which is assessed according to a sliding and proportional scale. Quantifiable targets to be achieved are specifically predetermined and are not disclosed to the public for reasons of confidentiality;
- qualitative criteria are predetermined and specific. They aim to asses social, safety, health, environmental and, more generally, societal policies. Moreover, the Board of Directors reserves the right to introduce a qualitative criteria related to the performance of the Chief Executive Officer, the assessment of which is left to the entire discretion of the Board. Details of assessment sub criteria are not made public for reasons of confidentiality.

The criteria and targets are approved annually by the Board of Directors, which acts on the recommendation of the ACC.

The total amount of the variable component is expressed as a percentage of annual fixed remuneration, with each criterion entitling to a portion of the percentage of the annual fixed remuneration. The maximum amount of annual variable remuneration is set at 100% of the Chief Executive Officer's annual fixed remuneration. The share related to quantifiable criteria has been set at 60% and the share related to qualitative criteria has been set at 40%[1] of the annual fixed remuneration.

(1) In the event of very exceptional circumstances, and based on a reasoned decision by the Board of Directors, the share of qualitative criteria may be increased to 70% of the annual fixed remuneration, but the total annual variable remuneration may not exceed 100% of the annual fixed remuneration.

Long-term variable remuneration

The Board of Directors may decide to award variable long-term remuneration to the Chief Executive Officer.

The purpose of awarding long-term variable remuneration is to encourage the Chief Executive Officer to take a long-term approach to his activities, but also to build loyalty and promote the alignment of his interests with those of the Company and its shareholders.

This remuneration, which may be awarded as bonus shares or paid in cash, is subject to performance criteria that must be met over several years in line with one or several quantifiable criteria based on the Company's operating, financial and strategic performance, to which may be added one or several qualitative criteria related to social, safety, health, environmental and, more generally, societal policies. These performance criteria are set in advance by the Board of Directors, which acts on the recommendation of the ARC.

The total amount of the long-term variable remuneration is expressed as a percentage of the annual fixed remuneration, with each criterion giving entitlement to a portion of the percentage of the annual fixed remuneration. The maximum amount of annual long-term variable remuneration cannot exceed 100% of the Chief Executive Officer's annual fixed remuneration.

The final payout of long-term remuneration is also subject to a continuous employment condition subject to the exceptions set out in the plan's regulations[1] or decided by the Board of Directors. In the event that the Board of Directors decides to waive the employment condition, this condition can only be waived on a time-proportionate basis and upon reasoned opinion.

In the event of the allocation of bonus shares, the Board of Directors (i) ensures that the proposed allocation does not represent an excessive share of the total number of bonus shares allocated and that it has a limited impact in terms of dilution and (ii) sets the number of shares to be held by the Chief Executive Officer until the termination of his duties as a corporate officer. In line with the applicable legal provisions and the Company's practices, bonus shares may also be awarded to the Group's senior managers and employees.

Exceptional remuneration

In accordance with the AFEP-MEDEF Code, only very exceptional circumstances may generate exceptional remuneration. Reasons for ward of such exceptional remuneration must be provided by the Board, who will need to explain the circumstances giving rise thereto.

Non-compete remuneration

In line with the AFEP-MEDEF Code, a non-compete commitment covering the Chief Executive Officer in his role as a corporate officer may be implemented by the Board of Directors to protect the Company's interests.

The introduction of a non-compete payment is subject to the provisions of Article L. 225-42-1 of the French Commercial Code.

Severance pay

Under certain circumstances, the Board of Directors may decide to award a severance payment to the Chief Executive Officer, in line with the AFEP-MEDEF Code.

The allocation of a severance payment is subject to strict performance conditions.

The introduction of a severance payment is subject to the provisions of Article L. 225-42-1 of the French Commercial Code.

Benefits in kind

The Chief Executive Officer receives benefits in kind. This allocation is determined based on the needs related to the exercise of this office.

We draw your attention to the fact that Articles L. 225-37-2 and L. 225-100 of the French Commercial Code provide that, where such components exist, the variable and exception remuneration components of the Chairman of the Board and the Chief Executive Officer shall only be paid after a shareholders' General Meeting has approved the fixed, variable and exceptional components of the total remuneration and benefits of any kind.

Change in governance

In the event that a new Chief Executive Officer is appointed during the fiscal year, the elements of remuneration, principles and criteria set out in the Chief Executive Officer's remuneration policy described above will continue to apply. The Board of Directors, upon the recommendation of the ARC, will thus determine the elements of remuneration, principles, criteria, objectives and levels of performance, adapting them to the new Chief Executive Officer's circumstances. Moreover, if a new Chief Executive Officer is recruited from outside the Company, the Board of Directors reserves the right to award an amount (in cash or shares) to compensate him/her for the loss of remuneration related to the departure from his/her previous position (golden hello payment).

Implementation of the 2020 policy for Olivier de Langavant

Olivier de Langavant receives an annual fixed remuneration. After reviewing all the components of remuneration of Olivier de Langavant, the Board of Directors, acting on the recommendation of the ARC, decided to set Olivier de Langavant's remuneration for fiscal year 2020 at a gross amount of €450,000.

Olivier de Langavant receives an annual variable remuneration established in line with principles set out in the 2020 remuneration policy.

He also receives a variable multi-year remuneration. Olivier de Langavant also receives benefits in kind which include a company car, a death and disability plan applicable within the Company and a mobile phone.

Except for the four components of remuneration described above, Olivier de Langavant does not receive any other remuneration for his role as Chief Executive Officer.

(1) Death, disability and retirement.

3.2.3.2 Non-executive corporate officers

The Company's non-executive corporate officers received the remuneration shown in the table below (in euros) during the fiscal years ending 31 December 2019 and 31 December 2018, respectively.

The remuneration paid to members of the Board of Directors amounted to €395,851 in 2019, versus €388,457 in 2018. The distribution of this remuneration is shown in the table below.

Summary table of remuneration by vertue of their directorship and other remuneration received by non-executive corporate officers (AMF Table No. 3)

Non-executive corporate officers *(in euros)*	**Amounts awarded in respect of fiscal year 2019**	**Amounts awarded in respect of fiscal year 2018**
Aris Mulya Azof [a]		
Remuneration by vertue of his directorship	10,982	30,590
Other remuneration	-	-
Nathalie Delapalme		
Remuneration by vertue of her directorship	87,459	85,317
Other remuneration	-	
Carole Delorme d'Armaillé		
Remuneration by vertue of her directorship	58,753	58,032
Other remuneration	-	-
Roman Gozalo		
Remuneration by vertue of his directorship	85,835	83,197
Other remuneration	-	-
Maria R. Nellia [b]		
Remuneration by vertue of her directorship	10,982	56,178
Other remuneration	-	-
Denie S. Tampubolon		
Remuneration by vertue of his directorship	55,504	53,529
Other remuneration	-	-
PIEP, represented by Huddie Dewanto [c]		
Remuneration by vertue of its directorship	-	21,614
Other remuneration	-	-
Ida Yusmiati [b]		-
Remuneration by vertue of her directorship	44,522	-
Other remuneration	-	
Narendra Widjajanto [a] [d]		-
Remuneration by vertue of his directorship	41,814	-
Other remuneration	-	
TOTAL	**395,851**	**388,457**

(a) Aris Azof resigned as director on 20 March 2019. He was replaced by Narendra Widjajanto, who was co-opted on that same day. The co-optation of Narendra Widjajanto was ratified by the General Shareholders' Meeting of 13 June 2019.
(b) Maria Nellia resigned as director on 20 March 2019. She was replaced by Ida Yusmiati, who was co-opted on that same day. The co-optation of Ida Yusmiati was ratified by the General Shareholders' Meeting of 13 June 2019.
(c) PIEP resigned as director on 20 June 2018.
(d) Narendra Widjajanto resigned as director on 18 March 2020. The Board of Directors had not co-opted a director to replace him as at the date of this document.

A) Remuneration policy for the directors in respect of fiscal year 2020

The directors and the observer, if applicable, receive remuneration (previously called attendance fees) in respect of their participation in the work of the Board of Directors and its committees.

The Board of Directors decides how the remuneration will be distributed among the directors in accordance with the distribution rules decided by the Board of Directors acting on the recommendations of the Appointments and Remuneration Committee, and in accordance with the recommendations of the AFEP-MEDEF Code, within the limit of an annual fixed sum determined by the General Shareholders' Meeting.

Directors' remuneration takes into consideration the actual term of office of each member of the Board of Directors during the fiscal year in question as well as their actual presence at meetings of the Board of Directors and the committees (for the variable portion of the remuneration). This distribution includes a variable component which is predominant.

In determining the policy for distributing directors' remuneration, the Board is careful to align it with the Company's corporate interest so as to ensure its long-term future. It considers market practices and sets the remuneration so as to encourage the directors' attendance at Board meetings. To that end, the variable portion of directors' remuneration, the payment of which is contingent on their attendance, is predominant and contributes to the objectives set forth in the remuneration policy.

In accordance with the provisions of Article 225-37-2 of the French Commercial Code, the remuneration policy will be submitted for approval at the General Shareholders' Meeting of 25 June 2020.

The total annual amount of €450,000 corresponding to the sum allocated to directors' remuneration has not changed for more than a decade.

On the recommendation of the Appointments and Remuneration Committee, the Board of Directors, at its meeting of 31 March 2020, decided to distribute directors' remuneration for the 2019 fiscal year according to the following rules:

- a fixed portion which represents 40% of the overall budget and is distributed proportionally to the actual term of office as director served during the fiscal year in question;
- a variable portion, which accounts for 60% of the overall budget and is distributed in accordance with attendance and with the rating attached to each member's role (director, Chairman of the Board of Directors, Vice-Chairman of the Board of Directors, Chairman of a specialised committee, and member of a specialised committee).

Non-executive corporate officers do not receive any remuneration or benefits other than the remuneration paid in respect of their directorship. There is no supplementary pension scheme in place for non-executive corporate officers.

No options for the subscription or purchase of shares or for bonus shares have been granted to the Company's non-executive corporate officers by the Company or by Group companies during the last three fiscal years. Furthermore, no options to subscribe for or purchase shares were exercised by or granted to any non-executive corporate officer during the fiscal year ended 31 December 2019.

Note that any positions held by executive corporate officers in the Company's subsidiaries are not compensated.

3.2.3.3 Equity interest of corporate officers in the Company's capital

As at 31 December 2019, the Company's corporate officers together held 3,066 Company shares, i.e. 0.0015% of the capital, representing 0.0015% of theoretical voting rights and 0.0016% of exercisable voting rights. The obligation for corporate officers to hold shares as stipulated in the internal regulations does not apply to directors representing the Company's controlling shareholder, it being specified that as at 31 December 2019, PIEP held 143,082,389 Company shares.

The details of equity interests in the Company as well as the transferable securities issued by Company held by the corporate officers to the Company's knowledge, are shown in the "Presentation of the membership of the Board of Directors" section of this Annual Report.

In addition to the provisions of the Code (see section 3.2.2.2 (f) of this Annual Report, the members of the Board of Directors are subject to the laws and regulations governing trading in company securities.

3.2.3.4 Remuneration ratios and annual change in remuneration, Company performances and remuneration ratios.

In accordance with Article L. 225-37, provided below are:

- the ratio of fairness between the level of remuneration of the Chairman and Chief Executive Officer and the average and median remuneration of Company employees;
- the annual changes in remuneration, Company performances and average remuneration of employees excluding corporate officers.

Wages taken into account are those at the Company's registered office and which represent a coherent population as defined by the AFEP-MEDEF:

- for corporate officers, remuneration corresponds to the total amount of remuneration received during the fiscal year and includes all components of remuneration exclusive of tax, it being noted that for the Chairman, the remuneration in respect of his office during fiscal year N paid in N+1 is included in N+1 remuneration. The same applies to the variable remuneration of the Chief Executive Officer, which is included in the amount received in N+1.
- for employees, remuneration corresponds to the remuneration paid during fiscal year N. It includes the fixed component as a full-time equivalent, discretionary and compulsory profit sharing paid in N+1 with regard to fiscal year N, and bonus shares allocated during fiscal year N.

Chairman	2015	2016	2017 [(a)]	2018	2019
Remuneration ratio compared with employees' average remuneration	1.65	2.84	1.73	1.23	1.05
Remuneration ratio compared with employees' median remuneration	1.95	2.9	1.7	1.16	1.49

(a) The successive remuneration of both Chairmen of the Board of Directors, Jean-François Hénin until 10 April 2017 and Aussie Gatauma as of this date, were taken into account.

Chief Executive Officer	2015	2016	2017	2018	2019 [(b)]
Remuneration ratio compared with employees' average remuneration	3.10	8.05	8.67	4.88	7.03
Remuneration ratio compared with employees' median remuneration	3.66	8.19	8.52	4.60	9.98

(b) The successive remuneration of both Chief Executive Officers, Michel Hochard until 31 October 2019 and Olivier de Langavant as of this date, were taken into account.

	2016/2015	2017/2016	2018/2017	2019/2018
Change in the remuneration of the Chairman	+86.88%	-36.91%	-26.94%	+8.25%
Change in the remuneration of the Chief Executive Officer	+182%	+12%	-42%	+82.51%
Change in the Company's performance [(c)]	+47%	+114%	+614%	-34%
Change in employees' average remuneration	+4.34	+12.27	-1.32	+31

(c) Calculated based on the Company's net income.

3.3 AGREEMENTS REFERRED TO IN ARTICLE L. 225-37-4 OF THE FRENCH COMMERCIAL CODE

To the Company's knowledge, there is no agreement referred to in Article L. 225-37-4, paragraph 2 of the French Commercial Code, with the exception of the agreement mentioned below.

As part of the Group's refinancing described in section 7.2.1 of this universal registration document, Pertamina Internasional Eksplorasi dan Produksi ("**PIEP**"), the Company's main shareholder,[(1)] entered into a Sponsor Support Agreement with Maurel & Prom West Africa (a wholly owned subsidiary of the Company) pursuant to which PIEP undertook to provide Maurel & Prom West Africa, at its request, with the funds required in the event of default under the term loan (as described in section 7.2.1.1 of this universal registration document).

The special report of the Company's Statutory Auditors on the regulated agreements and commitments referred to in Articles L. 225-38 *et seq.* of the French Commercial Code for fiscal year 2019 is provided in section 6.5.2 of this Annual Report.

3.4 PROCEDURE IMPLEMENTED IN ACCORDANCE WITH ARTICLE L. 225-39, PARAGRAPH 2 OF THE FRENCH COMMERCIAL CODE

An internal Company charter on regulated agreements (the "**Charter**") has been drawn up in accordance with AMF Recommendation DOC-2012-05, amended on 5 October 2018, and with paragraph 2 of Article L. 225-39 of the French Commercial Code. The Charter defines the procedure for monitoring regulated agreements and for assessing current agreements entered into under normal terms and conditions.

It was adopted by the Company's Board of Directors at its meeting of 12 December 2019 and is published on its website.

Under French law, agreements entered into with the persons referred to in Article L. 225-38 of the French Commercial Code (directly or through an intermediary between the Company and its Chief Executive Officer, one of its Chief Operating Officers,

(1) PIEP was also a director of the Company until 20 June 2018.

one of its directors, one of its shareholders holding more than 10% of the voting rights, or, if the shareholder is a company, the company controlling it within the meaning of Article L. 233-3 of the afore-mentioned code) relating to current transactions and entered into under normal conditions are not subject to prior approval by the Board of Directors (the "**Free Agreements**").

The Charter provides for the following procedure for assessing Free Agreements:

— At least once every six months, the Company's legal department, in consultation with the Company departments concerned and the Company's Statutory Auditors, shall assess whether the amended Free Agreements that were renewed during the period under review as well as all or some of the other Free Agreements still in effect continue to fulfil the conditions of such qualification, namely that they relate to current transactions and are entered into under normal terms and conditions.

— The conclusions of this half-yearly review shall be communicated to the Chairman of the Company's Audit Committee. During its meeting, the Audit Committee, having previously consulted with the Company's Statutory Auditors if necessary, shall assess whether the Free Agreements should be reclassified as regulated agreements. Members of the Audit Committee directly or indirectly interested in a Free Agreement do not participate in the assessment of said agreement. The report of the half-yearly assessment by the Audit Committee shall be presented during the Board of Directors' meeting called to approve the half-year and annual financial statements.

— If, after its assessment, the Audit Committee believes that an agreement initially considered as a Free Agreement is in fact a regulated agreement, it shall inform the Board of Directors thereof so that the agreement can be ratified by the Board.

3.5 RULES FOR ADMISSION AND CONVENING GENERAL SHAREHOLDERS' MEETINGS

3.5.1 Convening General shareholders' meetings

General shareholders' meetings are convened, under conditions stipulated by law, by the Board of Directors or, otherwise, by the Statutory Auditors or by any other legally authorised persons. General shareholders' meetings are held at the registered office or at any other location specified in the meeting notice. The conditions of admission to General shareholders' meetings are described below.

In accordance with Article R. 225-85 of the French Commercial Code, a person is entitled to attend a General Shareholders' Meeting on the basis of the registration of shares in the name of the shareholder or the authorised intermediary registered on the shareholder's behalf, pursuant to paragraph 7 of Article L. 228-1 of the French Commercial Code, by midnight, Paris time, on the second business day before the meeting, either in the registered share accounts kept by the Company or in the bearer share accounts kept by the authorised intermediary.

The registration or accounting entry of shares in the bearer share accounts kept by the authorised intermediary is evidenced by a shareholding certificate issued by the authorised intermediary, sent electronically where necessary, under the conditions set out in Article R. 225-61 of the French Commercial Code, and attached to the postal vote or proxy form or to the request for the admission card made out in the name of the shareholder or on behalf of the shareholder represented by the registered intermediary. A certificate is also issued to any shareholder wishing to attend the meeting in person who has not received their admission card by midnight, Paris time, on the second business day before the meeting.

3.5.2 Shareholder access to and participation in General shareholders' meetings

A duly convened General Shareholders' Meeting represents all shareholders. Its decisions are binding for all shareholders, even those who are absent, dissenting or legally incapable.

Regardless of the number of shares that he/she owns, every shareholder has the right to participate in General shareholders' meetings, be it personally, by appointing a proxy, or by voting remotely, in accordance with current laws and regulations.

Any shareholder may also send a proxy to the Company without indicating the name of their representative. Any such proxies which do not indicate the name of the representative will be considered as a vote in favour of the resolutions submitted or approved by the Board of Directors to the Meeting.

However, proof of the right to participate in the Company's General shareholders' meetings, in any form whatsoever, can be shown by the accounting entry or the registration of shares under the terms and conditions stipulated by the applicable regulations.

Postal or proxy voting forms, as well as shareholding certificates may, if the Board of Directors so stipulates, be established in electronic form and duly signed in accordance with applicable laws and regulations. For this purpose, the form may be directly entered and signed electronically on the website set up by the Meeting's clearing agent. The form may be electronically signed (i) by entering, in accordance with the provisions of the first sentence of the second paragraph of Article 1367 of the French Civil Code, an identifying code and a password, or (ii) by any other process that meets the conditions defined in the first sentence of the second paragraph of Article 1367 of the French Civil Code.

The proxy or vote thus expressed before the meeting via this electronic method, as well as the acknowledgement of receipt given, if any, shall be considered an irrevocable written instruction enforceable against all parties, except in cases of sales of securities, which are subject to the notification provided for in Article R. 225-85 section IV of the French Commercial Code.

The procedures for sending postal and proxy voting forms shall be specified by the Board of Directors in the advance notice and the meeting notice.

Under the applicable legal and regulatory conditions, the Board of Directors may arrange for shareholders to attend and vote at the Meeting via video conference or other means of teleconferencing that allow shareholders to be identified and which comply with legal and regulatory requirements. The Board shall ensure that the means of identification are effective.

For the purposes of establishing the quorum and majority required for any General Shareholders' Meeting, shareholders who attend the General Shareholders' Meeting via video conferencing or other means of teleconferencing that allow them to be identified, in accordance with applicable legal and regulatory conditions, shall be deemed present.

3.6 FACTORS LIKELY TO HAVE AN IMPACT IN THE EVENT OF A TAKEOVER BID

Share capital structure

The structure of the Company's share capital is detailed in section 6.1.

Direct or indirect shareholdings in the Company's share capital of which it is aware

Direct or indirect shareholdings in the Company's share capital of which it is aware are detailed in section 6.3.

Statutory restrictions on the exercise of voting rights

Article 10 of the Bylaws, which also appears in section 6.2.4 of this Annual Report, stipulates that any shareholder who has not declared to the Company that they have exceeded a threshold of 2% of the capital or voting rights or any multiple of this 2% threshold shall be deprived of voting rights with respect to the shares exceeding the percentage that should have been declared. This restriction may, as the case may be, have an impact in the event of a public offering.

Agreements between shareholders of which the Company is aware and which may lead to restrictions on share transfers and the exercise of voting rights

As part of the TOA, PIEP offered all beneficiaries of bonus shares whose shares were not available to be contributed to the takeover bid the option of entering into a liquidity agreement. Under this liquidity mechanism, PIEP must, at any time during two six-month windows starting on the expiry date of the tax-related lock-up period for the bonus shares issued under a given plan and then on the first anniversary of that date (each of these periods, a "Liquidity Window"), acquire from each beneficiary who has entered into said agreement and who so requests, all of the bonus shares that the beneficiary holds under that plan. In addition, each beneficiary of a given plan who has entered into the liquidity agreement must, at any time during two six-month periods starting on the first day following the expiration of each Liquidity Window and at PIEP's request, transfer to PIEP all the shares that they hold under that plan. The aforementioned promises may only be carried out in the event of prior determination of reduced liquidity in the Company's shares. The majority of shares have been contributed, the plans have reached maturity.

Rules applicable to the appointment and replacement of members of the Board of Directors and to amendments to the Company's Bylaws

With the exception of the age limit of (i) 75 years imposed by the Bylaws on the Chairman of the Board of Directors (Article 17.2 of the Company's Bylaws) and (ii) 70 years imposed by the Bylaws on the Chief Executive Officer and, as applicable, the Chief Operating Officer (Articles 22.3 and 23.5 of the Company's Bylaws), there are no provisions in the Bylaws that differ from those provided by law with respect to the appointment and replacement of members of the Board of Directors or the amendment of the Bylaws.

Powers of the Board of Directors

Pursuant to the resolution approved by the shareholders at the General Shareholders' Meeting of 13 June 2019, the Board of Directors may not implement the Company's share buyback programme during any period of public offering on the Company's shares.

In addition, in accordance with the decision of the General Shareholders' Meeting of 13 June 2019, the Board of Directors may not decide to issue shares or transferable securities conferring access to capital, with or without pre-emptive subscription rights, during periods of public offering on the Company's shares, with the exception of awards of bonus shares or issues of shares or transferable securities conferring access to capital reserved for employees.

Agreements modified or terminated in the event of a change in control of the Company

The term bank loan entered into by the Company on 10 December 2017 as part of the refinancing of its debt, as described in section 7.2.1.1 of this Annual Report, contains a change in control clause pursuant to which any lender may request the immediate repayment of sums loaned in the event that PIEP ceases to control the Company.

Change in control of the Company means the case where PIEP (i) (either directly or indirectly through the holding of share capital, the exercise of voting rights, the holding of their investment or the management of their rights, contracts or otherwise) would no longer have the power to (A) vote or exercise control over 50% of the maximum number of votes that may be cast at a General Shareholders' Meeting of the Company; or (B) appoint and/or dismiss all or the majority of the members of the Board of Directors or other governing body of the Company; or (C) exercise control over the decisions of the Company or its management policy; or (ii) would cease to hold more than 50% of the Company's issued share capital.

3.7 DELEGATIONS OF AUTHORITY GRANTED BY THE GENERAL SHAREHOLDERS' MEETING TO THE BOARD OF DIRECTORS REGARDING CAPITAL INCREASES

Authorities and delegations granted by the Company's General shareholders' meetings still in force at 31 December 2019 and, as applicable, their use during the 2019 fiscal year are described in the tables below:

Resolution No. at the General Shareholders' Meeting of 13 June 2019	Type of authority or delegation	Ceiling	Duration of authority from 13/06/2019	Comments
Sixteen	Delegation of authority granted to the Board of Directors to issue Company shares and/or transferable securities conferring access, immediately or in the future, to the capital of the Company or of one of its subsidiaries, with shareholders' pre-emptive subscription rights[a].	Total nominal value of capital increases: €100m. Total par value of any debt securities that may be issued: €700m.	26 months, i.e. until 13 August 2021.	This delegation replaced the previous delegation granted for the same purpose by the General Shareholders' Meeting of 20 June 2018. This delegation cannot be used in a public offering of Company shares. This delegation was not used as at 31 December 2019, nor as at the date of this Annual Report.
Seventeen	Delegation of authority granted to the Board of Directors to issue Company shares and/or transferable securities conferring access, immediately or in the future, to the capital of the Company or of one of its subsidiaries in the event of a public offering, with removal of shareholders' pre-emptive subscription rights.[a][b]	Total nominal value of capital increases: €60m. Total par value of any debt securities that may be issued: €420m.	26 months, i.e. until 13 August 2021.	This delegation replaced the previous delegation granted for the same purpose by the General Shareholders' Meeting of 20 June 2018. This delegation cannot be used in a public offering of Company shares. This delegation was not used as at 31 December 2019, nor as at the date of this Annual Report.
Eighteen	Delegation of authority granted to the Board of Directors to issue Company shares and/or transferable securities conferring access, immediately or in the future, to the capital of the Company or of one of its subsidiaries by private investment, with removal of shareholders' pre-emptive subscription rights.	Total nominal value of capital increases: €60m. Limit: 20% per year of the Company's share capital as calculated at the date of the Board of Directors' decision to use the delegation. Total nominal value of any debt securities that may be issued: €420m.	26 months, i.e. until 13 August 2021.	This delegation replaced the previous delegation granted for the same purpose by the General Shareholders' Meeting of 20 June 2018. This delegation cannot be used in a public offering of Company shares. This delegation was not used as at 31 December 2019, nor as at the date of this Annual Report.

Resolution No. at the General Shareholders' Meeting of 13 June 2019	Type of authority or delegation	Ceiling	Duration of authority from 13/06/2019	Comments
Nineteen	Delegation of authority to the Board of Directors, in the event of an issue of shares and/or transferable securities conferring access to capital, to set the issue price in accordance with the conditions set by the shareholders' Meeting with removal of shareholders' preferential subscription rights [a] [b].	Total nominal value of capital increases: 10% of the Company's share capital (as it exists at the date of decision of the Board of Directors) per year. This ceiling counts towards the ceiling of the resolution pursuant to which the issue was decided.	26 months, i.e. until 13 August 2021.	This authority replaced the previous authority granted for the same purpose by the General Shareholders' Meeting of 20 June 2018. This authority cannot be used in a public offering of Company shares. This authority was not used as at 31 December 2019, nor as at the date of this Annual Report.
Twenty	Authorisation for the Board of Directors to increase the number of instruments to be issued, in the event of capital increase with or without removal of shareholders' preferential subscription rights [a] [b].	The increase must be made within 30 days of the end of the initial subscription period and may not exceed 15% of the initial issue. It must be made at the same price as that used for the initial issue. This ceiling counts towards the ceiling of the resolution pursuant to which the issue was decided.	26 months, i.e. until 13 August 2021.	This authority replaced the previous authority granted for the same purpose by the General Shareholders' Meeting of 20 June 2018. This authority cannot be used in a public offering of Company shares. This authority was not used as at 31 December 2019, nor as at the date of this Annual Report.
Twenty-one	Delegation of authority granted to the Board of Directors to issue Company shares or transferable securities conferring access to the capital of the Company and/or entitling holders to the allotment of debt securities in the event of a public offering initiated by the Company, with removal of shareholders' pre-emptive subscription rights [a] [b].	Total nominal value of capital increases: €60m. Total nominal value of any debt securities that may be issued: €420m.	26 months, i.e. until 13 August 2021.	This delegation replaced the previous delegation granted for the same purpose by the General Shareholders' Meeting of 20 June 2018. This delegation cannot be used in a public offering of Company shares. This delegation was not used as at 31 December 2019, nor as at the date of this Annual Report.
Twenty-two	Delegation of authority granted to the Board of Directors to issue Company shares and/or transferable securities conferring access, immediately or in the future, to the capital of the Company, with a view to remunerating the contributions in kind made to the Company, with removal of shareholders' pre-emptive subscription rights.	Total nominal value of capital increases: dual limit of €60 million and 10% of the Company's share capital (as existing on the date of the Board of Directors' decision). Total nominal value of any debt securities that may be issued: €420m.	26 months, i.e. until 13 August 2021.	This delegation replaced the previous delegation granted for the same purpose by the General Shareholders' Meeting of 20 June 2018. This delegation cannot be used in a public offering of Company shares. This delegation was not used as at 31 December 2019, nor as at the date of this Annual Report.

Resolution No. at the General Shareholders' Meeting of 13 June 2019	Type of authority or delegation	Ceiling	Duration of authority from 13/06/2019	Comments
Twenty-three	Delegation of authority granted to the Board of Directors to increase the Company's capital by capitalising reserves, profits, premiums or other sums which may be capitalised.	Maximum nominal value equal to the total sums that may be incorporated into the capital: €100m.	26 months, i.e. until 13 August 2021.	This delegation replaced the previous delegation granted for the same purpose by the General Shareholders' Meeting of 20 June 2018. This delegation cannot be used in a public offering of Company shares. This delegation was not used as at 31 December 2019, nor as at the date of this Annual Report.
Twenty-four	Authority granted to the Board of Directors to allocate Company shares free of charge to employees and/or corporate officers of the Company and its subsidiaries, removing shareholders' pre-emptive subscription rights.	Number of ordinary bonus shares awarded: 1% of the Company's share capital (as existing at the date of the Board of Directors' decision to award them).	38 months i.e. until 13 August 2022.	This authority replaced the previous authority granted for the same purpose by the General Shareholders' Meeting of 20 June 2018. This authority was used to allocate shares under the plan of 1 August 2019 for 157,700 shares and under the second plan of 1 August 2019 for 385,150 shares.
Twenty-five	Delegation of authority granted to the Board of Directors to execute capital increases reserved for employees enrolled in the Company savings plan, with the removal of shareholders' pre-emptive subscription rights.	Total nominal value of capital increases: €1m.	26 months, i.e. until 13 August 2021.	This delegation replaced the previous delegation granted for the same purpose by the General Shareholders' Meeting of 12 December 2018. This delegation was not used as at 31 December 2019, nor as at the date of this universal registration document.

(a) Counts towards the €100-million total ceiling on capital increases and the €700-million total ceiling on debt securities.
(b) Counts towards the €60-million ceiling on capital increases and the €420-million ceiling on debt securities.

Lastly, under the terms of the 26th resolution of the General Shareholders' Meeting of 13 June 2019, the Board of Directors is authorised to cancel Company shares up to a limit of 10% of the Company's share capital per 24-month period. This authority was granted for a period of 26 months from the date of the aforementioned General Meeting.

Authorisations and delegations granted to the Board of Directors by the Extraordinary General Shareholders' Meeting of 12 December 2018 with respect to issues of shares and securities conferring access to capital were as follows:

Resolution No.	Type of authority or delegation	Ceiling	Duration of authority from 12/12/2018	Comments
One	Delegation of authority to the Board of Directors to issue, with the removal of shareholders' pre-emptive subscription rights in favour of Rockover Energy Limited, shares in the Company for a total nominal amount of €4,137,370.93.	Total nominal value of capital increases: €4,137,370.93.	6 months, i.e. until 12 June 2019.	Delegation fully used on 14 December 2018.

4 NON-FINANCIAL PERFORMANCE STATEMENT

The Group's main non-financial risks and issues, its policies for managing them and the results for fiscal year 2019 are presented in the environmental and social report below, which, along with the business model described in section 1.1.3 "Business model" of this universal registration document, comprises the Maurel & Prom Group's Statement of Non-Financial Performance for the fiscal year ended 31 December 2019.

In accordance with Articles L. 225-102-1 and R. 225-105 *et seq.* of the French Commercial Code, the management report presents information on the manner in which the Company addresses the social and environmental consequences of its activities as well as its corporate commitments to promote sustainable development, anti-discrimination measures and diversity.

This information is presented in accordance with the applicable laws and regulations and focuses on Group entities that the Group controls and that employ staff.

Due to the nature of its activities, the Group is not directly exposed to issues pertaining to food waste, food insecurity, respect for animal welfare or responsible food. As it is not a downstream participant in the hydrocarbon sector, the Group is not able to provide or adopt measures to promote the health and safety of consumers. Since these issues did not appear relevant, they have been excluded from this report.

Scope of collection and consolidation of non-financial information

The Group's non-financial information presented in this chapter comprises qualitative and quantitative information collected from Group-controlled subsidiaries by means of four questionnaires. The questionnaires cover key social and environmental issues, social and environmental compliance, and sustainable development and are sent out to subsidiaries by the company secretary's office. They are updated in the fourth quarter of the year to take into account any regulatory or sector-based changes affecting non-financial reporting or any changes in the Group's consolidation scope that occurred during the year. This information is returned to the company secretary's office by the subsidiaries in February of the following year. The non-financial information is then consolidated and presented to the Risk Observatory and Audit Committee before being published in the universal registration document.

The consolidation scope for social, health and safety data covers the Group's consolidated registered workforce on all employment contract types at 31 December.

Environmental data relates to the Group's operated reporting scope. Effective 2019, this includes operations in Sicily (Fiume Tellaro seismic campaign) and France (two drilling operations in 2019). Energy consumption also takes into account the energy consumed by Caroil on behalf of third parties.

The carbon intensity indicator for the Group's hydrocarbon production covers scope 1 of the M&P Gabon and MPEP Tanzania subsidiaries, which account for all of the Group's production in 2019.

The Company does not provide information on its interest in Seplat, a company listed on the London and Lagos stock exchanges. The assets acquired in Venezuela and Angola are operated by third parties. The Group's control over the operator's management of non-financial risks is exercised within the framework of the contracts that bind it to these partners. Since August 2019, the Group has consolidated 20% of the oil production in blocks 3/05 and 3/05A in Angola, operated by Sonangol. In Venezuela, where the Group acquired a 40% stake (32% net economic interest) in the capital of a joint venture with PDVSA, the Group's objectives are to preserve the integrity of people, facilities and the environment in the highly restrictive context of international sanctions against the national oil company.

Environmental and social issues and non-financial risk factors

The Group has identified 12 material environmental, social and corporate governance issues that form the basis of its social responsibility policy. These have been corroborated by materiality analyses performed at sector level by the IPIECA, IOGP and API as set out in the Oil and Gas Industry Guidance on Voluntary Sustainability Reporting.

The issues are presented along with the main non-financial risks. In early 2020 the Group finished updating its risk mapping to include all financial and non-financial risk factors.

The significance of the risks has been assessed in terms of the probability that the risks will occur and their impact on achieving the company's strategic objectives both before and after the risk has been addressed by the risk management programmes in place. The risks are divided into five categories based on the strategic resources they affect, specifically financial capital, operating efficiency, human resources, compliance and reputation.

In the following presentation, we have selected risk factors according to their inherent significance, meaning before account has been taken of the effects of the Group's risk management.

Sustainable development issues and main non-financial risks of the Maurel & Prom Group

Main non-financial issues and risks

Socio-economic issues	Socio-economic risks
— managing skills and employment; — increasing purchasing spend with local suppliers; — promoting human rights; — respecting the rules of ethics and transparency, combating corruption and tax evasion.	— risk of a shortage in skilled labour, difficulty in recruiting the talent needed for development; — risk of non-compliance with the principles of equal treatment (diversity); — risk related to the local economic and social impact of operations.
Health and safety issues	**Risks related to health and safety**
— protecting personnel; — preventing and managing risks related to health and safety; — maintaining the integrity of facilities; — controlling the EHS-S risk management practices of contractors and subcontractors.	— risks related to employee health, safety and security; — exposure to environmental, social and governance risks at the Group's subcontractors.
Environmental issues	**Risks related to negative impacts on the environment**
— preventing local environmental impacts; — controlling the energy and climate footprint; — safeguarding biodiversity and ecosystem services; — managing water resources.	— risk of accidental oil spill; — risk of water pollution; — risk of harm to biodiversity; — risk of air pollution, GHG emissions.

Since 2012, and in order to assess the materiality of the environmental and social information provided in its universal registration document, Maurel & Prom has referred to the recommendations of the IPIECA, IOGP and API as set out in the Oil and Gas Industry Guidance on Voluntary Sustainability Reporting.

Internally, stakeholder expectations are identified during interviews with managers responsible for relations with Maurel & Prom's stakeholders (investor relations, relations with creditors, relations with host country authorities, relations with NGOs, and relations with employees, shareholders and partners), when mapping Group risks, during environmental and social due diligence conducted by Maurel & Prom and at the time of annual non-financial reporting. The materiality assessment of economic, environmental and social issues was also discussed in depth during a strategic review in February 2018.

The Group's main non-financial risks are as follows:

1) Main socio-economic risks

A) Risk of shortages in skilled labour, difficulty in recruiting the talent needed for the Group's development

The Group is exposed to a risk of shortages in skilled labour in a sector that is sensitive to variations in hydrocarbon prices. This applies especially to drilling activities. These risks were caused by an increase in competition after operations resumed in 2019 in the wake of the 2015 global oil crisis. Baby boomers retired and were not replaced, and the suspension of training created a generation gap. The goals of the Group's employment policy are described in 4.1.1 "Employment policy". Monitoring indicators are the number of Group hires. The Group's external and internal training policy is described in 4.1.2 "Training policy". Monitoring indicators are the number of hours allocated to training and corresponding budgets.

It should be noted that since March 2020, the effects of the global health crisis on the economy and especially on oil markets have led to a decline in drilling activities and eliminated the risk of a shortage in skilled labour in the short and medium term.

B) Risk of non-compliance with the principles of equal treatment (diversity)

This risk factor is generally low within the Group, but its interpretation varies depending on location. In Europe, where the Company's registered office and expatriate staff subsidiary (MPATI) are located, this risk can arise from an insufficient representation of women in the workforce, which is typical in this sector. The Group has not adopted an affirmative action policy. The goals of the Group's employment policy are described in 4.1.1 "Employment policy". Monitoring indicators for the application of the Group's employment policy are the percentage of women in the workforce, based on the qualifications required for the position and the type of contract (permanent or fixed term).

C) Risk related to the local economic and social impact of operations

In the Group's host countries, people living near Group sites can have high expectations for improvement in their daily lives. Maurel & Prom's contribution to these demands comes from a tax levy included in oil contracts. However, the process takes time and approvals are needed for some projects, which could lead to dissatisfaction in the community. The Group's policy in terms of investing in the communities within its sphere of influence is described in section 4.1.8 "Policy for contributing to local development" and is based on the location of the activity, management of community relations and social investment. Monitoring indicators for the establishment of this policy are direct and indirect employment, the share of local procurement in total procurement, and the preparation of voluntary and contractual budgets dedicated to social programmes.

2) Risks related to health and safety

A) Risks related to staff health and safety

Occupational health and safety risk is inherent to the oil and gas industry. The Group's health, safety and security policies and its management system are described in 4.1.6 "Health, safety and security policy" and 4.1.7 "Implementation of the health, safety and security policy". The occupational health and safety management system of the Maurel & Prom Group and its M&P Gabon and MPEP Tanzania subsidiaries obtained ISO 45001 certification at the beginning of 2020. The occupational health and safety management system of drilling subsidiary Caroil has OHSAS 18001 certification. Monitoring indicators for occupational health and safety conditions are Lost Time Injury Frequency rate and Total Recordable Injury Rate.

B) Exposure to environmental, social and governance ("ESG") risks at the Group's subcontractors

Because of the way the oil and gas sector is organised, 70% of the Group's hours worked are contracted out. The expanded scope of its operations may therefore result in incidents or accidents, pollution and cost overruns and have an adverse effect on the Group's reputation. The procedures implemented by the Group to manage indirect environmental and social risks via its subcontractors are described in sections 4.1.6 "Health, safety and security policy" and 4.1.7.7 "Subcontractors and suppliers".

3) Risks related to environmental impacts

A) Risk of accidental oil spill

The risk of accidental oil spill can be caused by equipment fatigue, human error or design error. The Group's environmental policy is described in 4.2.1 "General environmental policy" and 4.2.2 "Implementation of the environmental policy". The methods employed to prevent water and soil pollution risks are described in section 4.2.3 "Measures for preventing, reducing and repairing local environmental impacts". The environmental management system of the Maurel & Prom Group and its M&P Gabon and MPEP Tanzania subsidiaries became ISO 14001-certified in early 2020. Caroil's environmental management system is ISO 14001-certified. The monitoring indicator for the implementation of pollution prevention measures is the number of accidental oil spills.

B) Risk of negative environmental impacts on water or soil

Because of the nature of its activities and the sometimes sensitive environments in which it operates, the Group is exposed to a risk of water or soil pollution. These risks relate to the occurrence of a major accident (see chapter on risk factors, 2.2.2 "Risks related to safety and security") or an accidental spill. Such events are rare, but their potential environmental impact can be significant. The Group's environmental policy is described in 4.2.1 "General environmental policy" and 4.2.2 "Implementation of the environmental policy". Measures for preventing, reducing and repairing local environmental impacts are described in section 4.2.3 "Measures for preventing, reducing and repairing local environmental impacts".

C) Risk of harm to biodiversity

Biodiversity can be harmed by a major accident or water or soil pollution. Such events are rare, but the potential impacts can be significant. The Group's biodiversity protection policy is described in sections 4.1.8.3.1 "Relations with persons or organisations with an interest in Maurel & Prom's activities, notably environmental protection associations" and 4.2.6 "Protection of biodiversity and ecosystems".

D) Risk of air pollution and greenhouse gas emissions

In oil exploration and production, greenhouse gas emissions are mainly linked to oil production-related natural gas which may be flared, vented or possibly leaked (scope 1).

The practice of flaring (burning off) excess gas is partly to ensure the safety of the facility. The quantity of flared gas can also depend on whether or not processes have been put in place for reinjecting gas and infrastructures for processing gas, using the gas internally at the facility, selling the hydrocarbons extracted commercially or even the type of hydrocarbon extracted. Flared gas is clearly a non-value-adding resource and a source of pollution. In recent years, the sector has made progress in reducing flared gas volumes and the associated greenhouse gas emissions.

Controlling energy consumption and greenhouse gas emissions is one of the principles included in the Group's Health, Safety, Security and Environment Charter. Monitoring indicators are the flared gas volumes and greenhouse gas emissions within the Group's operated reporting scope.

4.1 CORPORATE SOCIAL PERFORMANCE

Maurel & Prom's recruitment policy is guided by the insourcing of skilled trades, the transfer and sharing of skills through in-house training, and the local filling of management positions at all levels of responsibility. Maurel & Prom bases its staff recruitment on explicit, non-discriminatory criteria and guarantees equal opportunities for all employees at all stages of their careers. In March 2019, the Group featured the female employees at its Tanzanian subsidiary in a report entitled "Women in the Field" ("femmes de terrain"), which can be viewed on the Company's website.

4.1.1 Employment policy

The collapse in oil prices, which began in 2014 and continued into 2015 and 2016, had a major impact on players in the oil and oil-related sector. The increase in crude oil prices in 2017 – which was substantial but nevertheless well below pre-recession levels – is a strong incentive to maintain operating efficiency efforts. These are essential for meeting the challenges that characterise upstream oil and gas activities, namely massive investment, technological advances, the exploration of new geographic regions that are more difficult to access, and the need to train skilled local labour and encourage women to hold positions at every level of the organisation.

The Group's recruitment policy is aimed at providing it with the best skills to support its development.

In Gabon, the subsidiary implemented a career management policy and competitive remuneration to recruit and retain talent, while risk can always be mitigated at a variable cost by outsourcing skills. With regard to drilling activities and well operations, the Gabonese subsidiary is setting up a flexible structure whereby skills are insourced and disciplines are incorporated into usually specialised teams through cross training.

In 2019, the Group's drilling subsidiary, Caroil, defined an attractive remuneration package for employees supplemented by benefits (medical and family event coverage). The opening of an IWCF-accredited training centre in Port-Gentil in Gabon has been put on hold due to the COVID-19 pandemic.

4.1.1.1 Total workforce and breakdown by gender, age and geographic region

As at 31 December 2019, the Group had 763 employees versus 648[1] in 2018, divided between nine countries, versus seven in 2018. In 2019 the Group had four expatriate employees in Namibia and one in Angola.

At end-2019, 90% of the Group's workforce was based in Africa, versus 91% in 2018. The Gabonese subsidiary continues to be the Group's largest operation in terms of headcount. At 31 December 2019, Maurel & Prom Gabon had 330 employees representing 43.3% of the Maurel & Prom Group's total workforce, compared with 337[1] employees at end-2018, representing 52.0% of the total workforce at that date.

At the end of 2019, Caroil Gabon, the Group's second largest operation in Gabon, recorded a substantial increase in its workforce, which rose to 255 employees from 129 at the end of 2018. This was due to the integration of workers previously seconded to the company and the expansion of drilling activities in 2019. The sudden halt in drilling activities in March 2020 will have a major impact on the subsidiary's workforce in 2020.

The headcount in Tanzania was relatively unchanged with 94 employees versus 93 in 2018.

Caroil has retained an operational base in Congo but had just two employees at the end of 2019 versus 17 at the end of 2018. Venezuelan subsidiary M&P Servicios Integrados UW S.A., established in 2018, had 19 employees at end-2019 versus 5 at 2018-end.

The following tables show the breakdown of the workforce at end-2019 and end-2018 based on job, age bracket, geographic region, gender and contract type (expatriates or local employees).

The table below shows the breakdown of the Group's workforce by type of position held at end-December 2018 and 31 December 2019:

Position	31/12/2018[a]	31/12/2019
Engineers	100	107
Technicians	344	466
Support staff	204	190
TOTAL	**648**	**763**

(a) The 2018 headcount was adjusted for staff movements that occurred at the end of the fiscal year.

(1) The 2018 headcount was adjusted for staff movements that occurred at the end of the fiscal year.

The table below shows the breakdown of the Group's workforce by age bracket at 31 December 2018 and 31 December 2019:

Breakdown by age bracket	31/12/2018 [a]	31/12/2019
Up to 25 years of age	5	8
25 to 34 years of age	140	178
35 to 44 years of age	281	330
45 to 54 years of age	177	200
Over 55 years of age	45	47
TOTAL	**648**	**763**

(a) The 2018 headcount was adjusted for staff movements that occurred at the end of the fiscal year.

The table below shows the breakdown of the Group's workforce by geographic region and gender at 31 December 2018 and 31 December 2019:

Geographic breakdown (registered workforce) All types of employement contract, by gender	2018 [a]			2019					
	Men	Women	Total	Men	%	Women	%	Total	%
Africa	518	69	91%	617	90%	69	10%	686	90%
Latin America	8	4	2%	12	43%	16	57%	28	4%
Europe	33	16	8%	31	63%	18	37%	49	6%
SUB-TOTAL	**559**	**89**	**100%**	**660**	**87%**	**103**	**13%**	**763**	**100%**
TOTAL			**648**						**763**

(a) The 2018 headcount was adjusted for staff movements that occurred at the end of the fiscal year.

In 2019 the percentage of female employees was unchanged at 14%. Of that percentage, 72% held support functions (versus 81% in 2018), 15% were engineers (versus 8% in 2018), and 14% were technicians (versus 11% in 2018).

The table below shows the breakdown of the Group's workforce by contract type (expatriates or local employees) at 31 December 2018 and 31 December 2019:

Geographic breakdown (registered workforce All contract types	2018 [a]			2019			
	Expatriate	Local	Local staff as a % of regional headcount	Expatriate	Local	Local staff as a % of headcount by region	Total headcount by region
Africa	114	472	81%	107	579	84%	686
Latin America	2	10	83%	3	25	89%	28
Europe	3	47	94%	5	44	90%	49
SUB-TOTAL	**119**	**529**	**82%**	**115**	**648**	**85%**	**652**
TOTAL		**648**			**763**		**763**

In 2019 the percentage of workers at the Gabonese and Tanzanian subsidiaries who were recruited locally was 90% and 93% respectively, versus 89% and 88% respectively in 2018. The local workforce at Caroil Gabon was up sharply, largely because of the integration of workers previously seconded to Gabon. It represented 75% of the headcount versus 51% in 2018.

4.1.1.2 Recruitment and dismissals

A total of 290 people were recruited in 2019 versus 196 in 2018. Of those, 35% were recruited on permanent contracts, versus 85% in 2018.

Caroil Gabon accounted for 71% of the Group's recruitment (versus 68.3% in 2018). The large increase in headcount at the Caroil subsidiary in 2019 aimed at meeting the M&P Group's needs and deploying drilling rigs to other customers. In Gabon, workers that had previously been seconded to the Gabonese operation and consolidated in 2019 were recruited on fixed-term contracts. As a result, 88% of those recruited on fixed-term contracts were employed at Caroil's branch in Gabon.

The table below shows the Group's new hires as at 31 December 2018 and 31 December 2019:

Recruitment			2018			2019
	Permanent	Temporary employment contract	Total	Permanent	Temporary employment contract	Total
Total Group	160	37	197	99	191	290
o/w Company	9	-	9	11	2	13

The table below shows departures from the Group, excluding retirees and role changes, as at 31 December 2018 and 31 December 2019:

	2018	2019
Departures excluding retirees/role changes, of which:	71	166
Voluntary departures (resignations, negotiated departures, contract terminations)	32	47
End of fixed-term contract	10	59
Dismissals	28	60
Deaths	1	0
TOTAL DEPARTURES/TOTAL WORKFORCE	**11.0%**	**22.9%**

In 2019 employee departures accounted for 22.9% of the total workforce, up from 2018 (11.0%).

In 2019, 62.3% of departures concerned Caroil entities, compared with 55% in 2018, reflecting staff turnover at the subsidiary and the reduction in operations in Congo as from the end of summer 2019. Of those departures, 69% were the end of fixed-term contracts or voluntary departures (resignations or negotiated departures). A total of 27% of Caroil departures concerned Congo.

4.1.1.3 Equality of treatment

The Group ensures that all employees receive equal opportunities by basing its recruitment around explicit and non-discriminatory criteria, raising the awareness of operating entity managers and recruitment staff on these issues, and complying with applicable laws. Because of its international presence, the Group is fully aware that promoting diversity means combating all forms of discrimination, whether in terms of openness to different social backgrounds, professional equality or integration, and that diversity is a significant asset for the company and drives performance.

A) Measures taken to promote gender equality

The Group does not have a formal affirmative action policy and does not discriminate between men and women when hiring to fill vacancies. As at 31 December 2019, women accounted for 11% of new hires during the year, versus 15% in 2018. The reason for these low percentages is the predominance of new hires by the drilling subsidiary where jobs essentially involve working on site or in operations. Overall, at end-2019, women made up 13.5% of the Group's workforce versus 14.8% in 2018. The Gabonese and Tanzanian subsidiaries and Caroil have defined pay scales, while remuneration is based on the grade of the position and the applicant's profile, with no distinction made as to gender.

B) Measures taken to encourage the employment and integration of people with disabilities

The Group has not taken affirmative action to integrate the diverse range of disabilities into its working environment and strategic business planning.

As at 31 December 2019, the Group had no disabled employees.

C) Anti-discrimination policy

The Group strives to offer equal opportunities for all employees at every stage of their professional career. In this respect, the Group does not base its decisions on criteria such as race, nationality, religion, ethnic origin, gender, marital status, morals, political opinions, union activities or state of health (unless declared incapacitated by an occupational physician). The only criteria that the Group recognises as valid are a person's professional qualities and qualifications.

The Group is committed to full compliance with the principles of non-discrimination, as set out in French law (declaration of human and citizens' rights, laws and decrees in force) and in applicable European and local law.

4.1.1.3.1 Relationship with integration associations and teaching establishments

In terms of workforce entry, the Gabonese subsidiary signed a "young apprentice" framework agreement ("CAJ") with the vocational integration fund FIR (*Fonds d'aide à l'insertion et réinsertion professionnelle*). The agreement is designed to promote the entry of young graduates into the workforce. Since 2015 the subsidiary has received 51 CAJ trainees. Sixteen apprenticeships have led to job offers, including three hires in 2019 and two in 2018.

4.1.1.3.2 Promotion of and compliance with the International Labour Organisation's Fundamental Conventions, freedom of association and the right to collective bargaining/elimination of discrimination in respect of employment and occupation/elimination of forced and compulsory labour/effective abolition of child labour

The Group's general policy complies with the general principles of international law (OECD, ILO and EU law) as well as national laws that exclude among other things all forms of discrimination, harassment, forced labour and child labour.

4.1.2 Training policy

The Group faces a two-fold challenge in its training programme: firstly developing a corporate culture around health, safety, security and the environment (EHS-S), both internally and among its contractors and subcontractors, as discussed in section 4.1.7 "Implementation of the health, safety and security policy" of this chapter, and secondly developing continuing education and skills transfer to local workers.

The Group's training policy is organised around tasks such as the updating and renewal of skills certificates in safety techniques, training local employees in oil-related occupations, continuing education based on individual career paths and training for HSE managers, all of which are entrusted to external training agencies.

Skills transfer and "localisation" are arranged internally and are divided into four key strands: theory classes and operational tutorials, practical exercises and group exercises at the operating site, on-site technical learning, and on-the-job training (OJT).

There are two objectives for internal training:

- minimise training costs and prioritise training in EHS-S and specific occupations (exploration and operations); and
- as a priority, strengthen the abilities and further develop the skills of exploration and development staff.

Exploration and operations-related training is provided in the form of on-the-job training.

4.1.2.1 Number of hours and budget allocated to training

The table below shows the number of hours of external training provided to Group employees in fiscal years 2018 and 2019, along with the associated cost.

	2018		2019	
	Number of hours of training	Cost	Number of hours of training	Cost
	6,612	$454,733	11,535	$606,321

The Gabonese and Tanzanian subsidiaries accounted for 93% of total training hours versus 83% the previous year. The number of hours allocated to external training for Group employees was divided between the Gabonese subsidiary, which accounted for 75% versus 46% in 2018, and the Tanzanian subsidiary, which accounted for 18% versus 37% in 2018.

In 2019, the focus was on EHS-S training and certification-based training such as IWCF, fire prevention, electrical accreditation, machinery operation (statutory training), defensive driving, and the handling of chemicals and hazardous materials. As part of the preparations for the Kari drilling programme, anti-pollution training was held on site in 2019 with a third-party body, OSRL. Training was also provided to support functions in contract law, labour law and lean management. In Tanzania, two of the subsidiary's local employees had training to become a certified production supervisor. The training was delivered by the IFP Training Centre in France.

4.1.3 Management of industrial relations

A) Organisation of social dialogue, especially procedures for employee information, consultation and negotiation

The quality of industrial relations within the Group is the result of dialogue between employees, their representatives and management.

In the Group's subsidiaries, dialogue is organised in accordance with applicable laws and regulations.

In Gabon in January 2018, all subsidiary staff representatives received training on the role of a staff representative. The training was organised and co-facilitated by an external firm and the director of ISTRAP (inspectorate in charge of the oil sector). Statutory meetings were held during the year. The Standing Committee for Economic and Social Dialogue (CPCES) met in June 2018.

In addition to consulting employees at general meetings and distributing information memos, the Gabonese subsidiary's human resources department arranges regular site visits in an effort to stay in touch with local staff and anticipate any needs.

In Tanzania, employees joined the Tanzania Mines, Energy, Construction and Allied Workers Union (TAMICO). A branch of the union was opened in 2015 in Mnazi Bay. Representatives from the union relay employees' demands to the employer. If necessary, a three-party meeting is arranged, attended by employee, employer and union representatives.

In Colombia, social dialogue is promoted through monthly meetings of an occupational Health and Safety Committee and quarterly meetings of a committee tasked with preventing workplace harassment. These committee meetings are opportunities for employees and employers to come together to discuss topics other than those solely related to occupational health and safety.

B) Overview of collective agreements

The Group operates in countries where the relatively recent local hydrocarbon exploration and production industry does not always have a collective branch agreement (see section 4.1.5 "Organisation of work").

In the absence of such measures, the Group's subsidiaries, on a case-by-case basis, enter into collective agreements in particular to cover employee healthcare costs and remuneration.

In early 2019, the Tanzanian subsidiary entered into a collective agreement with the TAMICO union.

In France, the Company has subscribed to the Exceptional Purchasing Power Bonus scheme, which was introduced by the government in 2019 and renewed in 2020.

4.1.4 Remuneration and changes in remuneration

The remuneration of corporate officers is described in section 3.2.3 of this universal registration document.

The Group strives to recognise and to fairly reward the contribution of each employee to the Company's success. Remuneration varies according to each person's position, skills, performance and potential. These common principles are adjusted in accordance with local parameters such as social legislation, economic conditions and the job market in the various countries in which the Group operates.

For the Group as a whole, personnel expenses break down as follows:

Total payroll, including *(in $ thousands)*	**2018**	**2019**
Wages and salaries	50,546	63,025
Profit-sharing	909	1,197
Other personnel expenses	14,916	19,244
NET VALUE	**66,372**	**83,466**

The increase in wages and salaries reflects the Group's increased headcount and the restructuring of the Caroil drilling subsidiary in 2019.

4.1.4.1 Profit-sharing

Employees of the Company and of Maurel & Prom Assistance Technique are able to share in the Group's performance through a profit-sharing plan and an employee savings scheme. The Group has also decided to establish a bonus share allocation system to reward high-potential employees of the Group's foreign companies in which the collective profit-sharing schemes permitted under French law do not exist.

4.1.4.2 Profit-sharing plan

Employees of the Company and Maurel & Prom Assistance Technique may participate in a profit-sharing plan. The profit-sharing plans currently in place at these companies were set up for Maurel & Prom Assistance Technique and for the Company with effect from 27 June 2019 and 1 January 2018 respectively. These agreements have a dual purpose: (i) to rally employees in order to boost Group productivity and (ii) to reward each person's contribution to the common effort to increase productivity and improve the way that work is organised.

4.1.4.3 Employee savings scheme

On 1 March 2002, the Company set up a proactive employee savings scheme giving employees the option of subscribing to a Company Savings Plan ("CSP"). This plan has a one-year term and is automatically renewable for one-year periods. Since 8 September 2010, a CSP has been set up within Maurel & Prom Assistance Technique.

All employees of these companies with at least three months' service may join the plan, if they so wish. Contributions to the Company Savings Plan can be made from all or part of any employee profit-sharing scheme, voluntary additional payments by the beneficiary (to the extent permitted by law), Company contributions, and transfer of savings to the plan by the beneficiary.

Employees are encouraged to save through a flexible contribution schedule that is applied across the Board and available to all beneficiaries.

Employer contributions to the CSP in 2019 (amounts paid into the CSP on behalf of the employees) amounted to $170,424, versus $161,333 in 2018.

4.1.4.4 Bonus shares granted to Group employees

The table below shows the bonus shares granted to Group employees in 2019 and 2018

	2018 plan	2019 plan
Award date	03/08/2018	03/08/2018
Vesting period	03/08/2019	03/08/2019
Holding period	03/08/2020	03/08/2020
Number of employees concerned	44	43
Number of bonus shares	157,700	133,250

4.1.4.5 Pension plan and other benefits

Maurel & Prom and Maurel & Prom Assistance Technique participate in a supplementary pension scheme, which is a group insurance policy with Generali. This affiliation covers all employees, with employer contributions set at 8% for tranches A, B and C. The sums paid under this scheme amounted to $538,224 in 2019 versus $532,364 in 2018.

4.1.5 Organisation of work

The average working week is set by national law and adjusted according to the local context.

In France, the Company has been governed by the oil industry collective agreement since 1 March 2004.

In Gabon, M&P Gabon applies the hydrocarbon exploration and production industry's collective agreement. There is no collective agreement covering drilling activities. Because of this, Caroil has elected to implement a company agreement that is more favourable than the labour code. At the end of 2019, negotiations on the agreement with staff representatives were in the final phase.

In Congo, Caroil applies the oil services companies' collective agreement.

In Tanzania, in the absence of a collective agreement, the MPEP Tanzania subsidiary signed a collective agreement in February 2019 with the Tanzania Mines, Energy, Construction and Allied Workers Union (TAMICO).

4.1.5.1 Working hours

In France, a protocol to control and reduce working hours has been in place since 19 May 2003. Under this protocol, the working week for company employees is 35 hours.

In addition, on 1 January 2011, the Company implemented a system based on a set number of working days for all independent workers and managers who have discretion over how to assign their time. Under this system, the working time for the employees concerned is counted in days and no longer in hours. An annual limit of 218 days per year is set by collective agreement, but an employee may lawfully work beyond this up to a maximum of 282 days per year.

4.1.5.2 Overtime

There is no overtime system in place for employees who work a 35-hour week, or for employees working a set number of days. However, the latter may recoup any days worked over and above the limit set by the collective agreement.

The limit for employees of Caroil in metropolitan France is 218 days a year. Caroil expatriate employees are bound by their particular shift-work system.

4.1.5.3 Absenteeism rate

In 2019, the total rate of absenteeism is estimated at 2.0%, versus 2.6% in 2018, including 1.5% due to illness versus 1.7% in 2018.

The following calculation method is used:

- overall absenteeism: B/(A+B); and
- absenteeism through illness: C/(A+B).

where:

(A) corresponds to the number of days actually worked by all employees under contract, including training days;

(B) corresponds to the number of days of absence (due to sickness, occupational illness, maternity, workplace accident including work-related travel accident, or any other absence not provided for contractually); and

(C) is the number of sick days (excluding occupational illness, maternity, workplace accident or work-related travel accident, etc.).

4.1.6 Health, safety and security policy

Health and safety are a key concern for the Group. The Environment, Health, Safety and Security Charter, signed jointly by the Chief Executive Officer and the Chairman of the Board of Directors, puts the focus firmly on health, safety and environmental protection in the exercising of the Group's business as an oil operator.

The health and safety policy is designed to protect workers, manage risks related to health, safety and the environment that may arise during the course of its operations, and ensure the integrity of its facilities.

The Group's EHS-S management system (its Operating Management System or OMS) was defined in 2008 based on the HSE management model used by the International Association of Oil and Gas Producers (IOGP). It is revised and improved on a regular basis. At the beginning of 2020, the five EHS-S policies were reviewed by the new executive management. They underscore the Group's commitment to the environment, health, safety and security; ethics; driving and travel; alcohol and drug consumption; and the fight against malaria based on the World Bank's ABCD programme.

The Group's EHS-S management system promotes an EHS-S culture within the company that is shared with its partners and based on regulatory compliance, risk analysis, training, emergency preparedness and ongoing improvement. The Group has adopted a procedure for selecting and managing contractors in order to monitor their EHS-S practices and performance. During interviews, the Group's subsidiaries are required to follow a selection process that includes an EHS-S assessment of the offers submitted by potential partners, in addition to a technical and financial assessment. The EHS-S obligations of selected partners are then clearly defined and attached to the contract binding them to the Group. Finally, contractors are managed and supervised by Maurel & Prom's sponsoring and EHS-S departments from the time they move onto the site to the launch and subsequent performance of operations.

In 2018, the Group completed the roll-out of the OMS in its Gabonese and Tanzanian subsidiaries. Annual targets have been set to continuously improve the subsidiaries' practices and performance.

In December 2019, the Group completed the initial audit phase of its OMS at head office and at the M&P Gabon and MPEP Tanzania subsidiaries and obtained ISO 45001 and ISO 14001 certification at the beginning of 2020.

Caroil's quality, occupational health and safety, and environment management system is underpinned by a documentation system with triple certification (ISO 14001: 2015, ISO 9001: 2015 and OHSAS 18001: 2007).

4.1.7 Implementation of the health, safety and security policy

4.1.7.1 Group arrangements to address workplace health and safety

In terms of organisation, EHS-S responsibilities are clearly defined at all levels.

The EHS-S manager (and his deputy), who reports to the Chief Executive Officer and is supported by his deputy, is responsible for the Group-wide implementation of the principles of the Environment Health, Security and Safety Charter. As such, he defines the Group's EHS-S policy, objectives and organisation. When the new executive management took over at the end of 2019, the EHS-S charter and policies were reviewed and sent to all subsidiaries for application.

The Group has also set up an EHS-S executive committee, chaired by Maurel & Prom's Chief Executive Officer. It comprises the Group's Chief Operating Officer, the General Secretary and the EHS-S manager and his deputy. The committee defines the Group's EHS-S policy and objectives, revises the objectives when necessary, and monitors EHS-S performance and the corresponding action plans. The EHS-S Executive Committee met in May and October 2019.

Within the Group's subsidiaries, their respective CEOs have ultimate responsibility for EHS-S issues and are tasked with ensuring that, in all their subsidiary's activities, the health and safety of individuals, environmental protection and the protection of goods and property are respected.

The Group is committed to improving working conditions on an ongoing basis, preventing risks and reducing nuisances by implementing an EHS-S management programme based on best industry practices, in compliance with national regulations. The countries in which the Group operates, particularly Gabon, Tanzania, Colombia, France and Italy, have passed specific laws governing employee health and working conditions, which the subsidiaries apply.

At the Group level, significant improvements have been made to the collection and processing of EHS-S performance indicators. A comprehensive record of incidents and accidents is kept, from which information can be drawn. Corrective actions are also monitored and preventive action procedures introduced. Key performance indicators (KPIs) measure progress achieved as a result of these initiatives.

For example, the subsidiaries have common processes for managing and assessing risks and authorising work.

The traditional approach to HSE responsibilities in drilling activities and seismic campaigns in France or abroad is to allocate them on a strictly contractual basis between the contractors and the operator. The contractors set up an EHS-S management system and are in charge of its implementation. The same rules apply to intra-Group relations, between drilling subsidiary Caroil and the Group's exploration and production subsidiaries.

4.1.7.2 EHS-S training policy objectives

The goal of the Group's EHS-S training policy is to develop a corporate EHS-S culture both internally and among subcontractors.

The Group's training policy prescribes all training of a regulatory nature or pertaining to best practice.

Regulatory-type training covers electrical accreditation, fire prevention, machinery operation, first aid, IWCF accreditation and HLO (Helicopter Landing Officer)/HDA (Helideck Assistant) training.

Training courses in best practices cover the management of daily work permits issued on site, defensive driving, falling objects, lifting, tripping, hand and finger injuries, and basic EHS-S rules.

Safety induction corresponds to the minimum amount of HSE knowledge required to access a site. This information was given to 2,730 subsidiary employees and subcontractors in 2019, versus 2,520 in 2018.

4.1.7.3 Occupational health and safety conditions

Risk prevention programmes are systematically deployed at all Maurel & Prom sites and facilities with the exception of MP Colombia B.V., which has its own guidelines.

On-site induction procedures have been revised to make a medical check-up and HSE accreditation mandatory before starting a job. Since 2017, all employees must follow ten basic rules to gain access to the site. A multiple-choice test is used to check their knowledge of those rules. With regard to traffic accidents, in 2014 geolocation devices and radios were installed in every vehicle and throughout the site.

In each of the Group's host countries, the subsidiaries report to the applicable regulatory occupational health and safety authorities. These are the Directorate-General for Hydrocarbons in Gabon, the Ufficio Regionale per Gli Idrocarburi e la Geotermia (U.R.I.G) in Italy, the Direction Régionale de l'Environnement, de l'Aménagement et du Logement (DREAL) in France, and the Petroleum Upstream Regulatory Authority (PURA) in Tanzania.

In Tanzania, the subsidiary works with the Occupational Safety and Health Authority (OSHA) and refers to the OSHA Act of 2003.

In Colombia, compliance with the guidelines for preventing industrial accidents and occupational diseases is verified via half-yearly EHS-S performance and activity reports sent to the National Hydrocarbon Agency, by audits carried out by the Agency as part of its annual EHS-S audits of all exploration and production contracts, and via audits conducted by the Colombian Security Council.

4.1.7.4 Overview of collective agreements on occupational health and safety signed with trade unions or employee representatives

In recent years, the Group has established agreements on social protection for its employees at most of its subsidiaries (in France, Gabon, Colombia and Tanzania). Under certain conditions, these agreements cover employees' medical expenses and potentially their families' medical expenses.

In Colombia, the subsidiary has set up an occupational Health and Safety Committee as required by local law. The committee includes an employee representative, an employer representative and a mediator. This committee is tasked with promoting and monitoring compliance with occupational health and safety rules and regulations.

In Gabon, in 2018 the subsidiary upgraded the operating procedures of the occupational Health and Safety Committee to bring them in line with legal requirements.

The collective agreement entered into at the beginning of 2019 between MPEP Tanzania and TAMICO contains occupational health and safety provisions mainly related to HIV, workplace accidents, exposure to chemicals, provision of PPE and medical check-ups.

4.1.7.5 Industrial accidents and occupational illnesses

The frequency of workplace accidents involving Group employees is shown in the table below:

	Group scope 2018	Group scope 2019
Lost Time Injury Frequency (LTIF)	1.58	0
Total Recordable Injury Rate (TRIR)	3.15	2.42

The Lost Time Injury Frequency (LTIF) rate is the total number of deaths and injuries or illnesses resulting from work that prevent the person from working on the day following the accident (Lost Time Injuries – LTI), multiplied by one million hours worked and divided by the number of hours worked.

The Total Recordable Injury Rate (TRIR) is the total number of (i) deaths; (ii) injuries or illnesses resulting from work that prevent the person from working on the day following the accident (LTI); (iii) Restricted Work Day Cases (RWDC) corresponding to an injury causing medically certified incapacity provided it is not caused by death or injury with work stoppage; plus (iv) Medical Treatment Cases (MTC), defined as an injury requiring treatment by a doctor or nurse, multiplied by one million hours worked and divided by the number of hours worked.

In 2019, the Group recorded two lost-time accidents for contract workers (versus five in 2018) and no lost-time accidents within the Group's reporting scope (two accidents were recorded by the Caroil drilling subsidiary in 2018). In 2019, Caroil recorded no lost-time accidents. As at 31 December 2019, the subsidiary had recorded 490 consecutive days without lost-time accidents.

The two lost-time accidents occurred among workers in Colombia and Gabon.

In 2019, injuries made up 25% of incidents reported within the Group's scope and that of its subcontractors. Of those, 36% were injuries to hands and fingers. Awareness campaigns focusing on injuries to hands and fingers are updated on a regular basis. Personal protective equipment is available and is worn. Drilling and well intervention remain the biggest contributors to this type of injury. The mechanization of tasks identified as the source of this type of injury have not yet resulted.

In the past, road risk was the cause of more than half of incidents, but that now appears to be under control.

In 2019, the Tanzanian subsidiary recorded 1,244 consecutive days with no lost-time accidents for all employees and contractors.

As at 31 December 2019, the Group had not recorded any lost-time injuries for 328 days.

The Company did not report any occupational illnesses in 2019. The Company is also not aware of any occupational illnesses that could be reportable by the Group's subsidiaries under the applicable regulations in the countries in which those subsidiaries are based.

Critical drilling activities include handling with the risk of pinching/crushing, lifting operations with the risk of objects falling, and working at height. Transportation and malaria are also causes of accidents and illness.

The risk of explosion from the uncontrolled release of a gas cloud or of flammable hydrocarbons is considered a major or catastrophic scenario. A series of equipment and redundant barriers are provided, as well as training for sensor staff whose ability to control an eruption is tested every two years.

4.1.7.6 Facility integrity

In Gabon facilities date from 2009. They are monitored to guard against service disruptions. A dedicated integrity division has been established at the Gabonese subsidiary and had a staff of six at the end of 2019. The subsidiary has defined its inspection policy which includes a programme for monitoring facilities and conducting ad hoc inspections.

In Tanzania the approach is the same, albeit led in a different way due to the subsidiary's size. In December 2018, a contractor created a database to define a maintenance programme along with a plan for inspecting production facilities.

With regard to Caroil, as at 31 December 2019, three drilling rigs previously in standby mode had been totally overhauled and are now fully operational.

4.1.7.7 Subcontractors and suppliers

In connection with its activities, the Group regularly seeks technical assistance for its Exploration and Production activities, and civil engineering and construction works, as well as for its programmes to promote environmental protection and sustainable development.

In 2019, 50%, 85% and 79% of purchases were made from local companies by Caroil Gabon, Maurel & Prom Gabon and MPEP Tanzania, respectively, versus 47%, 77% and 82% respectively in 2018.

To protect itself against the risk of insufficient control of environmental and social factors by its partners, the Maurel & Prom Group has written provisions into its contracts designed to ascertain whether its business partners' EHS-S practices comply with its own standards. The provisions also establish the exact EHS-S responsibilities and performance objectives required for the term of the contracts concerned, as described in section 4.1.6 "Health, safety and security policy".

With regard to taking account of environmental and social issues in its purchasing policy, the Group's sourcing is guided by accessibility criteria.

The equipment purchased by the Group is generally prefabricated and assembled in European countries. There has been a trend to relocate the production of this equipment to countries that may be considered sensitive from an environmental or social standpoint. The Group remains particularly attentive, insofar as the control measures it may take, to the quality produced by the supplier and to production conditions.

4.1.8 Contribution to local development policy

In addition to the career opportunities offered locally by upstream oil businesses, the Group conducts sustainable development programmes to help local communities living near its facilities, something that falls within the framework of the provisions included in oil contracts.

4.1.8.1 Purchasing spend with local suppliers

The regional and economic impact of Maurel & Prom's activities in terms of jobs and development can be measured directly by the number of jobs created at Group subsidiaries (see section 4.1.1.2 "Recruitment and dismissals", in this chapter) and indirectly through the supply chain. The Gabonese and Tanzanian subsidiaries, for instance, purchase more than 84% of their supplies from local companies (versus 70% in 2018).

National authorities encourage the localisation of the oil industry through local content policies. For example, in Tanzania the 2015 Oil Code contains provisions regarding local preference.

In Gabon, the goal of Caroil Gabon and M&P is to turn local content obligations into an opportunity to improve the reliability of the supply chain and procurement system. To this end, framework agreements are being drawn up with local businesses for equipment replenishment.

4.1.8.2 Policy for managing relations with local communities

In terms of social impact, the Group's activities do not require involuntary population displacements or generate interaction with indigenous people within the Group's spheres of influence. The subsidiaries' social investment is focused on those living near the Group's facilities.

The policies with regard to local communities are developed with Group subsidiaries and adapted to the countries in which they operate. In Colombia, Gabon and Tanzania, staff include a team dedicated to managing relations with the communities living near the sites.

4.1.8.2.1 Respect for human rights

The new Code of Conduct adopted at the end of 2017 affirms the Group's commitment to uphold the universal declaration of human rights, the ILO Fundamental Conventions, and the OECD Guidelines for Multinational Enterprises.

As part of a responsible approach, the Group considers the respect of human rights when assessing new investment projects, conducting social and environmental impact studies and throughout the life of its projects. Failure to adhere to human rights principles can have an adverse effect on the feasibility of a project, its financing, progress and completion as well as the Group's image.

Populations located within the sphere of influence of the Group's projects are consulted at project presentation meetings to identify any interactions that may occur between the projects and the customs and development needs of the villages concerned. The projects are then adapted accordingly. This was the case with the Kari and Nyanga-Mayombe exploration projects, when the location of the future wells and access to platforms were revised following public consultation meetings. The Sustainable Development Department drew up a sensitivity map related to the presence of neighbouring populations.

In Gabon, the subsidiary logs any claims or complaints from local residents made through its various communication channels. The aim is to qualify the complaint or incident, ensure exhaustive follow-up, and provide mediation or remuneration within a very short period of time.

In Colombia, in order to limit the risk of social opposition to its activities under the COR-15 exploration permit, Maurel & Prom requested that its environmental authorisation be amended to reduce the operating scope and limit potential impact.

Throughout an operation, communication is arranged with representatives from the local population and local authorities to deal with any complaints and ensure that the subsidiaries get involved in the most appropriate community projects.

4.1.8.2.2 Regional social and economic impact of the Group's activities on local residents and neighbouring populations

Impact studies have concluded that Maurel & Prom's activities have a positive impact on local development beyond the supplies purchased in the country.

Since 2016, the Gabonese subsidiary has been conducting a programme to promote the integration of local female workers in catering jobs at the Onal site. Eventually some 20 permanent jobs will be created. During public consultations with local communities regarding new exploration drilling projects on the Nyanga-Mayombe and Kari permits, Maurel & Prom committed to prioritising the use of local skilled labour via its subcontractors or, for specific work requiring no particular skills, available local labour. It also committed to using local service providers with the necessary approvals where appropriate.

In 2019 in Gabon, 302 people living in villages close to the Onal, Coucal and Kari sites were given temporary or permanent jobs, versus 436 in 2018 at the Onal and Coucal sites.

Also in 2016, the Tanzanian subsidiary recruited 20 people directly from the village neighbouring the Maurel & Prom facilities in Mnazi Bay.

In Tanzania, the subsidiary's gas production operations support the country's electrification, including in rural areas (Rural Electricity Supply project), thus developing its industry and creating jobs.

4.1.8.3 Social investment

In terms of social investment, the Group is committed contractually, alongside national governments, to local development programmes and committed on its own initiative to projects singled out by its subsidiaries. Projects are chosen from a list prepared with local communities located within the sphere of influence of Maurel & Prom's activities.

In Gabon, the Group's subsidiary contributes to the Local Communities Development Fund (FDCL), which was created in 2010 to pursue community projects in operating regions and surrounding areas. In 2019, the fund's annual allocation totalled $1.2 million (the same as in 2018) for the Ezanga, Kari and Nyanga-Mayombe PSCs, for an aggregate allocation of $12.0 million since the fund was created.

The fund was initially administered by a four-party commission consisting of the Directorate-General for Hydrocarbons, Maurel & Prom Gabon, the local administrative authority and community representatives. It is now managed by the Diversified Investment Fund, which was created by decree 0313/PR/MPH of 25 September 2014.

In April 2017, the technical commission held a meeting in Lambaréné on behalf of the Ezanga PSC, during which community projects covering access to water, energy, health care, education and job creation, aimed at villages located within the Ezanga permit's sphere of influence, were identified and placed on the FDCL's agenda. The projects involve monitoring and replenishing supplies of fuel, medicines and personal protective equipment for local workers.

In 2019 no new projects were validated by the regulatory authority for the FDCL related to M&P permits. The lack of implementation of community projects can cause discontent among local populations and even lead to trouble for the operator if particular attention is not given to identified needs. In September 2019, M&P Gabon and the regulatory authority jointly reviewed the grievances and concerns of the local communities with a view to improving the situation. The process is currently suspended pending reorganisation of the competent Ministry.

Since 1 January 2013, Maurel & Prom Gabon has also contributed to the Provision for Diversified Investment (PDI) and the Provision for Hydrocarbon Investment (PHI) as part of the Ezanga production sharing contract, to help address sustainable development challenges. The PDI and PHI provide financial support for nationwide development projects. The selected projects are managed and supervised by a stewardship committee statutorily comprised of a representative of the Gabonese Presidential Office, two representatives of the oil authorities, a representative of the Ministry of the Economy and one person representing the operator. The project completed under the PDI and PHI involved the rehabilitation and development of rural roads in the town of Lambaréné (Moyen Ogooué Province). It ended in 2018. Since the creation of the PDI and PHI, Maurel & Prom has contributed or committed $51.6 million, including an endowment of $6.3 million in respect of fiscal 2019, versus $7.0 million in 2018.

In addition to its contractual obligations, Maurel & Prom Gabon is developing social projects aimed at supporting the upgrading of basic community infrastructure, preferably in operating areas.

In Tanzania, the subsidiary completed the construction or remediation of 15 social projects within the BRM permit sphere of influence. These community support projects involved seven primary and secondary schools, a community clinic, two roads, the provision of solar panels to the Mafia health care centre, and well drilling in villages in the Mafia area. In 2018, the subsidiary provided computers to the nursery, and primary and secondary schools in the village of Msimbati. The subsidiary has also begun the construction of a new classroom in the village. In 2019, four classrooms were built by the subsidiary in Msimbati and Ruvula.

In Colombia, the subsidiary is putting together and implementing a programme to help communities within the COR-15 block's sphere of influence. The programme is aligned with the contractual social investments made by the operator under contracts and agreements signed with the National Hydrocarbons Agency. During the process, community diagnostic exercises were conducted and projects were ranked in order of priority by the communities concerned while taking into account the criteria of M&P Colombia's corporate social responsibility policy and the guidelines of the National Hydrocarbons Agency. Projects carried out in 2019 included providing access to solar-powered lighting, new water collection projects to support the agricultural sector (small-scale producers), and providing access to drinking water. This contractual programme is supplemented by the subsidiary's voluntary initiatives whereby it provides training for small-scale farmers in agro-climatic techniques and conducts awareness campaigns on climate change and adaptation measures for municipalities.

4.1.8.3.1 Relations with persons or organisations with an interest in Maurel & Prom's activities, notably environmental protection associations, consumer groups and local residents' associations

The Group has special relationships with environmental NGOs, such as Gabon's National Agency for National Parks (ANPN), that work with the national parks near or within which the Group carried out some of its operations.

The Group also conducts partnership initiatives, particularly those related to environmental protection. Maurel & Prom Gabon helps finance the anti-poaching and wildlife management programme PROLAB (in collaboration with the CBG and ANPN under the agreement mentioned in section 4.2.6 "Protection of biodiversity and ecosystems"), and contributes to the development and monitoring of its annual action programme.

Lastly, because the Onal site and Kari permit are located within the Lower-Ogooué Ramsar site, Maurel & Prom Gabon is a partner in the project spearheaded by the General Directorate for the Environment and Protection of Nature (DGEPN) to support the management of critical wetlands in Gabon. An audit of facilities on Onal conducted by the Environment Ministry in 2017 led to the establishment of a Management Committee for the Lower-Ogooué Ramsar site of which M&P is the vice-chair. One of its programmes is aimed at raising public awareness about fishing resource conservation.

In 2019, Maurel et Prom sponsored the charity Kleen Up, which organised a school exhibition entitled "Environment, plastic, recycling. Another look at waste" on 24 and 25 May 2019 at the Port-Gentil Culture Centre.

In Sicily, as part of a new geophysics campaign initiated by M&P Italia in 2019, the Group's subsidiary is collaborating with two faculties at the University of Catania on a research project to gain more insight into the geology, volcanology, tectonics, natural resources and archaeological heritage of the Hyblean plateau. This scientific project is a key opportunity to transfer know-how as well as offer students at the University of Catania a valuable learning experience.

4.2 ENVIRONMENTAL PERFORMANCE

4.2.1 General environmental policy

In terms of environmental protection, the Group's objectives are to preserve the areas that may be impacted by its activities and to raise awareness of environmental issues among employees, contractors and local residents.

The Group's environmental policy aims to (i) prevent, measure, mitigate and repair local environmental impacts resulting from its activities, (ii) control its energy consumption and greenhouse gas emissions, (iii) manage water resources and (iv) safeguard biodiversity and ecosystem services.

The Group's commitments are laid out in its Environment, Health, Safety and Security Charter, updated at the end of 2019 and sent to the Group's partners, contractors, suppliers and subcontractors.

4.2.2 Implementation of the Maurel & Prom Group's environmental policy

4.2.2.1 Group arrangements to address environmental issues and, where necessary, environmental assessment and certification initiatives

Environmental management is integral to the EHS-S departments of the Group's subsidiaries. It is the subject of regular reporting to the highest echelons of the company, as well as to the regulatory authorities of the countries in which the Group operates: the Directorate-General for Hydrocarbons in Gabon, the Ufficio Regionale per Gli Idrocarburi e la Geotermia (U.R.I.G) in Italy, the Direction Régionale de l'Environnement, de l'Aménagement et du Logement (DREAL) in France, and the Petroleum Upstream Regulatory Authority (PURA) in Tanzania.

The Group's EHS-S management system is described in section 4.1.6 "Health, safety and security policy".

In December 2019, the Group completed the initial audit phase of its OMS at head office and at the M&P Gabon and MPEP Tanzania subsidiaries and obtained ISO 14001 certification at the beginning of 2020.

4.2.2.2 Reasonable due diligence – Assessing and managing project environmental impacts

Every project is initially based on a preliminary risk study that leads to the definition of a social and environmental action plan approved by the competent authorities. Appropriate financial, human and technical resources are made available for its application. The implementation of these management plans is subject to regular internal and external audits by the competent authorities.

Environmental impact assessments (EIAs) are carried out in accordance with local regulations before and during the project. In order to identify, assess and prevent risks, the Group relies on internal expertise and independent experts recommended by the local authorities.

If the site is situated in a national or Marine Park, every project is discussed with park administrators.

Once these risk studies have been completed, the Group deploys the following action plans:

- upstream, to combat soil degradation, water table deterioration or sludge seeping into farmland and rivers, the Group asks civil engineering contractors and services to conduct earthwork along roads and at site platforms. Weaker areas are stabilised by putting in plant cover (replanting by hydroseeding); and
- downstream, sites are preserved by rehabilitating deforested areas, sorting waste and controlling waste destruction.

In Gabon, 29 of the subsidiary's full-time employees have been working on environmental policy implementation since 2018. They report to the EHS-S department. In 2019, a total of 28 people worked on-site as environmental staff in charge of the waste collection centre at the Onal site, as site HSE supervisors, or as environmental safety assistants.

The total amount of external expenditure the Gabonese subsidiary has devoted to impact studies, impact notices, environmental monitoring of flora and the monitoring of environmental and social management plans since 2016 stands at $0.5 million.

In 2018, two EIAs were prepared for the future exploration drilling on the Kari and Nyanga-Mayombe permits, that were partially carried out in 2020. Two further EIAs were prepared on the Ezanga permit, one for the exploitation of the laterite quarry and the other for the construction of a bypass from the production centre. As part of the development activities on the Ezanga permit, two Environmental Impact Notices (EINs) were produced for the drilling of the OMOC-901 and OMKO-401 wells. Their purpose was to provide authorities with sufficient information to issue approval to proceed with these projects. They also provided the developer with the necessary information to implement the project in compliance with sustainable development principles. In 2019, two new EINs were prepared with a view to establishing two drilling platforms on the Ezanga permit.

In France, exploration activities conducted in early 2019 on the Mios permit (Caudos Nord wells) were preceded by an impact study on water resources, a hazard study and a health study, all of which were made public. Two impact notices were submitted to authorities to obtain drilling approval and licensing rights. The prefectoral drilling approval was received on 27 April 2018. The appraisal process for the concession application is in progress.

4.2.3 Measures to prevent, reduce or repair local environmental impacts

4.2.3.1 Anti-pollution plan

The Group and each of its subsidiaries perform an environmental risk analysis for the purpose of forecasting water, air and soil pollution scenarios and drawing up a list of precautions they can take to limit the risk. In Gabon, the anti-pollution contingency plan contains a list of equipment available at the sites and the action to be taken according to the various scenarios.

4.2.3.2 Water

In Gabon, in order to control water quality, Maurel & Prom has built a water treatment plant to process waste water from drilling and has installed piezometric wells on certain fields (four at the Onal field). These measures allow it to sample, monitor and analyse waste water from drilling and river water surrounding the platforms. These monitoring actions are supplemented by measures intended to limit the effects of accidental hydrocarbon pollution through the availability of floating booms and dispersants to be used only when absolutely necessary.

4.2.3.3 Air

Hydrocarbon exploitation produces atmospheric emissions that can contribute to the formation of particle clouds and acid rain. These atmospheric emissions may be governed by local standards that define the type of substance to be controlled, based on local standards and operating permits.

4.2.3.4 Soil

The risks of soil contamination related to the Group's activities arise essentially from drilling mud, accidental spills and waste storage (see sections 4.2.3.5 *Number of accidental hydrocarbon spills* and 4.2.3.7 *Waste prevention and management).*

In 2019, the Gabonese subsidiary continued to set up a waste collection centre at the Onal site which includes a transit area for sorting and conditioning waste before it is sent to subcontractors for treatment. A dedicated concrete structure has been built to house soiled waste. It has a surface area of 100 m², a holding tank and a roof. The structure is designed to limit soil pollution in waste storage areas.

4.2.3.5 Number of accidental hydrocarbon spills

	2018	2019
Number of hydrocarbon spills reaching the environment (more than 1 barrel)	5	3
Gross volume of hydrocarbon spills reaching the environment *(in m³)*	52.4	7.6

In 2019, there were three accidental oil spills into the natural environment for a gross volume of 7.6m³, versus five spills in 2018. Areas impacted by these spills were cleaned and waste was removed for treatment by a specialist company. Corrective measures have been taken to reduce the risk of such incidents happening in the future.

4.2.3.6 Noise pollution and other nuisances

Oil and gas activities can cause a nuisance for workers and people living near the exploration or production sites. This is mainly due to noise and smells, but could also be vibrations and road, sea or waterway traffic.

To prevent noise nuisance, the Group encloses equipment such as electricity generators.

In Gabon, noise pollution is not deemed to be significant outside the sites.

In addition, it should be noted that the Group's facilities in Tanzania, which are located in a protected Marine Park, must strive not to create light pollution during turtle egg-laying and whale breeding seasons.

In 2019 in Sicily, where a seismic campaign began in the third quarter, the seismic equipment that can generate noise pollution due to vibration frequency was phonically insulated at the request of Maurel & Prom in order to comply with the thresholds stipulated in the impact study.

4.2.3.7 Waste prevention and management

4.2.3.7.1 Measures for preventing, recycling and re-using waste and other waste recovery or disposal methods

In accordance with Article 9 of the Charter, the Group strives to control its waste production. The Group's subsidiaries engaged in hydrocarbon exploration and production have set up waste sorting, treatment and recycling systems.

In Gabon, waste produced at production platforms, accommodation facilities, landing stages, aerodromes or access roads is dealt with by eight environmental officers who conduct daily rounds picking up any waste produced and sorting it based on type. Once sorted, the waste is loaded into trailers and sent via barge to companies in Port-Gentil for treatment and disposal. Recyclable waste is exported.

4.2.3.8 Land use

The land footprint of seismic surveys and exploration activities is very limited over time. When operations cease and the land is surrendered, the Group works to return it to its original state by involving the local populations in the restoration process (choice of varieties to be replanted, for example).

The effects of its production activities are felt over a longer period. The Group strives to limit its footprint by seeding the embankments and terracing created by its activities to guard against runoffs or landslides. It also ensures that any accidental spills that may occur are confined to the land it occupies.

The Group's activities are located on land that is not subject to any land use disputes. In Gabon, the areas used are situated in logging concessions exploited by other companies.

At end-2019, the estimated total footprint occupied by platforms and access roads in Gabon was 726 hectares, versus 719 hectares at end-2018.

In Colombia, operating restrictions are in force depending on the type of zone (exclusion zone, operating zone with tight restrictions, operating zone with moderate restrictions, and operating zone with no restrictions). The Colombian subsidiary's operational footprint was limited to the two Muisca platforms. The footprint is 8.2 hectares and the subsidiary is continuing to remediate the previous exploration and forest offset platforms. Management of block SSJN-9, which was handed back to the National Hydrocarbon Agency (ANH) at the end of 2017, has entered its shutdown phase, a three-year period during which the subsidiary must complete a shutdown and environmental remediation programme. The brownfield (2.5 hectares) will be remediated by reforesting a surface area six times greater than the area initially occupied. Once the shutdown and environmental remediation programme is completed, the subsidiary will be definitively released from its contractual obligations.

4.2.4 Managing energy consumption, measures taken to improve energy efficiency, and use of renewable energy

The Group uses various energy sources for its oil and gas exploration and production operations. The facilities consume bought or produced natural gas, diesel for certain generators, fuel (kerosene, diesel and petrol) for transportation, and a marginal amount of electricity.

To improve the energy efficiency of the Gabonese operations, some of the platforms have been electrified so that gas can be used instead of diesel. The Gabonese subsidiary has also developed a project to use the associated gas it produces. More information about this project can be found in section 4.2.5 of this chapter.

In Gabon, solar-powered autonomous lighting has been installed at remote logistics sites. In Tanzania, the subsidiary has elected to use solar emergency power supplies for its computer servers.

In Tanzania, the subsidiary has set itself the target of a 25% reduction in the camp's electricity consumption.

The Group's consolidated energy consumption to operate fixed and mobile combustion sources at the Gabonese and Tanzanian subsidiaries and Caroil showed little change in 2019 at 26,592 toe versus 27,473 toe in 2018.

4.2.5 Management of greenhouse gas emissions and consequences on climate change of the Company's activities and use of the goods and services it produces

In oil exploration and production, greenhouse gas emissions are mainly linked to oil production-related natural gas which may be flared, vented or possibly leaked (scope 1).

To flare (burn off) excess gas is a practice to ensure the safety of the facility. The quantity of flared gas can also depend on whether or not processes have been put in place for reinjecting gas and infrastructures for processing gas, using the gas internally at the facility, selling the hydrocarbons extracted commercially or even the type of hydrocarbon extracted. Flared gas is clearly a non-value-adding resource and a source of pollution. In recent years, the oil sector has been organizing to reduce flared gas volumes and the associated greenhouse gas emissions.

In the Group, gas flaring is limited. In Tanzania, the subsidiary does not flare gas. In Gabon, the Onal wells have a low gas/oil ratio (GOR). The GOR represents the amount of gas dissolved in the oil; the lower the ratio, the less gas is present and the lower the volume of gas flared, relatively speaking. Other direct sources of greenhouse gas emissions are mainly generator groups that run on petrol and gas, generators, compressors at facilities and camps, and transportation methods used by the Group (small boats, vehicles, trucks and planes) and potential fugitive leaks. Gas vented in Gabon is not measured.

The Gabonese subsidiary has run an energy efficiency project for several years aimed at maximising the use of associated gas produced by the Onal wells. The Group's objective is to use this gas for power generation, as a substitute for some of the natural gas purchased from third parties. This budgeted project was scheduled to be operational in 2018 but required additional process studies. It is now expected to be operational in 2020.

Over the operated reporting scope in Gabon and Tanzania in 2019, the volume of gas flared was 55.0 MNm^3 versus 41.5 MNm^3 in 2018.

Indirect greenhouse gas emissions related to power consumption at offices in Gabon and Tanzania are scope 2 of the Group's assessed greenhouse gas emissions.

Emissions related to final oil and gas use make up the largest portion of the Group's scope 3 greenhouse gas emissions.

Downstream of Maurel & Prom's activities, oil is used for refining or in the petrochemical industry, while gas is used for power generation.

Some of the oil produced in Gabon is refined locally by the Sogara refinery in Port-Gentil. The remaining production is exported, transformed and marketed by traders. The Group has no information as to the use of the crude produced.

Gas produced in Tanzania is used locally. A small percentage is used to supply the Mtwara power plant, which belongs to Tanesco (Tanzania Electric Supply Company Limited), while the largest percentage is sold to TPDC for manufacturers and for the country's power generation needs. In 2019, only the percentage of emissions corresponding to gas produced was measured.

Although insignificant, emissions related to air travel by Group staff and contractors are also measured.

In 2019, consolidated greenhouse gas emission figures reflecting emissions from fixed and mobile sources (scope 1) over the scope of the Gabonese and Tanzanian subsidiaries amounted to an estimated 15,882 tCO_2e/mmboe versus 13,830 tCO_2e/mmboe in 2018.

Consolidated indirect greenhouse gas emissions (scope 2) corresponding to power purchases by the Gabonese and Tanzanian subsidiaries and Caroil were estimated at 462 tCO_2e in 2019 versus 389 tCO_2e in 2018.

With regard to scope 3, consolidated greenhouse gas emissions corresponding to combustion of the natural gas produced by the Group in Tanzania and sold for power generation are estimated at 1,378 ktCO2e for 2019 versus 1,927 ktCO2e for 2018.

Consolidated greenhouse gas emissions induced by the air and helicopter travel of employees of the Gabonese and Tanzanian subsidiaries amounted to an estimated 2,106 tCO_2e in 2019 versus 2,153 ktCO2e in 2018 (excluding Caroil).

4.2.6 Protection of biodiversity and ecosystems

The potential impact of activities on biodiversity is assessed by conducting environmental impact studies on each of the Group's permits. Species are surveyed, detailed forest inventories are produced and environmental management plans are drawn up.

Preservation of the ecosystem requires training and raising the awareness of staff, subcontractors and local populations by emphasising the prohibition of clearing plant material, hunting and poaching.

In Gabon, a memorandum of understanding on environmental protection in the Gamba Complex of Protected Areas (Kari permit) was signed in 2014. As part of this project, which was initiated in 2015, awareness campaigns for local populations and workers, along with surveillance measures, have been planned in conjunction with the Compagnie des bois du Gabon (CBG), the WWF and the Ministry for Water and Forests. The memorandum of understanding was established following a number of meetings and discussions with the CBG and pools resources for combating poaching and protecting the environment. The project is funded on a quarterly basis in conjunction with other operators in the area and has an oversight body.

In 2018, an inventory was produced of fauna present in the forest concession area and will be used to strengthen anti-poaching measures.

In 2019, M&P Gabon took part in participatory research led by the Smithsonian Biology Conservation Institute to define development scenarios for the Gamba Complex of Protected Areas. Given the Complex's rich biological diversity and its protected status, the starting point for developing these scenarios was an assessment of the most important ecosystem services for stakeholders.

Since 2017, Maurel & Prom has hosted environmental awareness campaigns at its Onal and Coucal sites for World Environment Day. The campaigns are led by the WWF, the Gabonese Park Authorities (ANPN) and the Gabonese Ministry of Water and Forests. In 2019 the campaign focused on the theme of air pollution.

The Group's Gabonese subsidiary sits on national park local management advisory committees. These committees are advisory bodies intended to promote dialogue between villages, civil society, non-governmental organisations, the private sector and the administrative authorities.

Lastly, because the Onal site and Kari permit are located within the Lower-Ogooué Ramsar site, Maurel & Prom Gabon is a partner in the project spearheaded by the General Directorate for the Environment and Protection of Nature (DGEPN) to support the management of critical wetlands in Gabon. An audit of facilities on Onal conducted by the Environment Ministry in 2017 led to the establishment of a Management Committee for the Lower-Ogooué Ramsar site of which M&P is the vice-chair. One of its programmes is aimed at raising public awareness about fishing resource conservation.

In 2019 in Tanzania, the subsidiary's participation in World Cleaning Day involved cleaning the nearby village lagoon and bearing the cost of removing the waste.

4.2.7 Sustainable management of water and other resources

4.2.7.1 Consumption of freshwater and water supply in accordance with local restrictions

No Group sites are involved in water-use disputes.

The water produced by the Group, which is water mixed with reservoir oil or brine, is separated, treated and reinjected into the geological formation.

Freshwater extractions are for domestic needs (human consumption for life's essentials) and industrial needs (making concrete for construction, civil engineering and maintenance, making mud during drilling, and cooling systems for facilities).

In Tanzania, freshwater consumption is limited to bottled drinking water.

4.2.7.2 Water discharge

In Gabon, most of the underground and surface freshwater extracted for sanitation or industrial (drilling) purposes is reinjected or treated and released into the natural environment.

4.2.7.3 Consumption of raw materials and measures taken to improve the efficiency of their use

The main raw materials consumed by the Group's activities are water and power. Measures taken by the Group to recover associated gas and convert it into energy are described in section 4.2.4 "Managing energy consumption, measures taken to improve energy efficiency, and use of renewable energy".

4.3 GOVERNANCE PERFORMANCE

In 2017, the Maurel & Prom Group laid out its Ethics Charter and Code of Conduct. The Group uses these as the cornerstone of its fundamental values and Principles of Conduct. Anti-corruption Guidelines reaffirm the Group's commitment to upholding the essential values of honesty, good faith, integrity, loyalty and commitment.

4.3.1 Anti-corruption and anti-tax avoidance initiatives

The measures taken by the Maurel & Prom Group to prevent corruption are multifaceted.

In 2017, the Maurel & Prom Group reaffirmed the values and Principles of Conduct behind every action taken by its executives, supervisory staff and employees worldwide, and more generally by any individual representing Maurel & Prom. For example, the Group included Anti-corruption Guidelines in its Code of Conduct in accordance with anti-corruption laws, regulations and standards. These include the guidelines resulting from the Sapin II Act in France, the US Foreign Corrupt Practices Act and the UK Bribery Act 2010. Accordingly, the Group prohibits all forms of corruption and prescribes measures to prevent and identify acts of corruption within the Group. The measures also include a strict disciplinary sanction scheme.

Since their adoption, the Principles of Conduct have been communicated to all employees and will gradually be disseminated to all Group partners. A total of 176 Group employees in five countries have received training in the Group's Principles of Conduct and anti-corruption rules.

The Group's purchasing policy is based on a tendering process. Calls for tender are open to shortlisted companies only. The bids are opened in the presence of the supervisory authority. In Gabon, the threshold at which tenders become compulsory is now $500,000 for the Ezanga permit and $750,000 for the Kari and Nyanga Mayombe permits.

Group subsidiaries participate in the Extractive Industry Transparency Initiative surveys when so requested. The most recent survey concerning the Group was on Tanzania for the period 2014/2015 and was the subject of a Tanzania Extractive Industry Transparency Initiative report in June 2017.

The Group has published details of the amounts paid to governments of countries in which it operates in section 7.9 "Sums paid to governments of countries where extractive activities are carried out" of this universal registration document.

The Maurel & Prom Group has a number of intermediary holding companies that fully or jointly own Group interests in certain subsidiaries. These holding companies are in turn directly owned by the Company.

Maurel & Prom Drilling Services is a company registered in the Netherlands. Maurel & Prom Drilling Services holds shares in Caroil after the Company acquired Caroil from Tuscany.

Maurel & Prom Colombia BV is a company registered in the Netherlands and in which Canadian company Frontera Energy has a 50% stake. It holds the Muisca and COR-15 permits.

The Company owns a percentage of the Mnazi Bay permit through the acquisition of a 60% stake in Cyprus Mnazi Bay Limited (CMBL), a company historically registered in Cyprus. CMBL is jointly owned with Wentworth (40%). The company is audited and fully consolidated in the Group's financial statements.

Maurel & Prom West Africa is a company registered in Belgium and a wholly owned subsidiary of the Company. Maurel & Prom West Africa owns 100% of the capital of Maurel & Prom Gabon.

Dividends paid by M&P Gabon to the Company are channelled through Maurel & Prom West Africa, the borrower of the $600-million term loan concluded in December 2017 with a consortium of international banks.

The Group publishes details of the income of the subsidiaries in Note 5.7 Subsidiaries and participations, and details of the income and income tax by tax jurisdiction in section 7.1.3 "Overview of the breakdown of activities, income and taxes by tax jurisdiction".

4.3.2 Lobbying

The Maurel & Prom Group does not engage in lobbying.

4.3.3 Climate reporting

The Group is making progress in its ability to meet the new Corporate Social Responsibility transparency obligations.

Since 2013, the Maurel & Prom Group has responded to the CDP's climate change questionnaire, and in 2019 scored A- on a scale from A (best performance) to F. These scores are provided to fund managers, investors and issuers of "low carbon" or "sustainable" stock market indexes. The CDP questionnaire updates reporting practices every year and is used by companies as a guide to building an ambitious climate policy, offering comparisons with other companies or industry sectors.

4.3.4 Diversity of the Board of Directors and executive management

The Group's diversity policy for its Board of Directors, the criteria for assessing diversity, the targets to be achieved, implementation methods, results obtained during fiscal 2019, and the diversity policy for executive management are presented in section 3.2.1.1 "members of the Board of Directors and executive management" of this universal registration document.

Cross-reference table: Risks, policies and indicators

For each of the main inherent risks identified by the Group, the following table indicates where to find the description of the policies adopted by the Company or Group, including, where applicable, the reasonable due diligence procedures implemented to prevent, identify and mitigate the occurrence of these risks. It also indicates where to find details of the outcomes of those policies, including key performance indicators.

List of main risks	Policy	Outcomes, including key performance indicators
Main socio-economic risks		
Risk of shortages in skilled labour; difficulty in recruiting the talent needed for the Group's development	4.1.1 *Employment policy* 4.1.2 *Training policy*	4.1.1.1 T*otal workforce and breakdown by gender, age and geographic region* 4.1.1.2 *Recruitment and dismissals* 4.1.2.1 *Number of hours and budget allocated to training*
Risk of non-compliance with the principles of equal treatment (diversity)	4.1.1 *Employment policy* 4.1.1.3 *Equality of treatment* 4.1.8.2.1 *Respect for human rights*	4.1.1.1 *Total workforce and breakdown by gender, age and geographic region*

List of main risks	Policy	Outcomes, including key performance indicators
Main socio-economic risks		
Risks related to the local economic and social impact of operations	4.1.1 *Employment policy* 4.1.3 *Management of industrial relations* 4.1.8 *Contribution to local development policy* 4.1.8.2 *Policy for managing relations with local communities*	4.1.1.1 *Total workforce and breakdown by gender, age and geographic region* 4.1.3 B) *Collective bargaining agreements* and 4.1.5 *Organisation of work* 4.1.8.1 *Share of local procurement in total procurement* 4.1.8.2.2 *Regional social and economic* impact of the Group's activities on local residents and neighbouring populations 4.1.8.3 *Social investment*
Main risks related to health and safety		
Risks related to staff health and safety	4.1.6 *Health, safety and security policy* 4.1.7 *Implementation of the health, safety and security policy*	4.1.7.5 *Industrial accidents and occupational illnesses*
Exposure to ESG (Environment Social and Gouvernance) risks at the Group's subcontractors	4.1.6 *Health, safety and security policy* 4.1.7.7 *Subcontractors and suppliers*	Qualitative information
Main risks related to environmental impacts		
Risk of accidental oil spill	4.2.1 *General environmental policy* 4.2.2 *Implementation of the Maurel & Prom Group's environmental policy* 4.2.3.1 *Anti-pollution plan*	4.2.3.5 *Number of accidental hydrocarbon spills*
Risk of negative environmental impacts on water or soil	4.2.1 *General environmental policy* 4.2.3.2 *Water* 4.2.3.4 Soil	Amount of provisions and guarantees for environmental risks at Group level, amount of provisions for site shutdown and remediation (see section *Maurel & Prom at a glance*, page 14)
Risk of harm to biodiversity	4.1.8.4 *Relations with persons or organisations with an interest in Maurel & Prom's activities, notably environmental protection associations* 4.2.6 *Protection of biodiversity and ecosystems*	Qualitative information
Risks of air pollution and greenhouse gas emissions	4.2.1 *General environmental policy* 4.2.3.3 *Air*	4.2.4 *Managing energy consumption, measures taken to improve energy efficiency, and use of renewable energy* 4.2.5 *Management of greenhouse gas emissions and consequences on climate change of the Company's activities and use of the goods and services it produces CDP rating (4.3.3 Reporting climat)*

4.4 INDEPENDENT THIRD-PARTY REPORT ON THE STATEMENT OF NON-FINANCIAL PERFORMANCE INCLUDED IN THE 2019 UNIVERSAL REGISTRATION DOCUMENT

Établissements Maurel & Prom, fiscal year ended 31 December 2019

Independent third-party report on the Statement of Non-Financial Performance

As auditors (COFRAC-accredited under Certificate 03– 1595[(1)]), we hereby present the results of our audit carried out in accordance with Articles L. 225-102-1 and R. 225-105 *et seq.* of the French Commercial Code.

The purpose of our audit was to verify the compliance of the Statement of Non-Financial Performance (Déclaration de Performance Extra-Financière or "DPEF") and the fairness of the information selected by the Company and presented in the DPEF included in the Universal Registration Document.

This information on non-financial performance was collected and consolidated under the responsibility of the Chief Executive Officer and coordinated by the Établissements Maurel & Prom Administration department, in accordance with the Maurel & Prom Group's procedures.

Our responsibility is to express an opinion on the DPEF pursuant to Articles A.225-2 *et seq.* of the French Commercial Code governing the procedures to be followed by independent third parties, and based on our own audit. The conclusions below relate only to the information required under the French Commercial Code (Business Model described in Chapters 1, Risk in chapter 2 and 4: 2019 Statement of Non-Financial Performance of the 2019 Universal Registration Document) and not to the 2019 Universal Registration Document as a whole.

Nature and extent of the audit

SOCOTEC Environnement's audit primarily consisted of:

- an assessment of the Company for the purposes of understanding the Maurel & Prom Group's activities and structure, including an analysis of the 2019 Universal Registration Document and interviews with management;
- a risk assessment to establish an audit plan specific to the activities undertaken and the information reported in the DPEF (required for listed companies);
- the implementation of the audit plan;
- the drafting of a preliminary report subject to the Company's approval; and
- the drafting of a final report including the declaration of compliance of the DPEF and opinion on the information contained therein).

Based on a documentary audit performed between 23 March and 17 April 2020 and audit conducted by two of our social responsibility experts, consisted of interviews between 2 and 10 April 2020 with the management at the Maurel & Prom Group's head office and with the individuals responsible for preparing the non-financial Information.

We carried out the following audit to obtain assurance that the DPEF and selected information are free from material misstatement:

- We assessed the Maurel & Prom Group's procedures in terms of their relevance, reliability, ease of comprehension and completeness (use of a questionnaire sent to subsidiaries, additional requests made to the CSR Steering Committee, consolidation tools and internal control).
- Interviews with the persons responsible for environmental and social reporting authorised us to check compliance with internal procedures.
- Checks were performed on all quantitative 2019 non-financial information for all consolidated subsidiaries of the Maurel & Prom Group with regard to its consistency with the previous year's data and with the Maurel & Prom Group's current position, as well as to ensure that it has been properly consolidated.
- We performed a thorough examination of the understanding and proper application of procedures for important information[(2)] (questionnaire responses), and conducted in-depth tests based on sampling techniques, consisting of checking the calculations made and reconciling the non - financial information with the supporting evidence in terms of quantitative information.

(1) List of offices and coverage available at www.cofrac.fr.
(2) Important information taken into account in 2019: workforce and distribution; recruitment and redundancies; remuneration and career advancement; organisation of workplace dialogue; health and safety conditions and workplace accidents (frequency and severity rates); training; methods employed to prevent environmental risks; financial guarantees; energy consumption and greenhouse gas emissions (including flared gas); biodiverdity, economic and social impact of activities on local populations; subcontractor and supplier relations.

In 2019, the quantitative data thus selected covered 100% of the consolidated workforce for social and societal aspects. The audits also covered the environmental aspects of all the operating subsidiaries (Exploration and Production activities in Gabon and Tanzania, representing all of Maurel & Prom's hydrocarbon production; drilling activity on its own account and on behalf of third parties).The scope of our audit covered 80% (energy consumption) to 93% (greenhouse gas emissions) of the data contributing to the quantification of the environmental indicators presented.

The energy consumption data as well as data related to greenhouse gas emissions (scope 1, intensity of emissions and scope 2) were verified with reasonable assurance.

In our opinion, our methodology for identifying important information and auditing data based on the selected sampling provides a reasonable basis for the conclusions and comments expressed below.

Conclusion

Declaration of compliance

We hereby declare that the Statement of Non-Financial Performance complies with the provisions of Articles L. 225-100-2-1 and R. 225-105 of the French Commercial Code.

Opinion on the fairness of the reported information

Based on our audit, we did not identify any material misstatements that could call into question:

- the compilation and consolidation of the information drawn up in accordance with internal procedures and the information gathered; and
- the fairness of the information.

25 April 2020

For SOCOTEC Environnement, the Auditors

Patrick Armando and Jean-Michel Prioleau

5 ÉTATS FINANCIERS

5.1 GROUP CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2019

5.1.1 Statement of financial position

Assets

(in US$ thousands)	Notes	31/12/2019	31/12/2018
Intangible assets (net)	3.3	223,228	199,920
Property, plant and equipment (net)	3.3	1,446,082	1,451,162
Non-current financial assets (net)	4.2	6,441	7,835
Other non-current assets (net)	3.7	43,554	44,675
Equity associates	2.4	295,268	253,629
Deferred tax assets	6.1	11,588	23,741
NON-CURRENT ASSETS		**2,026,161**	**1,980,962**
Inventories (net)	3.4	13,991	14,104
Trade receivables and related accounts (net)	3.6	144,104	95,188
Other current financial assets	4.2	59,250	53,511
Other current assets	3.7	48,118	39,114
Underlift position receivables	3.5	39,755	-
Current tax receivables	6.1	680	473
Current derivative financial assets	4.4	-	1,615
Cash and cash equivalents	4.3	231,043	279,871
CURRENT ASSETS		**536,942**	**483,875**
Assets held for sale and discontinued operations		-	-
TOTAL ASSETS		**2,563,103**	**2,464,837**

Liabilities

(in US$ thousands)	Notes	31/12/2019	31/12/2018
Share capital		193,345	193,345
Additional paid-in capital		42,753	44,836
Consolidated reserves		891,989	853,124
Treasury shares		(40,772)	(41,453)
Net income, Group share		37,383	58,066
EQUITY, GROUP SHARE		**1,124,699**	**1,107,918**
Non-controlling interests		17,117	2,425
TOTAL EQUITY		**1,141,816**	**1,110,343**
Non-current provisions	3.10	85,597	38,019
Shareholder loans	4.4	94,118	100,000
Other non-current borrowings and financial debt	4.4	448,519	595,692
Deferred tax liabilities	6.1	398,330	390,247
NON-CURRENT LIABILITIES		**1,026,564**	**1,123,958**
Shareholder loans	4.4	5,882	-
Other current borrowings and financial debt	4.4	153,036	2,047
Trade payables and related accounts	3.8	75,656	59,852
Current tax liabilities	6.1	12,489	4,971
Overlift position liability	3.5	1,296	13,252
Other current liabilities	3.9	125,746	134,577
Current derivative financial liabilities	4.4	3,304	-
Current provisions	3.10	17,313	15,838
CURRENT LIABILITIES		**394,723**	**230,536**
Assets held for sale and discontinued operations		-	-
TOTAL LIABILITIES		**2,563,103**	**2,464,837**

5.1.2 Consolidated statement of profit & loss and other comprehensive income

Net income for the period

(in US$ thousands)	Notes	31/12/2019	31/12/2018
Sales		503,628	440,179
Other income from operations		9,093	2,689
Change in overlift/underlift position		33,677	(13,217)
Other operating expenses		(260,261)	(184,645)
EBITDA	**3.1**	**286,136**	**245,006**
Depreciation and amortisation & provisions related to production activities net of reversals		(160,737)	(104,970)
Depreciation and amortisation & provisions related to drilling activities net of reversals		(2,744)	(904)
Current operating income		**122,655**	**139,131**
Provisions and impairment of drilling assets		-	(9,146)
Expenses and impairment of exploration assets net of reversals		(48,349)	(1,158)
Other non-current income and expenses		132	(2,972)
Income from asset disposals		(4,574)	215
OPERATING INCOME	**3.1**	**69,863**	**126,071**
— Cost of gross debt		*(30,291)*	*(28,924)*
— Income from cash		*4,560*	*5,156*
— Income and expenses related to interest-rate derivative financial instruments		*(667)*	*(111)*
Cost of net financial debt		(26,398)	(23,879)
Net foreign exchange adjustment		(3,663)	(2,527)
Other financial income and expenses		(1,055)	(233)
Financial income	**4.1**	**(31,116)**	**(26,639)**
Income tax	6.1	(62,357)	(68,352)
Net income from consolidated companies		**(23,609)**	**31,080**
Share of income/loss of associates	2.4	58,750	30,585
CONSOLIDATED NET INCOME		**35,141**	**61,665**
o/w: — Net income, Group share		*37,383*	*58,066*
— Non-controlling interests		*(2,242)*	*3,599*

Other comprehensive income for the period

(in US$ thousands)	31/12/2019	31/12/2018
Net income for the period	**35,141**	**61,665**
Foreign exchange adjustment for the financial statements of foreign entities	(870)	1,139
Change in fair value of hedging Investments instruments	(4,939)	1,680
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**29,332**	**64,484**
— Group share	*30,814*	*60,707*
— Non-controlling interests	*(1,482)*	*3,776*

5.1.3 Changes in shareholders' equity

(in US$ thousands)	Capital	Treasury shares	Additional paid-in capital	Other reserves	Currency translation adjustment	Income for the period	Equity, Group share	Non-controlling interests	Total equity
1 January 2018	**188,554**	**(55,330)**	**32,010**	**854,540**	**(11,772)**	**6,422**	**1,014,424**	**(1,351)**	**1,013,073**
Net income						58,066	58,066	3,599	61,665
Fair value of hedging instruments				1,680			1,680		1,680
Other comprehensive income				(104)	1,066		962	177	1,139
TOTAL COMPREHENSIVE INCOME				**1,576**	**1,066**	**58,066**	**60,707**	**3,776**	**64,484**
Appropriation of income – dividends				6,422		(6,422)	-		-
Reserved capital increases	4,791		27,452				32,243		32,243
Other				(179)			(179)		(179)
Bonus shares				1,472			1,472		1,472
Changes in treasury shares		13,877	(14,626)				(749)		(749)
TOTAL TRANSACTIONS WITH SHAREHOLDERS	**4,791**	**13,877**	**12,827**	**7,715**		**(6,422)**	**32,787**	**-**	**32,787**
31 December 2018	**193,345**	**(41,453)**	**44,836**	**863,830**	**(10,706)**	**58,066**	**1,107,918**	**2,425**	**1,110,343**
1 January 2019	**193,345**	**(41,453)**	**44,836**	**863,830**	**(10,706)**	**58,066**	**1,107,918**	**2,425**	**1,110,343**
Net income						37,383	37,383	(2,242)	35,141
Income from discontinued operations							-		-
Fair value of hedging instruments				(4,939)			(4,939)		(4,939)
Other comprehensive income					(1,631)		(1,631)	761	(870)
TOTAL COMPREHENSIVE INCOME	**-**	**-**	**-**	**(4,939)**	**(1,631)**	**37,383**	**30,814**	**(1,482)**	**29,332**
Appropriation of income – dividends				49,269		(58,066)	(8,797)		(8,797)
Change in Eland consolidation scope				(4,926)			(4,926)	-	(4,926)
Dilution Venezuela							-	16,174	16,174
Bonus shares				1,092			1,092		1,092
Changes in treasury shares		682	(2,083)				(1,401)		(1,401)
TOTAL TRANSACTIONS WITH SHAREHOLDERS	**-**	**682**	**(2,083)**	**45,435**	**-**	**(58,066)**	**(14,033)**	**16,174**	**2,141**
31 DECEMBER 2019	**193,345**	**(40,772)**	**42,753**	**904,326**	**(12,337)**	**37,383**	**1,124,699**	**17,117**	**1,141,816**

5.1.4 Consolidated statement of cash flow

(in US$ thousands)	Notes	31/12/2019	31/12/2018
Net income		35,141	61,665
Tax expense for continuing operations		62,357	68,352
Consolidated income from continuing operations		**97,497**	**130,017**
Net increase (reversals) of amortisation, depreciation and provisions	3.3, 3.4, 3.6, 3.10	176,275	111,575
Exploration expenses	3.3	48,349	1,158
Share of income from equity associates	2.4	(58,750)	(30,585)
Other income and expenses calculated on bonus shares		1,092	1,472
Gains (losses) on asset disposals		4,574	(215)
Dilution gains and losses		-	(2,215)
Other financial items		29,148	24,378
CASH FLOW BEFORE TAX		**298,185**	**235,584**
Income tax paid		(34,815)	(40,719)
Change in working capital requirements for operations		(101,547)	(2,563)
– Inventories		*730*	*(1,058)*
- Trade receivables	*3.6*	*(51,105)*	*(37,447)*
– Trade payables	*3.8*	*16,086*	*3,448*
– Overlift/underlift position	*3.5*	*(51,712)*	
– Other receivables	*3.7 & 4.2*	*(7,214)*	*15,180*
– Other payables	*3.9*	*(8,333)*	*17,314*
NET CASH FLOW FROM OPERATING ACTIVITIES		**161,824**	**192,301**
Proceeds from disposals of property, plant and equipment and intangible assets			215
Disbursements for acquisitions of property, plant and equipment and intangible assets	3.3	(182,530)	(143,575)
Acquisitions of property, plant & equipment paid in equity instruments		-	32,243
Dividends received from equity associates	2.4	12,012	12,059
Change in deposits		(1,386)	(100)
Acquisition of equity associates			(50,928)
NET CASH FLOW FROM INVESTMENT ACTIVITIES		**(171,904)**	**(150,085)**
Treasury share acquisitions/sales		(3,936)	-
Dividends paid out		(8,797)	-
Loan repayments	4.4	(308)	(714)
Additional paid-in capital on hedging instruments		-	(464)
Interest paid on financing	4.4	(28,301)	(25,648)
Interest received on investment	4.1	4,560	5,156
NET CASH FLOW FROM FINANCING ACTIVITIES		**(36,782)**	**(21,669)**
Impact of exchange rate fluctuations		(1,981)	(144)
CHANGE IN CASH POSITION*		**(48,843)**	**20,403**
CASH* AT BEGINNING OF PERIOD		**279,757**	**259,354**
CASH* AT END OF PERIOD		**230,914**	**279,757**

* Banks overdrafts are included in cash.

5.1.5 Notes to the consolidated financial statements

NOTE 1 GENERAL INFORMATION

Établissements Maurel & Prom S.A. (the "Company") is domiciled in France. The Company's registered office is located at 51 rue d'Anjou, 75008 Paris, France. The Company's consolidated financial statements include the Company and its subsidiaries (the entity designated as the "Group" and each one individually as the "entities of the Group") and the Group's share in its joint ventures. The Group, which is listed for trading on Euronext Paris, acts primarily as an operator specialising in the exploration and production of hydrocarbons (oil and gas).

The consolidated financial statements were approved by the Board of Directors on 31 March 2020.

The financial statements are presented in US dollars.

Amounts are rounded off to the nearest thousand dollars, except where otherwise indicated.

Note 1.1 Significant events

In June 2019 the Group entered into an agreement with Gabon Oil Company (GOC), the Group's partner for the Ezanga permit, to end the carry mechanism from which GOC benefited. Under the terms of the agreement, GOC gained priority access to 812,000 barrels (corresponding to the rights carried after 31 December 2017) in return for payment to M&P of $52.5 million in 2019. Additionally, the sum of $43 million corresponding to historical carry receivables (prior to 31 December 2017) was paid by GOC into an escrow account which will be released after an audit currently ongoing.

In Gabon, civil engineering works and preparations for exploration drilling on the Kari and Nyanga-Mayombé permits began at the end of May 2019. Drilling operations at the Kama-1 well on the Kari permit continued until February 2020. The well encountered several sets of oil shows. However, the mediocre quality of the reservoirs crossed meant that commercial testing was not viable. In view of these results, expenses of $31.5 million incurred as at 31 December 2019 were expensed over the year.

Following the publication of the official decree recognising the transfer of 20% of blocks 3/05 and 3/05A previously held by AJOCO to Maurel & Prom, the transaction closed at the end of July 2019. In accordance with the sales and purchase agreement, the transaction consideration of $80 million (less a deposit of $2 million paid when the transaction was announced) was adjusted by $43 million to take into account working capital and cash flow received and disbursed by AJOCO on behalf of M&P since the agreement's economic effective date, namely 1 January 2018. Consequently, the net consideration paid at end-July 2019 to AJOCO by Maurel & Prom was $35 million.

M&P Trading, a French subsidiary wholly owned by the Group, now sells oil volumes produced by M&P Gabon and M&P Angola. The company may also lift barrels on behalf of third parties. Since the first lifting completed by M&P Trading in March 2019, the company has sold 4.8 million barrels.

On 24 July 2019, Sucre Energy took a 20% stake in Maurel & Prom Iberoamerica, which has a stake in the PRDL joint venture, owned jointly with PDVSA. As a result of the transaction, the Group holds a net economic interest in PRDL of 32%.

Due to international sanctions against state oil company PDVSA, operations conducted locally by the Group's Venezuelan subsidiary, M&P Servicios Integrados U.W., are strictly limited to maintenance related to the safety of staff, assets, and environmental protection. Against this backdrop, and in spite of an asset that remains in production and has kept its development potential, its ability to contribute to net income for the fiscal year was nil.

In the spring of 2019, two wells were drilled on the Mios permit, resulting in a modest discovery. Production testing is expected to start.

Olivier de Langavant was appointed Chief Executive Officer of the Maurel & Prom Group effective 1 November 2019, replacing Michel Hochard.

Note 1.2 Preparation basis

Normative framework

Pursuant to Regulation (EC) No 1606/2002 of 19 July 2002 on international standards, the consolidated financial statements of the Maurel & Prom Group for the year ended 31 December 2019 have been prepared in accordance with IAS/IFRS International Accounting Standards applicable at 31 December 2019, as approved by the European Union and available at: https://ec.europa.eu/info/banking-and-finance-website-notice-users-en.

International Accounting Standards include IFRS (International Financial Reporting Standards), IAS (International Accounting Standards) and their interpretations (Standing Interpretations Committee and International Financial Reporting Standards Interpretations Committee).

The application of IFRS as published by the IASB would have no material impact on the financial statements presented herein. New legislation or amendments adopted by the European Union and mandatory from 1 January 2019 do not have a material impact on the Group's financial statements as at 31 December 2019, with the exception of the impacts mentioned below.

IFRS 16 "Leases"

The Group adopted IFRS 16 as from 1 January 2019 using a simplified retrospective approach and has therefore not restated comparative data for the 2018 reference period, as allowed under the standard's specific transitional provisions.

The application of IFRS 16 led to the recognition of right-of-use assets and lease liabilities, previously classified as operating leases under IAS 17, with the exception of the Group's short-term leases, as the distinction between operating leases and finance leases has been abolished.

The impact of the adoption of this standard and the new accounting standard is presented in Note 6.5.2.

IFRIC 23 "Uncertainty Over Income Tax Treatments"

The interpretation of IFRIC 23, applicable from 1 January 2019, clarifies the provisions of IAS 12 "Income Taxes" regarding recognition and assessment when there is uncertainty about the treatment of income tax. This application has no material impact on the Group's financial statements.

The consolidated financial statements are prepared according to the historical cost convention, except for certain categories of assets and liabilities valued at fair value (derivative instruments), in accordance with IFRS.

IFRS have been applied by the Group consistently for all reported periods, with the exception of the changes mentioned.

Going Concern

When preparing financial statements, the Group has assessed its ability to continue as going concern, and further disclosure has been given on that matter in note 6.9.

Use of judgement and accounting estimates

The preparation of consolidated financial statements under IFRS requires the Group to make accounting choices, produce a number of estimates and use certain assumptions that may affect the reported amounts of assets and liabilities, the notes concerning potential assets and liabilities as at the reporting date, and the income and expenses for the period. Changes in facts and circumstances may lead the Group to review such estimates.

The results obtained may differ materially from such estimates when different circumstances or assumptions are applied.

In addition, when a specific transaction is not treated by any standard or interpretation, the Group's Management uses its own discretion to define and apply the accounting methods that will provide relevant, reliable information. The financial statements give a true and fair view of the Group's financial position, performance and cash flows. They reflect the substance of transactions, are prepared with prudence, and are complete in all material respects.

Management estimates used in preparing financial statements relate primarily to:

- recognition of oil carry transactions and impairment tests on oil assets;
- provisions for site remediation;
- valuation of equity associates and underlying assets;
- accounting treatment of derivative instruments subscribed by the Group;
- estimated proven and probable hydrocarbon reserves;
- recognition of deferred tax assets.

NOTE 2 BASIS FOR CONSOLIDATION

Note 2.1 Consolidation methods

Consolidation

The entities controlled by Établissements Maurel & Prom SA are fully consolidated.

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of the subsidiaries are included in the consolidated financial statements as from the date control is gained until the date control ceases.

Intra-Group balances, transactions, income and expenses are eliminated on consolidation.

Equity associates

Joint ventures and associates are consolidated using the equity method.

- Joint ventures are arrangements giving the Group joint control, according to which it has rights to the net assets of the arrangement and not rights to the assets and obligations for the liabilities of the arrangement.
- Affiliated entities are entities over whose financial and operating policies the Group has significant influence without controlling or jointly controlling them. Significant influence is assumed when the percentage of voting rights is greater than or equal to 20%, unless a lack of participation

in the Company's management reveals a lack of significant influence. When the percentage is less, the entity is consolidated using the equity method if significant influence can be demonstrated.

The gains resulting from transactions with the equity associates are eliminated through a reduction of the equity associate to the extent of the Group's stake in the associate. Losses are eliminated in the same way as gains, but only insofar as they do not represent an impairment.

When the impairment criteria as defined in IAS 39 "financial instruments: Recognition and Measurement" indicate that equity associates may have declined in value, the amount of the impairment loss is measured using the rules specified in IAS 36 "Impairment of Assets".

Business combinations

Business combinations are accounted for using the acquisition method in accordance with IFRS 3 "Business Combinations". Thus, when control of a company is acquired, this method requires the recognition of the identifiable assets and assumed liabilities by the Group at their fair value (with exceptions) in accordance with IFRS guidelines.

The Group values the goodwill on the acquisition date as:

- the fair value of the transferred consideration; plus
- the amount recognised for non-controlling interests in the acquired company; plus
- if the business combination is carried out in stages, the fair value of any interest previously held in the acquired company; minus
- the net amount recognised (generally at fair value) for the identifiable assets acquired and the liabilities taken over.

When the difference is negative, a profit for acquisition under advantageous conditions must be recognised directly in Operating Income.

Costs related to the acquisition, other than those related to the issuance of a debt or equity securities, which the Group bears as a result of a business combination, are expensed as they are incurred.

Determination of goodwill is finalised within a period of one year from the acquisition date.

Such goodwill is not amortised but tested for impairment at the end of each accounting period and whenever there is an impairment indicator; any impairment charge recognised on goodwill is irreversible.

Changes in the percentage of the Group's stake in a subsidiary which do not result in a loss of control are recognised as equity transactions.

Goodwill relating to equity associates is recognised under equity associates.

Currency translation

The consolidated financial statements are presented in US dollars, which is the Group's reporting currency.

The functional currency of the operating subsidiaries is the US dollar.

The Group refinanced its historic debt (which was in both euros and US dollars) in US dollars at the end of December 2017 and, as a result of this change, updated its analysis of the functional currency of its financial holdings. As a result of this analysis, the US dollar was adopted as the functional currency instead of the euro as from the refinancing date. This change in the functional currency of its financial holdings was reflected in the financial statements as at 31 December 2017.

The Group then changed the reporting currency in its 2018 financial statements.

The financial statements of foreign subsidiaries for which the functional currency is not the US dollar are converted using the closing rate method. Assets and liabilities, including goodwill on foreign subsidiaries, are translated at the exchange rate in effect on the closing date of the fiscal year. Income and expenses are converted at the average rate for the period. Currency translation adjustments are recognised under the "Currency translation adjustments" item of other comprehensive income within shareholders' equity, while those related to minority interests are recognised under "non-controlling interests". Currency translation adjustments related to a net investment in a foreign activity are recorded directly under other comprehensive income.

Expenses and income in foreign currencies are recognised at their equivalent in the functional currency of the entity concerned at the transaction date. Assets and liabilities in foreign currencies are reported in the balance sheet at their equivalent value in the functional currency of the entity concerned based on the closing rate. Differences resulting from conversion into foreign currencies at this closing rate are carried on the income statement as other financial income or other financial expenses.

When the payment of a monetary item that is a receivable or a payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, the resulting foreign exchange gains and losses are considered to be part of the net investment in a foreign operation and are accounted for in other comprehensive income and presented as a translation reserve.

In case of difference in the functional currency, the Group applies hedge accounting to foreign currency adjustments between the functional currency of the foreign activity and the functional currency of the holding.

Foreign exchange adjustments resulting from the translation of financial liabilities designated as a net investment hedge of a foreign activity are recognised as other comprehensive income for the effective portion of the hedge and accumulated in the translation reserve. Any adjustment relating to the ineffective portion of the hedging is recognised in net income. When the net investment hedged is sold, the amount of the adjustments recognised as the translation reserve related to it is reclassified in the income statement as income from the disposal.

Note 2.2 Information about reporting entities and non-consolidated equity interests

Pursuant to ANC recommendation 2017-01 of 2 December 2017, the full list of Group entities is presented in the period's Annual Report, chapter 7.

Note 2.3 List of consolidated entities

Reporting entities in fiscal year 2019 were primarily the companies listed below.

The consolidated companies are as follows:

Company	Registered office	Consolidation method[a]	% control 31/12/2019	% control 31/12/2018
Établissements Maurel & Prom S.A.	Paris	Parent	Consolidating company	
Maurel & Prom Assistance Technique International S.A.	Geneva, Switzerland	FC	100.00%	100.00%
Caroil S.A.S.	Paris, France	FC	100.00%	100.00%
Maurel & Prom Drilling Services	Amsterdam, Netherlands	FC	100.00%	100.00%
Maurel & Prom Exploration et Production BRM S.A.S.	Paris, France	FC	100.00%	100.00%
Maurel & Prom Exploration Production Tanzania Ltd	Dar Es Salaam, Tanzania	FC	100.00%	100.00%
Maurel & Prom Gabon S.A.	Port-Gentil, Gabon	FC	100.00%	100.00%
Maurel & Prom Mnazi Bay Holdings S.A.S.	Paris, France	FC	100.00%	100.00%
Maurel & Prom Namibia S.A.S.	Paris, France	FC	100.00%	100.00%
Maurel & Prom Peru Holdings S.A.S.	Paris, France		Deconsolidated	100.00%
Maurel & Prom Peru SAC	Lima, Peru		Deconsolidated	100.00%
Maurel & Prom West Africa S.A.	Brussels, Belgium	FC	100.00%	100.00%
Maurel & Prom Italia Srl	Ragusa, Sicily	FC	100.00%	100.00%
Cyprus Mnazi Bay Limited	Nicosia, Cyprus	FC	60.08%	60.08%
Maurel & Prom Colombia BV	Rotterdam, Netherlands	EM	50.001%	50.001%
Seplat	Lagos, Nigeria	EM	20.46%	20.46%
Deep Well Oil & Gas, Inc.	Edmonton, Alberta, Canada	EM	19.57%	19.57%
Maurel & Prom East Asia S.A.S.	Paris, France	FC	100.00%	100.00%
MP Energy West Canada Corp.	Calgary, Canada	FC	100.00%	100.00%
MP West Canada S.A.S.	Paris, France	FC	100.00%	100.00%
Saint-Aubin Énergie Québec Inc	Montreal, Canada	FC	100.00%	100.00%
Saint-Aubin Exploration & Production Québec Inc	Montreal, Canada	FC	100.00%	100.00%
Maurel & Prom Angola S.A.S.	Paris, France	FC	100.00%	100.00%
Maurel & Prom Exploration Production France S.A.S.	Paris, France	FC	100.00%	100.00%
Maurel & Prom Iberoamerica S.L.	Madrid, Spain	FC	100.00%	100.00%
M&P Servicios Integrados UW S.A.	Caracas, Venezuela	FC	100.00%	100.00%
Petroregional Del Lago (PRDL)	Caracas, Venezuela	EM	40.00%	40.00%
Caroil Assistance Technique International S.A.	Geneva, Switzerland	FC	100.00%	100.00%
Maurel & Prom Trading S.A.	Paris, France	FC	100.00%	100.00%
Maurel & Prom Services S.A.S.	Paris, France	FC	100.00%	N/A

(a) FC: Full consolidation / EM: Equity method.

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Note 2.4 Equity associates

Companies accounted for by the equity method contributed $59 million to the Group's results.

(in US$ thousands)	Maurel & Prom Colombia BV	Seplat	Deep Well Oil	Petroregional del Lago	Total
Equity associates as at 31/12/2018	**(519)**	**171,996**	**44**	**82,108**	**253,629**
Income	(1,166)	59,916	-		58,750
Change in OCI		(174)			(174)
Additions to the consolidation scope		(4,926)			(4,926)
Dividends		(12,012)			(12,012)
EQUITY ASSOCIATES AS AT 31/12/2019	**(1,684)**	**214,801**	**44**	**82,108**	**295,268**

The data below is presented as reported in the financial statements of the joint ventures and associates (those wholly owned and not proportionately owned) as at 31 December 2019, after translation into US dollars, adjustments to fair value and for accounting method consistency where applicable.

(in US$ thousands)	Seplat
Location	**Nigeria**
	Associate
Activity	**Production**
% Interest	*20.46%*
Total non-current assets	2,335,979
Other current assets	600,412
Cash and cash equivalents	333,028
TOTAL ASSETS	**3,269,419**
Total non-current liabilities	850,539
Total current liabilities	615,394
TOTAL LIABILITIES (EXCL. EQUITY)	**1,465,933**

Reconciliation with balance sheet values

TOTAL SHAREHOLDERS' EQUITY OR NET ASSETS	**1,803,486**
Share held	**369,006**
IFRS 3 fair value adjustment [1]	(162,954)
Value of diluted shares [2]	8,749
BALANCE SHEET VALUE AT 31/12/2019	**214,801**
Sales	697,777
Operating Income	306,416
Foreign exchange gains and losses	0
Loss on derivatives on hydrocarbons	5,559
Financial income	(20,068)
Income from JV and deconsolidation	14,226
Corporate income tax	(29,125)
NET INCOME FROM EQUITY ASSOCIATES	**277,008**
Share held	**56,678**
Restatements for standardisation [3]	3,238
P&L VALUE AT 31/12/2019	**59,916**

(a) Fair value adjustment for Seplat under IFRS 3 (consolidated at the stock market value) recorded in 2015 in connection with the merger with MPI.
(b) Seplat issued 25 million bonus shares which resulted in a 0.9% dilution of M&P's equity stake less the IFRS 3 fair value adjustment from 2015. Equity was thus reduced by $6.5 million. At the same time, the diluted shares were valued at the market price of $8.7 million. On a net basis, the dilution gain on the equity share, recorded in "Other income from operations", was $2 million.
(c) For Seplat, this is recognition through profit or loss of share-based payments.

The 2018 comparative information is provided below:

(in US$ thousands)	**Seplat**
Location	**Nigeria**
	Associate
Activity	**Production**
% Interest	*20.46%*
Total non-current assets	1,663,131
Other current assets	273,376
Cash and cash equivalents	584,723
TOTAL ASSETS	**2,521,230**
Total non-current liabilities	601,976
Total current liabilities	324,973
TOTAL LIABILITIES (EXCL. EQUITY)	**926,949**
Reconciliation with balance sheet values	
TOTAL SHAREHOLDERS' EQUITY OR NET ASSETS	**1,594,281**
Share held	**326,201**
IFRS 3 fair value adjustment [a]	(162,954)
Value of diluted shares [b]	8,749
BALANCE SHEET VALUE AT 31/12/2018	**171,996**
Sales	746,140
Operating Income	325,097
Foreign exchange gains and losses	1,433
Loss on derivatives on hydrocarbons	(1,936)
Interest expense	(61,230)
Corporate income tax	(116,814)
NET INCOME FROM EQUITY ASSOCIATES	**146,550**
Share held	**29,985**
Restatements for standardisation [c]	2,039
P&L VALUE AT 31/12/2018	**32,024**

(a) Fair value adjustment for Seplat under IFRS 3 (consolidated at the stock market value) recorded in 2015 in connection with the merger with MPI.
(b) Seplat issued 25 million bonus shares which resulted in a 0.9% dilution of M&P's equity stake less the IFRS 3 fair value adjustment from 2015. Equity was thus reduced by $6.5 million. At the same time, the diluted shares were valued at the market price of $8.7 million. On a net basis, the dilution gain on the equity share, recorded in "Other income from operations", was $2 million.
(c) For Seplat, this is recognition through profit or loss of share-based payments.

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NOTE 3 OPERATIONS

Note 3.1 Segment reporting

In accordance with IFRS 8, the segment information reported must be based on the very same principles as those used in the internal reporting. It must reproduce the internal segment information defined to manage and measure the Group's performance.

Maurel & Prom's activities are split into three segments: exploration, production and drilling. Information by region is only relevant at the asset level and is presented in the notes on fixed assets. The other activities mainly concern the holding companies' support and financial services, and trading. Operating Income and assets are broken down for each segment based on the entities' contributing accounts, which include consolidation adjustments.

(in US$ thousands)	Production	Exploration	Drilling	Other	31/12/2019
Sales	484,903	-	11,584	7,141	503,628
Operating Income and expenses	(161,933)	(3,761)	(27,526)	(24,271)	(217,491)
EBITDA	**322,970**	**(3,761)**	**(15,942)**	**(17,130)**	**286,136**
Depreciation and amortisation, impairment loss & provisions for assets in production and drilling assets	(158,826)	(1,830)	(2,744)	(81)	(163,482)
CURRENT OPERATING INCOME	**164,143**	**(5,591)**	**(18,687)**	**(17,211)**	**122,655**
Expenses and impairment of exploration assets net of reversals	(9,036)	(39,314)	-	-	(48,349)
Other non-recurring expenses	15	(45)	162	-	132
Gain (loss) on asset disposals	(4,574)	-	-	-	(4,574)
OPERATING INCOME	**150,548**	**(44,949)**	**(18,525)**	**(17,211)**	**69,863**
SHARE OF INCOME OF EQUITY ASSOCIATES	**59,916**	**(1,166)**	**-**	**-**	**58,750**
Intangible investments	**42,877**	**34,586**	**-**	**117**	**77,580**
INTANGIBLE ASSETS (NET)	**214,922**	**8,146**	**16**	**144**	**223,228**
Investments in property, plant and equipment	**83,356**	**8,519**	**6,811**	**6,264**	**104,950**
PROPERTY, PLANT AND EQUIPMENT (NET)	**1,404,132**	**11,421**	**25,152**	**5,376**	**1,446,082**

The 2018 comparative information is provided below:

(in US$ thousands)	Production	Exploration	Drilling	Other	31/12/2018
Sales	428,209		11,970		440,179
Operating Income and expenses	(156,688)	(2,862)	(26,959)	(8,663)	(195,173)
EBITDA	**271,521**	**(2,862)**	**(14,989)**	**(8,663)**	**245,006**
Depreciation and amortisation, impairment loss & provisions for assets in production and drilling assets	(104,501)	79	(904)	(548)	(105,874)
CURRENT OPERATING INCOME	**167,020**	**(2,783)**	**(15,893)**	**(9,212)**	**139,131**
Provisions and impairment of drilling assets			(9,146)		(9,146)
Expenses and impairment of exploration assets net of reversals			(1,158)		(1,158)
Other non-recurring expenses	(693)		(186)	(2,092)	(2,972)
GAIN (LOSS) ON ASSET DISPOSALS			**125**	**90**	**215**
OPERATING INCOME	**166,327**	**(2,784)**	**(26,259)**	**(11,214)**	**126,071**
Share of income of equity associates	32,024	(1,439)	-	-	30,585
Intangible investments	**44,139**	**6,214**	**(2)**	**206**	**50,557**
INTANGIBLE ASSETS (NET)	**192,804**	**6,919**	**28**	**169**	**199,919**
Investments in property, plant and equipment	**72,665**	**1,053**	**19,005**	**294**	**93,017**
PROPERTY, PLANT AND EQUIPMENT (NET)	**1,425,779**	**2,968**	**21,793**	**623**	**1,451,162**

Note 3.2 Operating Income

Note 3.2.1 Sales

Oil-related sales, corresponding to the sale of production on deposits operated by the Company were determined based on oil sold, i.e. oil lifted. The Group now recognises time variances between liftings and the theoretical entitlement in the cost of sales by posting over- or underlift positions, valued at the year-end market price, to current assets (underlift position receivable) or current liabilities (overlift position liability). Market price is determined according to the PCO Rabi light index for Gabon and the Palanca Blend index for Angola, which act as benchmarks when these lifting positions are being physically settled.

Gas sales are recognised at the point of connection to customers' facilities.

Drilling services sales are recognised using the percentage of completion principle based on the drilling, the progress being measured in terms of depth reached and time spent on the task.

	12 months 2019	12 months 2018	Change 19/18
M&P working interest production			
Gabon (oil) *(bopd)*	19,828	16,273	22%
Angola (oil) *(bopd)*	1,879[1]	-	/
Tanzania (gas) *(mmcfd)*	33.8	40.0	-15%
TOTAL *(boepd)*	**27,340**	**22,934**	**19%**
Average sale price			
Oil *($/bbl)*	67.2	68.8	-2%
Gas *($/BTU)*	3.26	3.17	3%
Sales			
Gabon *($m)*	454	376	21%
Angola *($m)*	31	-	/
Tanzania *($m)*	34	39	-13%
VALUED PRODUCTION *($m)*	**519**	**415**	**25%**
Drilling activities *($m)*	12	12	-3%
Trading of third-party oil[b] *($m)*	7	-	/
Restatement for lifting imbalances *($m)*	(34)	13	
CONSOLIDATED SALES *($m)*	**504**	**440**	**14%**

(a) Production in Angola was 4,484 bopd for M&P working interest (20%) for the period during which the asset was held (since 1 August 2019), corresponding to 4,587 bopd in Q3 (two months only) and 4,415 bopd in Q4.

(b) M&P Trading buys and trades the Group's production in Angola and Gabon. Third-party production can also be traded by M&P Trading. In such instances, it is presented in the Group's consolidated sales.

The Group's valued production (income from production activities, restated for lifting imbalances) was $519 million for fiscal 2019, up 25% from 2018. This increase reflects the sharp rise in production in Gabon following the resolution of export problems that had limited production in 2018. Sales in Tanzania fell slightly due to a dip in gas demand in the first half of 2019.

The average sale price of oil in fiscal 2019 fell 2% to $67.2/bbl versus $68.8/bbl in 2018.

Maurel & Prom now trades oil volumes produced by M&P Gabon and M&P Angola through its subsidiary M&P Trading. Since the first lifting at the Cap Lopez terminal in Gabon on 31 March 2019, M&P Trading has traded 4.1 million barrels. In Q4 2019, M&P Trading also sold oil on behalf of third parties in the amount of $7 million (gross amount before oil acquisition cost).

After taking into account drilling activities and lifting imbalances, the Group's consolidated sales for fiscal 2019 stood at $504 million, up 14% from 2018.

Note 3.2.2 Operating Income

The Group uses a number of indicators to assess the performance of its activities:

Earnings before interest, taxes, depreciation and amortisation (EBITDA) represents sales net of the following items:

- other Operating Income;
- purchases of consumables and services (grouped in production purchases and expenses);
- taxes (including mining royalties and other taxes associated with operations);
- personnel expenses.

The last three items were grouped together by function in operating expenses.

Current operating income corresponds to EBITDA after amortisation and depreciation of tangible and intangible assets, including depletion.

Items between Current operating income and EBIT correspond to income and expenses considered unusual, non-recurring and material, including:

- material capital gains and losses resulting from asset sales;
- impairment of operating assets;

- depreciations related to discontinued exploration assets;
- expenses incurred in the exploration phase (up to the identification of a prospect), given that the volatility of such expenditures is unpredictable, depending on the results of exploration activities;
- costs relating to business combinations and restructuring.

Others operating expenses are:

(in thousands of dollars)	31/12/2019	31/12/2018
Purchases and external services	(96,191)	(73,674)
Taxes, contributions & royalties	(79,834)	(44,239)
Personnel expenses	(84,235)	(66,732)
Others operating expenses	(260,261)	(184,645)

Current operating income amounted to $123 million, down from the previous year largely due to the increase in the depletion charge, which depends on the volumes produced in Gabon ($158 million in 2019 versus $105 million in 2018).

Non-current income includes:

- a net expense of $4.5 million related to the drilling incident in Gabon on 17 March 2019;
- $48 million in exploration and appraisal expenses on the Kari, Ezanga and Mios permits, and a campaign to acquire seismic data in Sicily.

Note 3.3 Fixed assets

Maurel & Prom conducts part of its Exploration and Production activities under Production Sharing Agreements (PSAs). This type of agreement, signed with the host country, sets rules for cooperation (in association with potential partners) and for production sharing with the government or the state-owned company that represents it, and defines the taxation terms.

Under these agreements, the Company agrees to finance its percentage of interest in exploration and production operations, and in exchange receives a share of production known as "cost oil". The sale of this production share normally allows the Company to recover its investments, as well as the operating costs incurred. The production balance (known as "profit oil") is then split between the Company and the state in variable proportions and the Company pays its share of tax on the revenue from its activities.

Under such Production Sharing Agreements, the Company recognises its share of assets, sales and net income in light of its percentage held on the permit in question.

The following methods are used to account for the costs of oil-related activities:

Oil search and exploration rights

- Mining permits: expenditures for the acquisition and allocation of mining permits are recorded as intangible assets and, during the exploration phase, amortised on a straight-line basis over the estimated duration of the permit or during the development phase, in line with the amortisation rate for the oil production facilities. If the permit is withdrawn or the exploration fails, the remaining amortisation is recorded once.
- Acquired mining rights: acquisitions of mining rights are recorded as intangible assets and, if they have led to the discovery of oil reserves, depreciated in accordance with the unit-of-production method based on proven and probable reserves. The depreciation rate equals the ratio between the field's hydrocarbon production over the fiscal year and the proven and probable hydrocarbon reserves at the beginning of the same fiscal year, re-estimated on the basis of an independent appraisal.

Exploration costs

The Group applies IFRS 6 for the recognition of exploration costs.

Hydrocarbon production fees and assets are accounted for in accordance with the "successful efforts" method.

Charges incurred prior to the issuance of the exploration permit are recognised as expenses.

Studies and works concerning the exploration, including geology and geophysics costs, are recorded under expenses until a prospect is identified.

Expenses incurred to identify a prospect such as exploratory drilling are capitalised and are depreciated as soon as the production starts.

Drilling expenditure that does not result in a commercial discovery is posted under expenses for the total amount incurred once it is decided to permanently abandon work in the zone concerned or in the connected zone.

The Group refers to ASC 932 "Extractive activities", usually applied in the oil sector for the purpose of defining the accounting treatment of situations or transactions not specifically covered by IAS. In application of this principle, when it appears that an exploration well under way at the reporting date has not yet revealed proven reserves and that this is known only between the reporting date and the date on which the financial statements are approved, expenses incurred on that well up to the reporting date are recognised as exploration expenses over the period in question.

When the technical feasibility and commercial viability of the oil production project can be proven (analysis based on the outcome of appraisal wells or seismic study work, etc.) and following the issuance of an Exclusive Development and Production Authorisation (AEDE), these costs then become development costs, a portion of which is transferred to property, plant and equipment, depending on their nature.

Once an impairment indicator appears (permit expiry date, absence of further budgeted exploration expenses, etc.), an impairment test is carried out to ensure that the book value of the expenses incurred does not exceed the recoverable amount.

In addition, when the technical feasibility and commercial viability of the oil production project can be demonstrated, exploration assets are systematically subject to an impairment test.

Impairment tests are carried out at the permit level, in accordance with the common practice within the industry.

Oil production assets

Oil production fixed assets include assets recognised during the exploration phase and transferred to property, plant and equipment following discoveries, and assets relating to field development (production drilling, surface facilities, oil routing systems etc.).

Depletion

Fixed assets are depreciated according to the unit-of-production method.

For general facilities, i.e. those which concern the entire field (pipelines, surface units, etc.), the depreciation rate equals the ratio of the field's hydrocarbon production during the fiscal year to the proven reserves at the beginning of the same fiscal year. If applicable, they are weighted by the ratio (proven)/(proven + probable) reserves for that field, in order to take into account their relative role in the production of all proven and probable reserves of the field in question.

For specific facilities, i.e. those dedicated to specific areas of a field, the depreciation rate used equals the ratio of the field's hydrocarbon production during the fiscal year to the proven developed reserves at the beginning of the same fiscal year.

The reserves taken into account are the reserves determined on the basis of analyses conducted by independent organisations, to the extent that the said analyses are available on the reporting date.

Site remediation costs

Provisions for site remediation are recognised when the Group has an obligation to dismantle and remediate a site.

The discounted site remediation cost is capitalised and added to the value of the underlying asset and amortised at the same rate.

Financing of oil-related costs for third parties (carry)

The financing of third-party oil costs is an activity that consists of the substituting, as part of an oil joint operation, for another member of the joint operation to finance its share of the cost of works.

When the contract terms give it similar characteristics to those of other oil assets, the financing of oil costs on behalf of third parties is treated as an oil asset.

Consequently, and in accordance with paragraph 47[d] of ASC 932 usually applied in the oil sector, the accounting rules are those applicable to expenses of the same nature as the Group's own share (fixed assets, depreciation, impairment, operating costs as expenses):

- accounting for exploration costs financed as intangible assets (carried partners' share entered as the Maurel & Prom share);
- if prospecting does not result in a producing asset: recognition of all costs as expenses;
- in the case of producing assets: the transfer of costs booked as intangible assets to property, plant and equipment (technical facilities);
- the share of hydrocarbons accruing to the carried partners and used to repay that cost of carry is treated as sales for the partner that carries it;
- reserves corresponding to the carried costs are added to the reserves of the partner that carries the costs;
- depreciation of technical facilities (including the share of carried partners) according to the unit-of-production method by including in the numerator the production for the period allocated to recovery of the carried costs and in the denominator the share of reserves used to recover all of the carried costs.

Other intangible assets

Other intangible assets are recognised at their acquisition cost and posted on the balance sheet at that value, after deducting accrued amortisation, depreciation and any impairment.

Amortisation is calculated on a straight-line basis and the amortisation period is based on the estimated useful life of the different categories of intangible assets depreciated over a period ranging from one to three years.

Other property, plant and equipment

The gross value of other property, plant and equipment corresponds to the acquisition or production cost. It is not revalued.

Depreciation is calculated on a straight-line basis, and the depreciation period is based on the estimated useful life of the different categories of property, plant and equipment, which are predominantly as follows:

- buildings: 10 years;
- infrastructure: 8 to 10 years;
- drilling rigs: 3 to 20 years;
- technical facilities: 3 to 10 years;
- fixtures and fittings: 4 to 10 years;
- transportation equipment: 3 to 8 years;
- office and computer equipment: 2 to 5 years; and
- office furniture: 3 to 10 years.

Finance leasing contracts are agreements whose effect is to transfer virtually all risk and benefits inherent in the ownership of the asset from the lessor to the lessee. Such contracts are recognised in the balance sheet as assets at fair value, or at the discounted value of the minimum lease payments as defined in the contract if lower. The corresponding debt is recognised under balance sheet liabilities as financial debt. Such assets are depreciated on the basis of the Group's estimation of their useful life.

Leasing contracts that are not lease financing agreements as defined above are recognised as regular leasing contracts. Payments for regular leasing contracts are booked in the income statement on a straight-line basis over the period of the lease.

Borrowing costs are capitalised when the asset in question meets the eligibility conditions as defined by IAS 23R.

Asset impairment

When events indicate a risk of impairment on the intangible and tangible assets, and with regard to goodwill and intangible assets not amortised at least once a year, an impairment test is carried out in order to determine whether their net book value is lower than their recoverable amount, with the recoverable amount defined as the higher between the fair value (less exit costs) and the value in use. The value in use is determined by discounting future cash flows expected from the use and disposal of the assets.

For oil assets in production, cash flows are determined based on the hydrocarbon reserves identified, the related production profile and the discounted sale prices after taking into account the applicable tax terms as defined in the Production Sharing Agreements.

A permit or set of permits for the same geographic region is generally referred to as a cash-generating unit (CGU). A CGU is a set of assets whose ongoing utilisation generates cash flows that are largely independent of the cash flows from the other asset groups. In certain cases, a permit may contain exploration and production assets.

With regard to the Group's other activities, impairment tests are performed on the basis of the Company's business plans, including a terminal value.

The discount rate used takes into account the risk associated with the activity and its geographical location.

If the recoverable amount is lower than the net book value, an impairment is recognised for the difference between these two amounts.

This impairment may be reversed according to the net book value that the asset would have held on the same date, had it not been impaired. However, impairment losses recorded on goodwill are irreversible.

Note 3.3.1 Intangible assets

Intangible investments for the fiscal year relate for the most part to reserves acquired in Angola for $37.5 million and drilling exploration expenses on the Kari permit for $28.5 million.

The recoverable values of all the assets in the Group's exploration portfolio were analysed in accordance with IFRS 6 and IAS 36. No impairment was identified on intangible assets.

Exploration expenses in Italy relating to the acquisition of seismic data were incurred before the presence of a hydrocarbon prospect had been determined and consequently were expensed for the period under the "successful effort" method.

(in US$ thousands)	31/12/2018	Currency translation adjustment	Investments	Transfer	Operating expenses	Amortisation	31/12/2019
Assets attached to permits in production	192,804	-	42,877	(1,041)	-	(19,718)	214,922
Assets attached to permits in exploration	6,919	(22)	34,586	1,678	(34,806)	(209)	8,146
Drilling	28	-	-		-	(11)	16
Other	170	-	117	-	-	(142)	144
INTANGIBLE ASSETS (NET)	**199,920**	**(22)**	**77,580**	**637**	**(34,806)**	**(20,081)**	**223,228**

Exploration and appraisal expenses relate mainly to the Kari permits ($31.5 million incurred at the reporting date).

The changes in intangible assets for the previous fiscal year are stated below in US dollars:

(in US$ thousands)	31/12/2017 adjusted [a]	Currency translation adjustment	Investments	Transfer	Operating expenses	Amortisation	31/12/2018
Assets attached to permits in production	160,897		44,139	(344)		(11,889)	192,803
Assets attached to permits in exploration	1,687	65	6,214	1,004	(1,801)	(250)	6,919
Drilling	22	13	(2)		-	(5)	28
Other	29	-	206	-	-	(66)	169
INTANGIBLE ASSETS (NET)	**162,636**	**77**	**50,557**	**660**	**(1,801)**	**(12,210)**	**199,920**

(a) Reported in EUR in the 2017 published financial statements and translated for reporting in USD for fiscal year 2018.

Note 3.3.2 Property, plant and equipment

(in US$ thousands)	31/12/2018	Currency translation adjustment	Investments	Transfer	Asset disposals	Amortisation	31/12/2019
Assets attached to permits in production	1,425,779	-	83,356	41,998	(18,094)	(128,906)	1,404,132
Assets attached to permits in exploration	2,966	8	8,519	3,269	(4,036)	696	11,421
Drilling	21,793	-	6,811		-	(3,452)	25,152
Other	625	2	6,264	-	-	(1,514)	5,376
PROPERTY, PLANT AND EQUIPMENT (NET)	**1,451,162**	**10**	**104,950**	**45,267**	**(22,130)**	**(133,177)**	**1,446,082**

Investments in property, plant and equipment over the period primarily concern production investments on the Ezanga and Mios permits.

The "Transfer" column corresponds to the amount of the site remediation asset updated according to the latest available reports by independent appraisers, recorded against the provision for site remediation as explained in Note 3.10 "Provisions".

Pursuant to IAS 36, impairment tests were performed in order to determine the recoverable value of the assets.

Fair value of drilling assets was estimated based on the latest available reports by appraisers.

With regard to production activities in Gabon, the value in use was determined on the basis of reserves certified by independent appraisers and future cash flows.

Calculation assumptions are primarily based on:

(i) a Brent price of $60/bbl for oil sales inflated to 2% at the same rate as opex for Gabon;

(ii) a production profile determined according to reports on reserves by independent appraisers;

(iii) a discount rate individualised by country.

A reasonable change in one of the relevant indicators of these impairment tests would lead to the impairment of the Ezanga permit production assets in the proportions indicated below:

Sensitivity of the Ezanga permit impairment test to assumptions *(Brent/bbl)*	$50/bbl	$60/bbl	$70/bbl
Production *(in US$ millions)*			
Production at -5%	(328)	(63)	195
Production per report	(277)	-	272
Production at +5%	(227)	63	348

Sensitivity of the Ezanga permit impairment test to assumptions *(Brent/bbl)*	**$50/bbl**	**$60/bbl**	**$70/bbl**
WACC *(in US$ millions)*			
WACC at 10.98%	(331)	(68)	189
WACC at 9.98%	(277)	-	272
WACC at 8.98%	(216)	77	365

The changes in property, plant and equipment for the previous fiscal year are presented in US dollars:

(in US$ thousands)	**31/12/2017 adjusted [a]**	**Currency translation adjustment**	**Investments**	**Transfer**	**Impairment**	**Amortisation**	**31/12/2018**
Assets attached to permits in production	1,450,300		72,665	344		(97,529)	1,425,779
Assets attached to permits in exploration	1,948	(32)	1,053				2,968
Drilling	18,153	2	19,005		(9,146)	(6,222)	21,793
Other	490	-	294	-	-	(161)	623
PROPERTY, PLANT AND EQUIPMENT (NET)	**1,470,890**	**(30)**	**93,017**	**344**	**(9,146)**	**(103,913)**	**1,451,162**

(a) Reported in EUR in the 2017 published financial statements and translated for reporting in USD for fiscal year 2018.

Note 3.4 Inventories

Inventories are valued using the weighted average cost method at acquisition or production cost. Production cost includes consumables and direct and indirect production costs. Hydrocarbon inventories are valued at production cost, including field and transportation costs and the depreciation of assets used in production. A provision is created when the net realisable value is lower than the cost of inventories.

(in US$ thousands)	**31/12/2018**	**Currency translation adjustment**	**Change**	**Transfer**	**Impairment/ Reversals**	**31/12/2019**
Ezanga (Gabon)	9,896		(445)			9,451
BRM (Tanzania)	4,208	(78)	(285)		695	4,540
INVENTORIES (NET)	**14,104**	**(78)**	**(730)**	**-**	**695**	**13,991**

Note 3.5 Overlift/underlift position

The Group recognises time variances between liftings and the theoretical entitlement in the cost of sales by posting over-or underlift positions, valued at the year-end market price, to current assets (underlift position receivable) or current liabilities (overlift position liability).

(in US$ thousands)	**31/12/2018**	**Currency translation adjustment**	**Change**	**Transfer**	**Impairment/ Reversals**	**31/12/2019**
Underlift position receivable			39,755			39,755
Overlift position liability	(13,252)		11,956			(1,296)
NET OVERLIFT/ UNDERLIFT POSITION	**(13,252)**	**-**	**51,712**	**-**	**-**	**38,460**

Note 3.6 Trade receivables

Trade receivables are initially recognised at fair value and then at amortised cost.

At year end, impairment losses on trade receivables are losses expected over the life of the receivables, in accordance with IFRS 9. The Group's exposure to credit risk is influenced by customers' individual characteristics.

(in US$ thousands)	31/12/2018	Currency translation adjustment	Change	Transfer	Impairment/ Reversals	31/12/2019
Ezanga (Gabon)	47,981		(30,213)			17,768
Trading			106,764			106,764
Mnazi Bay (Tanzania)	42,695		(26,129)			16,566
Drilling	4,498		(1,590)		55	2,964
Other	14	-	2,273		(2,244)	43
TRADE RECEIVABLES AND RELATED ACCOUNTS (NET)	**95,188**	**-**	**51,105**	**-**	**(2,189)**	**144,104**

Trade receivables on Ezanga for hydrocarbon sales essentially reflect the receivables from Sogara, which purchases a percentage of the production from the Ezanga permit fields.

Trade receivables on Trading relating to hydrocarbon sales to Glencore mainly correspond to liftings in December in Gabon and Angola. The receivable was paid in full in January 2020.

Trade receivables on Mnazi Bay for natural gas sales are mostly from the national company TPDC and Tanesco.

The recoverability of all of these receivables is not called into question. There is no significant impaired receivable.

Note 3.7 Other assets

Other current assets include assets related to the regular operating cycle, some of which can be produced more than 12 months after the reporting date. At year end, impairment losses on trade receivables are losses expected over the life of the receivables, in accordance with IFRS 9.

(in US$ thousands)	31/12/2018	Currency translation adjustment	Change	Transfer	Impairment/ Reversals	31/12/2019
Supplier advances	2,695	-	(80)			2,615
Prepaid and deferred expenses	1,836	1	72		(120)	1,789
Tax and social security receivables	79,259	(31)	23,684		(15,642)	87,269
OTHER ASSETS (NET)	**83,789**	**(31)**	**23,676**	**-**	**(15,763)**	**91,672**
Gross	89,723	(31)	17,556	96		107,345
Impairment	(5,934)		6,120	(96)	(15,763)	(15,673)
NON-CURRENT	**44,675**	**-**	**(1,121)**			**43,554**
CURRENT	**39,114**	**(31)**	**24,797**	**-**	**(15,763)**	**48,118**

"Tax and social security receivables" primarily comprise VAT receivables from the Gabonese State, denominated in XAF, the portion subject to a protocol being classified as non-current.

Note 3.8 Trade payables

(in US$ thousands)	31/12/2018	Currency translation adjustment	Change	Transfer	Impairment/ Reversals	31/12/2019
Ezanga (Gabon)	45,711	-	5,584	-	-	51,295
Mnazi Bay (Tanzania)	971	-	(257)	(227)	-	488
Drilling	6,199	-	758	(4)	-	6,953
Other	6,970	(51)	10,001	-	-	16,921
TRADE PAYABLES AND RELATED ACCOUNTS	**59,852**	**(51)**	**16,086**	**(231)**	**-**	**75,656**

Note 3.9 Other current liabilities

These other current liabilities are included in financial liabilities recognised initially at fair value and then at amortised cost.

(in US$ thousands)	31/12/2018	Currency translation adjustment	Change	Transfer & scope	Impairment/ Reversals	31/12/2019
Social security liabilities	12,648	(19)	5,007			17,636
Tax liabilities	46,544	-	(17,444)			29,100
TPDC advances	26,574		606			27,180
Angola operator liability	-		11,688			11,688
PRDL investment liabilities	27,000	(478)	(7,393)			19,129
Miscellaneous liabilities	21,811	(1)	(797)			21,014
OTHER CURRENT LIABILITIES	**134,577**	**(498)**	**(8,333)**	**-**	**-**	**125,746**

The TPDC advance corresponds to a deposit received as a sales guarantee. It will be reimbursed once TPDC has set up another type of financial guarantee.

Investment liabilities correspond to the balance due to Shell for the PRDL acquisition, payable in the first half of 2020.

The Angola operator liability corresponds to calls for funds to be issued by Sonangol.

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Note 3.10 Provisions

In accordance with IAS 37 "Provisions, contingent liabilities and contingent assets", provisions are recognised when the Group has an obligation at fiscal year-end to a third party deriving from a past event, the settlement of which should result in an outflow of resources that constitute economic benefits.

The site remediation obligation is recognised at the discounted value of the estimated cost for the contractual obligation for dismantling; the impact of the passage of time is measured by applying a risk-free interest rate to the amount of the provision. The effect of the accretion is posted under "Other financial income and expenses".

Severance payments on retirement correspond to defined benefit plans. They are provisioned as follows:

- the actuarial method used is known as the projected unit credit method, which states that for each year of service, an additional unit of benefit must be allocated. These calculations incorporate assumptions about mortality, staff turnover and projections of future salaries; and
- the differences between actual and forecast commitments (based on projections or new assumptions) and between the projected and actual return on funds invested are called actuarial gains and losses. They are recognised under other comprehensive income, without the possibility of being subsequently recycled through net income. The cost of past services is recognised under net income, whether they are acquired or not.

(in US$ thousands)	31/12/2018	Currency translation adjustment	Increase	Reversal	Transfer	31/12/2019
Site remediation	37,466	(33)	1,239	(32)	46,130	84,770
Pension commitments	1,164		242			1,406
Other	15,227	(85)	4,893	(3,208)	(92)	16,734
PROVISIONS	**53,857**	**(118)**	**6,374**	**(3,240)**	**46,038**	**102,910**
NON-CURRENT	**38,019**	**(33)**	**1,481**	**(32)**	**46,162**	**85,597**
CURRENT	**15,838**	**(85)**	**4,893**	**(3,208)**	**(124)**	**17,313**

Site remediation provisions for production sites are established based on an appraisal report and updated using US Bloomberg Corporate AA rates to remain aligned with the term of the commitment.

The updating of assumptions made by independent appraisers for determining site remediation, together with changes in inflation and discount rates, led to the remeasurement of the $46-million provision for site restoration against a dismantling asset on the Ezanga, Nyanga-Mayombé and Mios permits, as described in Note 3.3.2 "Property, plant and equipment".

For example, a 3.6% rate projected over 40 years is used to calculate the provision for the Ezanga remediation.

The other provisions cover various risks including tax and employee-related risks in the Group's various host countries.

NOTE 4 FINANCING

Note 4.1 Financial income

(in US$ thousands)	31/12/2019	31/12/2018
Interest on overdrafts	(237)	(422)
IFRS 16 financial expense	(121)	
Interest on ORNANE bonds		(17)
Interest on shareholder loans	(4,163)	(3,793)
Interest on other borrowings	(25,771)	(24,692)
GROSS FINANCE COSTS	**(30,291)**	**(28,924)**
Income from cash	4,560	5,156
Net income from derivative instruments	(667)	(111)
NET FINANCE COSTS	**(26,398)**	**(23,879)**
Net foreign exchange adjustment	(3,663)	(2,527)
Other	(1,055)	(233)
OTHER NET FINANCIAL INCOME AND EXPENSES	**(4,718)**	**(2,760)**
FINANCIAL INCOME	**(31,116)**	**(26,639)**

Gross borrowing costs use the effective interest rate of the loan (i.e. the actuarial rate which takes into account issuance fees).

Net foreign exchange variances are mainly due to the revaluation at the closing rate of the Group's foreign currency positions that are not in the Group's functional currency (USD):

- the EUR/USD conversion at 31/12/2018 was 1.145 versus 1.123 at the balance sheet date;
- positions in transactional currencies that are not in the USD functional currency used by all consolidated entities are largely Gabonese receivables (denominated in XAF).

Other financial income and expenses mainly comprise the accretion of the provision for site remediation.

Note 4.2 Other financial assets

Other financial assets are initially recognised at fair value and then at amortised cost.

At year end, impairment losses on trade receivables are losses expected over the life of the receivables, in accordance with IFRS 9.

(in US$ thousands)	31/12/2018	Currency translation adjustment	Change	Transfer	Impairment/ Reversals	31/12/2019
Equity associates current accounts	3,142	-	1,459	-		4,601
RES escrow funds	4,693	(9)	(2,845)			1,839
GOC escrow fund				43,339		43,339
Gabonese partners' carry receivables	42,238		2,500	(43,339)		1,399
Tanzanian partners' carry receivables	7,743		(6,009)			1,735
Sucre carry receivables			11,000			11,000
Miscellaneous receivables	3,529	4	(1,781)		24	1,777
OTHER FINANCIAL ASSETS (NET)	**61,346**	**(5)**	**4,325**	**-**	**24**	**65,691**
NON-CURRENT	**7,835**	**(9)**	**(1,386)**	**-**	**-**	**6,441**
CURRENT	**53,511**	**4**	**5,711**	**-**	**24**	**59,250**

Carry receivables correspond to the Group's financing of the share of costs accruing to its partners under partnership agreements. These are recovered by reallocating a portion of the hydrocarbon sales accruing to carried partners to the Group.

The pace of recovery of these carry receivables is based on the activity's regular operating cycle and may consequently exceed 12 months.

Note 4.3 Cash and cash equivalents

Bank deposits correspond to current accounts and short-term investments of excess cash.

(in US$ thousands)	31/12/2019	31/12/2018
Liquid assets, banks and savings banks	132,555	199,076
Short-term bank deposits	3,803	1,468
Marketable securities	94,685	79,327
CASH AND CASH EQUIVALENTS	**231,043**	**279,871**
Bank loans [a]	(129)	(113)
NET CASH AND CASH EQUIVALENTS	**230,914**	**279,757**

(a) Bank loans are reported under debt as shown below.

Note 4.4 Borrowings and financial debt

(in US$ thousands)	31/12/2018	Repayment	Transfer	Interest expense	Interest withdrawal	Other movements	31/12/2019
Term loan ($600m)	593,465		(150,000)	2,207			445,673
Shareholder loan	100,000		(5,882)				94,118
Lease financing debt	2,226	(308)	(1,190)	271	(271)	2,118	2,847
NON-CURRENT	**695,692**	**(308)**	**(157,073)**	**2,478**	**(271)**	**2,118**	**542,637**
Term loan ($600m)			150,000			66	150,066
Shareholder loans			5,882				5,882
Lease financing debt	46		1,190	121			1,357
Current bank loans	113			237	(237)	16	129
Accrued interest	1,888	-		27,455	(27,794)	(66)	1,484
— Shareholder loan ($100m)	*-*			*4,163*	*(4,163)*	*-*	*-*
— Term loan ($600m)	*1,888*			*23,293*	*(23,631)*	*(66)*	*1,484*
CURRENT	**2,047**	**-**	**157,073**	**27,813**	**(28,031)**	**16**	**158,918**
BORROWINGS	**697,739**	**(308)**	**-**	**30,291**	**(28,301)**	**2,134**	**701,555**

Note 4.4.1 Borrowings

Borrowings are initially recognised at their fair value and then at amortised cost. Issuance costs are recognised as a deduction against the initial fair value of the loan. Financial expenses are then calculated on the basis of the loan's effective interest rate (i.e. the actuarial rate taking issuance costs into account).

$600-million term loan

The Group took out a $600-million term loan with a group of nine international banks on 21 December 2017.

The terms of this loan are as follows:

Initial amount	$600 million
Maturity	December 2023
First repayment	March 2020
Repayment	16 quarterly instalments
Interest rate	LIBOR +1.50%

Shareholder loan

In December 2017, as part of its refinancing, the Group set up a shareholder loan with PIEP for an initial amount of $100 million, with a second tranche of $100 million that can be drawn down at Maurel & Prom's discretion.

The terms of this new facility are as follows:

Initial amount	$100 million
Additional amount	$100 million that can be drawn down at will
Maturity	December 2024
First repayment	December 2020
Repayment	17 quarterly instalments
Interest rate	LIBOR +1.60%

At the end of June 2018, the Group took out interest-rate derivatives to limit the cost of debt in the event of a rise in interest rates.

The nominal amount hedged was $250 million for maturities between July 2020 and July 2022 at the three-month LIBOR.

The hedge was qualified as a "cash flow hedge" under IFRS 9. Only the intrinsic value was designated as a hedging instrument. The time value was treated as a hedging cost and recognised as OCI then amortised in the income statement in accordance with the straight-line method. The fair value of these derivatives is recognised on the balance sheet under "Non-current derivative financial instruments".

(in US$ thousands)	31/12/2018	Income	OCI	31/12/2019
Current derivative financial assets	1,615		(1,615)	
Current derivative financial liabilities			(3,304)	(3,304)
DERIVATIVE FINANCIAL INSTRUMENTS, NET	**1,615**	**-**	**(4,919)**	**(3,304)**

NOTE 5 FINANCIAL RISK & FAIR VALUE

Note 5.1 Risks of fluctuations in hydrocarbon prices

Historically, oil and gas prices have always been highly volatile and can be impacted by a wide variety of factors, such as the demand for hydrocarbons directly related to the general economy, production capacities and levels, government energy policies and speculative practices. The oil and gas industry's economy, and especially its profitability, are very sensitive to fluctuations in the price of hydrocarbons expressed in US dollars.

The Group's cash flows and future results are therefore strongly influenced by changes in the price of hydrocarbons expressed in US dollars. No hedging on the price of hydrocarbons took place in 2019.

For the full year, the average price of Brent decreased by 2% to $$67.2/bbl versus $68.8/bbl in 2018.

A decrease of 10% in the price of oil from the average price in 2019 would have impacted sales and EBITDA by -$36 million.

Note 5.2 Foreign exchange risk

Given that its activity is to a large extent international, the Group is theoretically exposed to various types of foreign exchange risk:

- changes in foreign exchange rates affect the transactions recognised as Operating Income (sales flow, cost of sales, etc.);
- the revaluation at the closing rate of debts and receivables in foreign currencies generates a financial exchange risk;
- there is also a foreign exchange risk linked to the conversion into US dollars of the accounts of Group entities whose functional currency is the euro. The resulting exchange gain/loss is recorded in other comprehensive income.

In practice, this exposure is currently low, since sales, most operating expenses, most investments and the Group's borrowings are denominated in US dollars.

The Group's reporting and operating currencies are both US dollars.

The impact on consolidated income and on shareholders' equity as at 31 December 2019 of a 10% rise or fall in the EUR/USD exchange rate is shown below:

(in US$ thousands)	Impact on pre-tax income		Impact on exchange gain/loss (equity)	
	10% rise in €/US$ exchange rate	10% decline in €/US$ exchange rate	10% rise in €/US$ exchange rate	10% decline in €/US$ exchange rate
EUR equivalent	8,788	(8,788)	(25,889)	25,889
Other currencies				
TOTAL	**8,788**	**(8,788)**	**(25,889)**	**25,889**

The average annual EUR/USD exchange rate was relatively stable at $1.11 for €1 in 2019 versus $1.13 for €1 in 2018. The EUR/USD exchange rate as at 31 December 2019 was 1.12 versus 1.15 at 31 December 2018.

The Group holds liquid assets primarily in US dollars to finance its projected investment expenses in that currency. There were no ongoing foreign exchange transactions as at 31 December 2019.

The Group's net consolidated foreign exchange position as at 31 December 2019 (i.e. positions on the currencies in which transactions were conducted) was $107 million and can be analysed as follows:

(in US$ thousands)	Assets and liabilities	Commitments in foreign currency	Net position before hedging	Hedging instruments	Net position after hedging
Trade receivables and payables	91,731		91,731		91,731
Other creditors and sundry liabilities	(2,876)		(2,876)		(2,876)
EQUIVALENT EUR EXPOSURE	**88,855**	**-**	**88,855**	**-**	**88,855**

Note 5.3 Liquidity risk

Due to the nature of its industrial and commercial activity, the Group is exposed to liquidity shortage risks or risks that its financing strategy proves to be inadequate. These risks are exacerbated by oil price levels, which could affect the Group's ability to obtain refinancing if they were to remain low over the long term. A report on the sources of financing available as at 31 December 2019 appears in Note 4.4 "Borrowings and financial debt".

The Group's liquidity is detailed in the consolidated statements of cash flow drawn up weekly and sent to executive management.

Seven-day, monthly, quarterly and year-end forecasts are also prepared at the same time.

The earnings are compared to forecasts using those statements, which, in addition to liquidity, make it possible to assess the foreign exchange position.

As at 31 December 2019, the Group had cash and cash equivalents amounting to $231 million. To the Company's knowledge, there are no major limitations or restrictions on the raising of cash from the Group's subsidiaries, except for the countries referred to in Note 5.6 "Country risks".

The table below shows the breakdown of financial liabilities by contractual maturity:

(in US$ thousands)	2020	2021	2022	2023	2024	> 5 years	Total contractual flow	Total balance sheet value
Shareholder loan	9,259	26,380	25,586	24,793	24,001		110,019	100,000
Term loan ($600m)	170,157	164,842	159,516	154,345	-		648,859	597,222
Current bank loans	129						129	129
Lease financing debt	341	341	341	341	341	4,714	6,419	4,204
TOTAL	**179,886**	**191,563**	**185,443**	**179,478**	**24,342**	**4,714**	**765,426**	**701,555**

In 2019 the Company was in compliance with all ratios set out in the term loan. The Group has conducted an in-depth review of its liquidity risk and future maturity dates and considers in consequence that it is able to meet its contractual maturities.

For information, as at 31 December 2018, the non-discounted contractual flows (principal and interest) on the outstanding financial liabilities, by maturity date, were as follows:

(in US$ thousands)	2019	2020	2021	2022	2023	> 5 years	Total contractual flow	Total balance sheet value
Shareholder loan	3,966	9,852	26,881	25,947	25,014	24,084	115,744	100,000
Term loan ($600m)	24,694	172,376	166,511	160,714	154,867		679,162	595,353
Current bank loans	113						113	113
Lease financing debt	341	341	341	341	341	4,032	5,737	2,272
TOTAL	**29,115**	**182,568**	**193,732**	**187,002**	**180,223**	**28,115**	**800,755**	**697,739**

Note 5.4 Interest rate risk

Like any company that uses external lines of credit and invests its excess cash, the Group is exposed to an interest rate risk.

The Group's consolidated gross debt as at 31 December 2019 amounted to $703 million. It mainly consisted of two floating-rate loans.

In 2018 the Group took out financial instruments to limit its exposure to interest rate risk, as per Note 4.4.1.

As at 31 December 2019, the interest rate risk can be assessed as follows:

(in US$ thousands)	31/12/2019	31/12/2018
Term loan ($600m)	597,222	595,353
Shareholder loan	100,000	100,000
Lease financing debt	4,204	2,272
Current bank loans and other	129	113
FLOATING RATE	**701,555**	**697,739**
BORROWINGS	**701,555**	**697,739**

A 100-basis point rise in interest rates would result in an additional interest expense of $3 million per year on the income statement.

A significant portion of cash is held in floating rate demand deposits.

Note 5.5 Counterparty risk

The Group is exposed to a credit risk due to loans and receivables that it grants to third parties as part of its operating activities, short-term deposits that it holds at banks, and, if applicable, derivative instrument assets that it holds.

(in US$ thousands)	31/12/2019		31/12/2018	
	Balance sheet total	Maximum exposure	Balance sheet total	Maximum exposure
Non-current financial assets	6,441	6,441	7,835	7,835
Other non-current assets	43,554	43,554	44,675	44,675
Trade receivables and related accounts	144,104	144,104	95,188	95,188
Current financial assets	59,250	59,250	53,511	53,511
Other current assets	48,118	48,118	39,114	39,114
Cash and cash equivalents	231,043	231,043	279,871	279,871
TOTAL	**532,510**	**532,510**	**520,194**	**520,194**

Maximum exposure corresponds to the balance sheet outstanding net of provisions. The Group believes that it does not incur any significant counterparty risk, as its production is mainly sold to leading trading companies. Guarantees are in place to cover outstanding amounts on gas sales in Tanzania. Other financial or non-financial current assets do not present any significant credit risk.

Note 5.6 Country risks

A significant proportion of the Group's production and reserves is located in countries outside the OECD area, some of which may be affected by political, social and economic instability. In recent years, some of these countries have experienced one or more of the following situations: economic and political instability, conflicts, social unrest, terrorist group actions, and the imposition of international economic sanctions. The occurrence and extent of incidents related to economic, social and political instability are unpredictable, but it is possible that such incidents may have a material adverse impact on the Group's production, reserves and activities in the future.

In addition, the Group conducts Exploration and Production activities in countries whose government and regulatory framework may be unexpectedly modified and where the application of tax rules and contractual rights is unpredictable. In addition, the Group's Exploration and Production activities in these countries are often conducted in collaboration with national entities, where the state exercises significant control.

Interventions by governments in these countries, which may be strengthened, may concern different areas, such as:

- allocation or refusal to grant exploration and production mining rights;
- imposition of specific drilling requirements;
- control over prices and/or production quotas as well as export quotas;
- higher taxes and royalties, including those related to retroactive claims, regulatory changes and tax adjustments;
- renegotiation of contracts;
- late payments;
- currency restrictions or currency devaluation.

If a host State intervenes in one of these areas, the Group could be exposed to significant costs or see its production or the value of its assets decline, which could have a significant adverse effect on the Group's financial position.

At the reporting date, no material restrictions that would limit the Group's ability to access or use its assets and settle its liabilities were recorded with regard to its activities in geographic regions that have been experiencing political or regulatory instability, or with regard to financing agreements of Group entities/projects (subsidiaries, joint ventures or associates). Country risk was taken into consideration in the impairment tests of fixed assets by applying a risk factor per country to the discount rate.

With regard to our activities in Venezuela, the Group is taking the necessary steps to avoid falling within the scope of the US sanctions related to Venezuela and thus towards PDVSA. Consequently, the Group is not raising cash from this asset.

Note 5.7 Fair value

In accordance with IFRS 7, disclosures about financial instruments are detailed below.

Fair value positions according to the hierarchy set out in IFRS 13 are established based on the same assumptions as those presented for the consolidated financial statements as at 31 December 2018.

The application of IFRS 9 led to a review of the reporting of financial asset and liability categories, and these are now reported as follows (no major changes versus the reporting under IAS 39):

(in US$ thousands)			31/12/2019			31/12/2018
	Categories	Level	Balance sheet total	Fair value	Balance sheet total	Fair value
Non-current financial assets	Amortised cost	Level 2	6,441	6,441	7,835	7,835
Trade receivables and related accounts	Amortised cost	Level 2	144,104	144,104	95,188	95,188
Other current financial assets	Amortised cost	Level 2	59,250	59,250	53,511	53,511
Derivative financial instruments	Fair value	Level 1	-	-	1,615	1,615
Cash and cash equivalents			231,043	231,043	279,871	279,871
TOTAL ASSETS			**440,838**	**440,838**	**438,019**	**438,019**
Borrowings and financial debt	Amortised cost	Level 2	701,555	701,555	697,739	697,739
Trade payables	Amortised cost	Level 2	75,656	75,656	59,852	59,852
Derivative financial instruments	Fair value	Level 1	3,304	3,304	-	-
Other creditors and sundry liabilities	Amortised cost	Level 2	125,746	125,746	134,577	134,577
TOTAL LIABILITIES			**906,262**	**906,262**	**890,553**	**890,553**

The net book value of financial assets and liabilities at the amortised cost is considered to correspond to a reasonable approximation of their fair value given their nature.

The net book value of the Group's cash corresponds to its fair value given that it is considered to be liquid.

The fair value of derivative financial instruments is based on the instrument's market value at period-end, as explained in Note 4.4.1 "Borrowings".

NOTE 6 OTHER INFORMATION

Note 6.1 Income tax

The tax expense on the income statement includes the current tax expense or income and the deferred tax expense or income.

Deferred taxes are recorded based on the temporary differences between the book values of assets and liabilities and their tax bases. Deferred taxes are not discounted. Deferred tax assets and liabilities are measured based on the tax rates adopted or to be adopted on the closing date.

Deferred tax assets, resulting primarily from losses carried forward or temporary differences, are not taken into account unless their recovery is considered likely. To ascertain the Group's ability to recover these assets, factors taken into account include the following:

- the existence of sufficient temporary differences taxable by the same tax authority for the same taxable entity, which will create taxable amounts on which unused tax losses and tax credits may be charged before they expire; and
- forecasts of future taxable income allowing prior tax losses to be offset.

With the exception of the companies holding the Mnazi Bay permit, for which the possibility of recovery of deferred tax assets has been demonstrated, the other deferred tax assets relating to losses carried forward are not recognised in excess of deferred tax liabilities in the absence of sufficient probability of future taxable profits on which the carried forward losses could be offset. From a structural perspective, this is notably the case for Établissements Maurel & Prom S.A. (parent company).

The corporate income tax expense payable mainly corresponds to the recognition of the income tax paid in kind through profit oil to the state on the Ezanga permit in Gabon.

Deferred tax income primarily results from the depreciation of the temporary difference between recoverable costs from a tax perspective and the recognition of fixed assets in the consolidated financial statements for the Ezanga and Mnazi Bay permits.

Note 6.1.1 Reconciliation between the balance sheet total, tax liability and tax paid

(in US$ thousands)	Deferred tax	Current tax	Total
ASSETS AT 31/12/2018	**23,741**	**473**	**24,214**
LIABILITIES AT 31/12/2018	**(390,247)**	**(4,971)**	**(395,218)**
NET VALUE AT 31/12/2018	**(366,506)**	**(4,498)**	**(371,004)**
Tax expense	(20,230)	(42,126)	(62,357)
Payments		34,815	34,815
Currency translation adjustments	(6)	1	(5)
ASSETS AT 31/12/2019	**11,588**	**680**	**12,268**
LIABILITIES AT 31/12/2019	**(398,330)**	**(12,489)**	**(410,819)**
NET VALUE AT 31/12/2019	**(386,742)**	**(11,809)**	**(398,551)**

Note 6.1.2 Breakdown of deferred taxes

(in US$ thousands)	31/12/2019	31/12/2018
Valuation difference of property, plant and equipment	11,588	23,741
DEFERRED TAX ASSETS	**11,588**	**23,741**
Valuation difference of property, plant and equipment	398,330	390,247
DEFERRED TAX LIABILITIES	**398,330**	**390,247**
NET DEFERRED TAX	**386,742**	**366,506**

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Note 6.1.3 Reconciliation between the tax expense and income before tax

(in US$ thousands)	**31/12/2019**	**31/12/2018**
Income before tax from continuing operations	97,497	130,017
— Net income from equity associates	*58,750*	*30,585*
INCOME BEFORE TAX EXCLUDING EQUITY ASSOCIATES	**38,747**	**99,432**
Distortion taxable base Gabon	(76,530)	(123,017)
Distortion taxable base Tanzania	2,421	(1,143)
TAXABLE INCOME (I)	**(35,361)**	**(27,135)**
(A) THEORETICAL TAX INCOME (I*33.33%)	**11,786**	**9,044**
(B) TAX RECOGNISED IN INCOME	**(62,357)**	**(68,352)**
DIFFERENCE (B-A)	**(74,143)**	**(77,396)**
— Baseline difference	*(52,989)*	*(55,112)*
— Non-activated deficits and other	*(21,153)*	*(22,284)*

Note 6.2 Earnings per share

Two earnings per share are presented: the basic net earnings per share and the diluted earnings per share. In accordance with IAS 33, diluted earnings per share is equal to the net income attributable to holders of ordinary shares arising from the parent company divided by the weighted average number of ordinary shares outstanding during the period, after adjusting the numerator and denominator for the impact of any potentially dilutive ordinary shares. Potential ordinary shares are treated as dilutive if, and only if, their conversion to ordinary shares has the effect of reducing earnings per share from the ordinary activities undertaken. Treasury shares are not taken into account in the calculation.

	31/12/2019	**31/12/2018**
NET INCOME (GROUP SHARE) FOR THE PERIOD *(in US$ thousands)*	**37,383**	**58,066**
Share capital	200,713,522	200,713,522
Treasury shares	4,601,090	3,521,082
AVERAGE NUMBER OF SHARES OUTSTANDING	**196,112,432**	**192,040,048**
NUMBER OF DILUTED SHARES	**196,455,520**	**192,101,692**
EARNINGS PER SHARE *(US$)*		
Basic	0.19	0.30
Diluted	0.19	0.30

Note 6.3 Shareholders' equity

Treasury shares are recognised as a reduction of shareholders' equity evaluated at acquisition cost.

Subsequent changes in fair value are not taken into account. Similarly, proceeds from the disposal of treasury shares do not affect net income for the fiscal year.

Bonus shares allocated by Maurel & Prom to its employees are recognised under personnel expenses once granted and are spread over the vesting period; the method by which they are spread depends on the respective vesting conditions of each plan. The fair value of bonus shares is determined in line with the share price on the allocation date (minus discounted future dividends).

As at 31 December 2019, there were 200,713,522 company shares, including 4,601,090 treasury shares (i.e. 2.29% of share capital for a gross value of €43 million at end-2019), and the share capital stood at €154,549,411.94.

	Number of shares	Treasury shares	Liquidity agreement	Treasury stock
At 31/12/2017	**195,340,313**	**4,312,391**	**91,857**	**4,220,534**
— Share distribution		-895,000		-895,000
— Liquidity agreement movements		+103,690	+103,690	
— Capital increase	5,373,209			
At 31/12/2018	**200,713,522**	**3,521,081**	**195,547**	**3,325,534**
— Buybacks		+1,200,000		+1,200,000
— Share distribution		-133,250		-133,250
— Liquidity agreement movements		+13,259	+13,259	
AT 31/12/2019	**200,713,522**	**4,601,090**	**208,806**	**4,392,284**

The bonus share allocations are as follows:

Date of allocation decision	Planned vesting date	Number of shares
24/04/2017	24/04/2020 [a]	180,000
03/08/2018	03/08/2020 [b]	157,700
03/08/2018	03/08/2021 [b]	157,700
01/08/2019	01/08/2020 [b]	385,150
01/08/2019	01/08/2021 [b]	385,150
01/08/2019	01/08/2022 [b]	385,150
TOTAL		**1,650,850**

(a) The minimum lock-in period for the shares held by beneficiaries is set at one year from the vesting date. The 2018 plans are subject to performance conditions.
(b) There is no minimum lock-in period for this plan.

Note 6.4 Related parties

(in US$ thousands)	Income	Expenses	Amount due from related parties (net)	Amount payable to related parties
1) Equity associates				
Maurel & Prom Colombia BV	-	181	4,601	
2) Other related parties				
PIEP		(4,163)		100,000

Note 6.5 Off-balance-sheet commitments – Contingent assets and liabilities

Note 6.5.1 Work commitments

Oil-related work commitments are valued based on the budgets approved with partners. They are revised on numerous occasions during the fiscal year depending on aspects such as the results of oil work carried out.

Contractual commitments made to states under permits are limited to three mandatory wells: two in Gabon and one in Namibia. No information has been provided relating to equity associates.

Note 6.5.2 Lease commitments: IFRS 16 impact

The Group decided to apply IFRS 16 as from 1 January 2019, using the simplified retrospective method, and to apply the following exemptions:

- short-term contracts (less than or equal to one month);
- low-value contracts;
- contracts that the Group had not previously identified as containing a lease, pursuant to IAS 17 and IFRIC 4.

The Group has analysed the commitments that could potentially meet the definition of a lease (or a lease component within a contract).

On this basis, only the leasing agreement for the Paris head office falls within the scope of IFRS 16.

The impact of the first-time application of IFRS 16 on the Group's debt amounted to $3 million at 1 January 2019 and $2 million at 31 December 2019. It should therefore be noted that the application of IFRS 16 had no material impact on the Group's results and that only relevant items are reported here.

No new contracts were subject to IFRS 16 in 2019.

The following tables summarise the impact of the transition to IFRS 16 on the financial statements as at 1 January 2019 and 31 December 2019. Campaign items not affected by the changes have not been included. As a result, the tables presented in the note correspond to the sums of the impacts of IFRS 16 and not to the balance sheet and P&L sub-totals.

FIXED ASSET NCA AT 01/01/2019	**3,243**
DEBT AT 01/01/2019	**3,243**
IMPACT ON SHAREHOLDERS' EQUITY AT 01/01/2019	**-**
Amortisation	(1,052)
Capital repayment	(1,004)
Interest expense	(121)
Cancellation of lease expense	1,125
FIXED ASSET NCA AT 31/12/2019	**2,191**
DEBT AT 31/12/2019	**2,239**
IMPACT ON SHAREHOLDERS' EQUITY AT 31/12/2019	**(48)**

Impact of P&L presentation 31/12/2019	IAS 17 Previous standard	IFRS 16
Rents	(1,125)	
EBIT	**(1,125)**	**-**
Depreciation and amortisation		(1,052)
EBITDA	**(1,125)**	**(1,052)**
Net finance costs		(121)
NET INCOME BEFORE TAX	**(1,125)**	**(1,173)**

The fluctuation in the effective interest rate of +/-0.5% has little impact on the Group's net income.

Impact of P&L presentation 31/12/2019	IAS 17 Previous standard	IFRS 16 Rate of 4.44%	IFRS 16 +50 basis pts	IFRS 16 -50 basis pts
Rents	(1,125)			
EBIT	**(1,125)**			
Depreciation and amortisation		(1,052)	(1,044)	(1,060)
EBITDA	**(1,125)**	**(1,052)**	**(1,044)**	**(1,060)**
Net finance costs		(121)	(134)	(109)
NET INCOME BEFORE TAX	**(1,125)**	**(1,173)**	**(1,178)**	**(1,168)**

Note 6.5.3 $600-million term loan

Maurel & Prom West Africa S.A., sole and whole owner of Maurel & Prom Gabon, took out a $600-million term loan on 10 December 2017. This loan is guaranteed by the parent company Établissements Maurel & Prom. The borrower also benefits from the financial support of the Group's main shareholder, PT Pertamina International Eksplorasi Dan Produksi (PIEP), should it fail to meet its payment obligations under this loan.

No Group assets have been pledged as collateral. However, restrictions on the use of certain bank accounts of Maurel & Prom Gabon and Maurel & Prom West Africa were specified in the event of default on this loan (except in certain cases).

Furthermore, under the terms of this loan, the Group has undertaken to meet certain financial ratios at 30 June and 31 December of each year:

- ratio for the Group's consolidated net debt to EBITDAX (earnings before interest, taxes, depreciation, amortisation and impairment net of the impact of foreign exchange gains and losses and exploration costs) not to exceed 4.00:1.00, calculated over a 12-month period prior to the reference date;
- the Group's debt service cover ratio (DSCR) calculated over the six months preceding the reference date, to be higher than 3.50:1.00; and
- Group Tangible Net Worth to exceed $500 million at each reference date.

These ratios were met in fiscal 2019.

The Group is also committed to maintaining a minimum consolidated amount of $100 million cash in their bank accounts, failing which it would be forced to draw on the unused portion of the PIEP shareholder loan described above.

Établissements Maurel & Prom has agreed that the total dividend paid out per calendar year for a period of 36 months after drawdown will not exceed $10 million while guaranteeing that minimum working capital requirements agreed by the parties will be respected.

Note 6.5.4 Agreements with PIEP

Under the term loan of December 2017, the Group signed a subordination agreement pursuant to which some liabilities towards PIEP are subordinate to the repayment of the bank term loan.

As part of the term loan of December 2017, the Group signed a Sponsor Support Agreement with PIEP and the credit agent whereby PIEP promises to make the necessary funds available to the Group in the event of default on the new loan.

Note 6.5.5 Contractual commitments in Gabon

Under the terms of the agreement to acquire the Gabonese asset and subsequent amendments thereto entered into with the Gabonese government, Rockover and Masasa Trust in February 2005, Maurel & Prom is obliged to pay:

- 1.4% of production valued at the official sale price, paid monthly;
- a royalty amounting to $0.65 for every barrel produced from the date that total production in all licensed zones has exceeded 80 MMbbl (during the month of September 2019);
- 5% on production from the sole Banio field, valued at the official sale price, when total production from this field exceeds 3.865 million barrels; and
- 2% of total available production, valued at the official sale price, up to 30 MMbbl and 1.5% above this limit, based on production from operating permits with the Nyanga-Mayombé exploration permit. This commitment is recognised in expenses commensurate with production, knowing that production in the Banio field (the only Nyanga-Mayombé exploration permit to date) is currently suspended.

Note 6.6 Group workforce

As at 31 December 2019, the Group had 763 employees.

Note 6.7 Executive remuneration

Principal Officers include the management team composed of the Chairman, Chief Executive Officers and members of the Board of Directors.

Their remuneration is included in the expenses for the period, irrespective of the amounts paid.

(in US$ thousands)	31/12/2019	31/12/2018
Short-term benefits	1,762	1,691
Share-based payment	285	331
TOTAL	**2,047**	**2,022**

Note 6.8 Auditors' fees

Fees paid to Statutory Auditors (including members of their networks) are analysed below:

(in US$ thousands)	2019				2018			
	KPMG		IAC		KPMG		IAC	
	Amount	%	Amount	%	Amount	%	Amount	%
Audit								
Statutory audit, certification, review of individual and consolidated financial statements:								
— Issuer	742	64%	439	79%	748	79%	431	78%
— Fully consolidated subsidiaries	35	3%	111	20%	37	4%	119	21%
Other work and services directly related to the audit assignment:								
— Issuer	378	33%	8	2%	158	17%	5	1%
— Fully consolidated subsidiaries	6	1%				0%		0%
Other services provided by the networks to fully consolidated subsidiaries								
TOTAL	**1,161**	**100%**	**558**	**100%**	**943**	**100%**	**555**	**96%**

Note 6.9 Events after the reporting period

The results from drilling operations at the Kama-1 well on the Kari permit were received in February 2020. Consequently, expenses incurred as at 31 December 2019 were expensed over the fiscal year at $31.5 million and expenses incurred in January and February 2020 will be expensed over fiscal 2020.

The sharp drop in the price of Brent crude since the beginning of March in a context of a global pandemic leading to a major economic crisis does not constitute an event that should be adjusted in the 2019 financial statements within the meaning of IAS 10. While this event does not call into question the Group's ability to meet its maturities, it will nevertheless adversely affect its performance in 2020 and lead the Group to review the price assumptions used to assess the value-in-use of its tangible and financial assets at the next reporting date and to update impairment tests (as explained in Note 3.3.2 "Property, plant and equipment").

Lastly, on 16 March 2020 the Group successfully rescheduled its debt. Under the terms of the signed amendments, the amount of the repayments to be paid in 2020 and 2021 has been halved. The new repayment profile will improve liquidity by reducing the short-term portion of borrowings. The change in these maturities has not been included in the financial position as at 31 December 2019, nor presented in Note 4.4 "Borrowings and financial debt" or Note 5.3 "Liquidity risk".

To the best of Maurel & Prom's knowledge, there are no other post-balance sheet events likely to adversely affect the Company's financial position, assets and liabilities, net income or activities.

5.2 STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

This is a translation into English of the Statutory Auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.This Statutory Auditors' report includes information required by European Regulation and French law, such as information about the appointment of the Statutory Auditors or verification of the management report and other documents provided to shareholders.This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

For the year ended December 31st 2019

To the shareholders of Établissements Maurel et Prom S.A.

Opinion

In compliance with the engagement entrusted to us by your General Shareholders' Meeting, we have audited the accompanying consolidated financial statements of Établissements Maurel et Prom S.A. for the year ended December 31st, 2019.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31st 2019 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the audit of the consolidated financial statements section of our report.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from January 1st, 2019 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5 (1) of Regulation (EU) No 537/2014 or in the French Code of Ethics (code de déontologie) for Statutory Auditors.

Emphasis of Matter

We draw attention to the following matter described in Note 6.5.2 to the consolidated financial statements relating to the first application of new accounting standard IFRS 16 "Leases". Our opinion is not modified in respect of this matter.

Justification of Assessments – Key audit Matters

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Impact of reserve estimate on production assets valuation

Risk identified	Our response
Every year the Group engages specialists to independently appraise the reserves for each oil producing permit. Proven and probable reserves correspond, respectively, to oil and gas reserves that are "reasonably certain" and "reasonably probable" to be producible using current technology, at current prices, with current commercial terms and government consent. The estimation of hydrocarbon reserves is fundamental to recognising assets related to the Group's oil operations, especially with regard to recognising exploration expenditures in accordance with the "successful efforts" method that the Group applied for the first time in this fiscal year, determining the depreciation rate of those assets according to the unit-of-production method described in Note 3.3 to the consolidated financial statements, as well as to the impairment tests conducted by the Cash Generating Units (CGUs) on production activities. Reserve estimates are by nature uncertain because of the geoscience and engineering data used to determine the volume in the fields. It is also complex because of the contractual terms and conditions that determine the Group's share of reserves. For these reasons, we have considered the estimate of proven and probable reserves to be a key audit matter.	The procedures carried out consisted in: — noting the procedures set up by the Group to determine its hydrocarbon reserves; — assessing the qualifications of the independent appraisers tasked with estimating and certifying the reserves; — analysing changes in reserves compared to the end of the previous fiscal year so that our audit can focus on the main changes for the period; — comparing actual production in previous years with the corresponding expected production; — analysing the assumptions used by the group and the independent appraisers to determine the proven and probable reserves recoverable before the agreements conferring the production permits expire and, as necessary, the reasons that led the Group to consider that the renewal of this entitlement was reasonably certain, for the estimate of the reserves; in the case of gas reserves, corroborating their recognition level based on existing sales agreements; — assessing whether the revised reserve estimates were properly taken into account by the Group during impairment tests and for recording depreciation and amortisation expenses.

Carrying value of oil & gas production assets

Risk identified	Our response
As at 31 December 2019, the Group's production activity was split between the Ezanga and Mnazi Bay permits, which represent MUSD 1,621 in net non-current assets and account for 82% of the Group's non-current assets. We deemed that the impairment of non-current production activity assets was a key audit matter because of their material importance in the Group's financial statements. Furthermore, the determination of their recoverable value, based on the value of their expected updated future cash flow, requires the use of assumptions, estimates and material assessments by management, as indicated in Note 3.3 to the consolidated financial statements. Specifically, a sustained climate of low hydrocarbon prices would adversely affect the Group's results and, as a consequence, significantly impact the recoverable value of production activity assets. The Group deems that a permit generally constitutes a Cash Generating Unit (CGU). A CGU is a set of assets whose ongoing utilisation generates cash flows that are largely independent of the cash flows from the other asset groups. The Group performs impairment tests on those assets, the procedures for which are described in Note 3.3 to the consolidated financial statements. The main assumptions that Management takes into consideration when assessing recoverable value are, as mentioned in Note 3.3.2 to the consolidated financial statements, as follows: — the future price of hydrocarbons; — operating costs; — estimates of hydrocarbon reserves; — forecasts of produced, marketed volumes; — the discount rate after tax.	For those two assets subject to an impairment test, our audit involved obtaining the value in use (future discounted cash flows) and analysing whether, in the event that the value thus obtained is lower than the net book value, an impairment was recognised. To assess the relevance of Management's assumptions and the data included in the assessment models, we produced a comparative analysis of industry practices relating to hydrocarbon prices (in the short, medium and long term) and discount rates. In addition, we analysed the data underlying future cash flows used to determine the recoverable value of assets included in the tested CGUs: — the production profiles used were compared to reserves certified by independent appraisers; — assumptions of operating costs were corroborated with the levels of actual budgeted costs resulting from forecasts established by Management and presented to the Board of Directors; — we assessed whether the tax rates used were consistent with applicable tax regimes or prevailing oil contracts. Finally, as part of our post balance sheet audit procedures, we have analyzed the evolution of the economical environment with the oil price decrease in a complex geopolitical context and with the Covid-19 sanitary crisis. We have corroborated their qualification as non adjusting post balance sheet events as detailed by the management in the note 6.9 of the financial statements.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the Group's information given in the management report of the Board of Directors held on April 22th 2020.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the consolidated non-financial statement required by Article L. 225-102-1 of the French Commercial Code (Code de commerce), is included in the Group's management report, it being specified that, in accordance with the provisions of Article L. 823-10 of this Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein and this information must be reported by an independent third party body.

Report on Other Legal and Regulatory Requirements

Appointment of the Statutory Auditors

We were appointed as Statutory Auditors of Établissements Maurel et Prom S.A. by the annual general meeting held on June 12, 2014 for KPMG and on June 14 2002 for International Audit Company.

As at December 31st 2019, KPMG and IAC were in the 6th year and 18th year of total uninterrupted engagement.

Responsibilities of Management and Those Charged with Governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the audit of the consolidated financial statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;

- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements;
- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters, that we are required to describe in this audit report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code (code de commerce) and in the French Code of Ethics (code de déontologie) for Statutory Auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

The Statutory Auditors
French original signed by

Paris-La Défense, on the 22 avril 2020	Paris, on the 22 April 2020
KPMG audit	International Audit Company
Éric Jacquet	**François Caillet**
Partner	Partner

5.3 COMPANY FINANCIAL STATEMENTS AS AT 31 DECEMBER 2019

5.3.1 Balance sheet

Assets

(in thousands of euros)	Note	Gross	Depreciation, amortisation & Provisions	Net at 31/12/2019	Net at 31/12/2018
INTANGIBLE ASSETS	**4.1**	**5,882**	**(3,932)**	**1,950**	**90**
PROPERTY, PLANT AND EQUIPMENT	**4.2**	**1,792**	**(1,340)**	**452**	**7,422**
Equity interests	4.4	568,979	(365,124)	203,856	142,196
Other fixed financial assets	4.3	639	(186)	453	335
FIXED FINANCIAL ASSETS		**569,618**	**(365,309)**	**204,309**	**142,531**
FIXED ASSETS		**577,292**	**(370,581)**	**206,711**	**150,044**
Commodity inventory		12	(12)	-	-
Trade receivables and related accounts		367	(185)	182	19
Other receivables	4.5	359,323	(161,961)	197,362	170,303
Treasury shares		43,277	(30,947)	12,330	11,746
Cash instruments	4.8	84,285		84,285	69,281
Available funds	4.8	47,201	0	47,201	124,659
CURRENT ASSETS		**534,464**	**(193,105)**	**341,359**	**376,008**
Prepaid expenses		669	0	669	596
Translation adjustment for assets	4.7	18,220	0	18,220	4,801
TOTAL ASSETS		**1,130,646**	**(563,686)**	**566,959**	**531,448**

Liabilities

(in thousands of euros)	Note	Net at 31/12/2019	Net at 31/12/2018
Share capital		154,549	154,549
Additional paid-in capital		37,117	38,984
Legal reserve		11,331	10,485
Other reserves		895	159
Carry forwards		30,039	21,823
Income for the period		101,585	16,912
SHAREHOLDERS' EQUITY	**4.9**	**335,515**	**242,912**
Provisions for risks		4,320	13,293
Provisions for expenses		1,194	857
PROVISIONS FOR RISKS AND EXPENSES	**4.10**	**5,514**	**14,150**
Loans and other borrowings from financial institutions		-	-
Financial debt		**-**	**-**
Trade payables and related accounts		2,667	3,113
Tax and social security payables		7,010	5,025
Fixed asset liabilities and related accounts		1,612	1,620
Other debts	4.11	192,830	254,995
Miscellaneous liabilities		**204,118**	**264,753**
LIABILITIES		**204,118**	**264,753**
Translation adjustment for liabilities	4.7	21,812	9,633
TOTAL LIABILITIES		**566,959**	**531,448**

5.3.2 Income

(in thousands of euros)	Note	Net at 31/12/2019	Net at 31/12/2018
Sales		19,144	18,169
Reversals on amortisation, depreciation and provisions		0	425
Other Operating Income		52	1,022
Transfers of expenses		0	372
OPERATING INCOME		**19,196**	**19,988**
Other purchases and external expenses		(17,752)	(13,815)
Taxes and charges		(333)	(733)
Wages and salaries		(10,556)	(7,679)
Social security contributions		(5,042)	(3,460)
Other operating expenses		(9,586)	(9,390)
OPERATING EXPENSES		**(43,269)**	**(35,077)**
Depreciation charges on fixed assets		(251)	(841)
Provisions for impairment of current assets		(218)	(149)
DEPRECIATION/AMORTISATION ALLOWANCES AND OPERATING PROVISIONS		**(469)**	**(990)**
OPERATING INCOME (LOSS)		**(24,542)**	**(16,079)**
SHARE OF INCOME OF JVS		**0**	**0**
Interest on other borrowings		(3,701)	(3,239)
Income from cash		3,905	4,108
INTEREST FROM BORROWINGS AND CASH		**204**	**869**
ALLOCATIONS TO AND REVERSALS OF PROVISIONS ON TREASURY SHARES		**(1,053)**	**8,440**
Credit losses on investments		0	(19,987)
Interest receivables		(1,864)	292
Reversals of provisions on securities and current accounts		248,583	31,149
Allocations to provisions on securities and current accounts		(261,925)	(42,146)
INCOME ON SECURITIES AND INVESTMENT-RELATED RECEIVABLES		**(15,206)**	**(30,693)**
FINANCIAL EXPENSES		**(0)**	**(159)**
DIVIDENDS RECEIVED		**135,734**	**85,596**
Foreign exchange gains and losses		3,387	9,325
Financial provisions for foreign exchange rate differences		(442)	0
Reversals of financial provisions for foreign exchange rate differences		0	373
EXCHANGE LOSS		**2,945**	**9,698**
FINANCIAL INCOME	**4.13**	**122,624**	**73,750**
CURRENT INCOME BEFORE TAX		**98,082**	**57,671**
Extraordinary income		57	1
Extraordinary expenses		0	(37,965)
Allocations to and reversals of provisions for extraordinary risks		1,310	(2,194)
Gains and losses on treasury shares		(115)	(156)
Proceeds from the disposal of other fixed assets		248	77
EXTRAORDINARY INCOME		**1,500**	**(40,238)**
Income tax		2,003	(521)
PROFIT OR LOSS		**101,585**	**16,912**

5.3.3 Appendices

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NOTE 1 GENERAL INFORMATION

Établissements Maurel & Prom S.A. (the "Company") is domiciled in France. The Company's registered office is located at 51 rue d'Anjou, 75008 Paris, France. The consolidated financial statements were approved by the Board of Directors on 31 March 2020. The financial statements are presented in euros. Amounts are rounded off to the nearest thousand euros, except where otherwise indicated.

NOTE 2 SIGNIFICANT EVENTS

The Company posted net income of €101.5 million and an increase in net equity of €93 million, largely as a result of dividends from MP Gabon S.A. via MP West Africa S.A. for €125 million and from Seplat Plc for €10.5 million.

The Company recapitalised a number of subsidiaries during the fiscal year to enable them to continue their expansion.

The Company sold a drilling rig, which had previously been at its Colombian site, to its subsidiary Caroil S.A.S. at market price.

Maurel & Prom Assistance Technique S.A.S., a service provider, was dissolved without liquidation by universal transfer of assets (Transmission Universelle de Patrimoine) at 31 December 2019 to Établissements Maurel & Prom S.A., effective retroactively to 1 January 2019, resulting in an increase in the workforce of approximately 20%.

Olivier de Langavant was appointed Chief Executive Officer effective 1 November 2019, replacing Michel Hochard.

NOTE 3 ACCOUNTING POLICIES

The annual financial statements have been drawn up in accordance with accounting principles generally accepted in France and in particular with the provisions of the General Chart of Accounts resulting from French Accounting Standards Authority (ANC) Regulation 2018-07 of December 2018 amending ANC Regulation 2014-03. ANC Regulation 2017-03 regarding exploration expenses that could no longer be capitalised was applied early by the Company as from 1 January 2017.

Accounting policies were applied in compliance with the principle of prudence, in accordance with the following basic assumptions:

- going concern assumption;
- consistency of accounting methods;
- independence of fiscal years;

and in accordance with the general rules for preparing and presenting annual financial statements.

The basic method used to evaluate the items recorded in the accounts is the historical cost method. The main methods used are as follows:

Oil assets

Expenditures for the acquisition and allocation of mining permits are recorded as intangible assets and, during the exploration phase, amortised on a straight-line basis over the estimated duration of the permit or during the development phase, in line with the amortisation rate for the oil production facilities.

If the permit is withdrawn or the exploration fails, the remaining amortisation is recorded once.

Exploration studies and work, including geology and geophysics expenditure, are expensed in accordance with ANC Regulation 2017-03 of November 2017.

Only costs that specifically relate to identifying prospects such as exploration drilling are capitalised, and they are amortised once exploitation commences.

Drilling expenditure that does not result in a commercial discovery is expensed for the total amount incurred.

Provisions for extraordinary impairment or amortisation are booked when accumulated costs are greater than discounted future cash flow estimates or when technical difficulties are encountered. Impairments are determined per exploration permit.

Other property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets are recognised at their acquisition cost.

Depreciation and amortisation expenses are calculated over the estimate life of the assets based on straight-line (SL) or declining balance (DB) methods as follows:

- fixtures and fittings: SL over 5 to 10 years;
- office and computer equipment: SL or DB over 3 to 5 years;
- office furniture: SL over 10 years;
- software: SL over 3 years.

Equity interests, fixed investments and related receivables

Equity interests are recognised at their acquisition cost. Receivables from equity interests are valued at their nominal value.

A provision is created when the net realisable value is lower than the acquisition cost. Inventory value, represented by value in use, is determined according to the equity capital and prospective profitability of the companies concerned.

For companies in the exploration phase, equity interests and related receivables are subject to a provision for exploration expenses as long as no decision to turn the project into a commercial development or a producing asset has been made. If proven reserves have been revealed, the value of the securities and receivables is limited to the amount of discounted future earnings at closing.

For other activities, provisions for impairment of equity interests and related receivables are determined by taking into account the financial performance of said equity interests less projected discounted future earnings, changes in net income or their expected resale value.

When losses surpass the value of securities and receivables, a provision for risks is recorded in the same amount.

For listed equity interests, the actual value is also determined by taking the share price into account.

Other fixed investments are valued at their purchase price or their market value, whichever is lower. This includes company treasury shares that have been subject to precise allocation.

Receivables

Receivables are recognised at their nominal value. A provision for impairment is recorded when there is a risk of non-payment.

Deferred expenses

Deferred expenses correspond to bond issue costs and bank costs amortised over the time that the principal is being repaid.

Foreign currency transactions

Expenses and income in foreign currencies are posted at their equivalent value in EUR at the transaction date.

Payables, external financing and receivables denominated in foreign currencies are shown on the balance sheet at their equivalent value in EUR at the closing rate. Any difference arising from the translation of foreign currency payables and receivables at that closing rate are recognised on the balance sheet under "Currency translation adjustments". A provision is booked for unrealised losses that are not offset.

Foreign currency liquidity is translated at the closing rate, and Currency translation adjustments are recorded in the income statement. When foreign currency cash is solely allocated to future investments (specific contracts) and isolated as such, future receipts and disbursements make a natural hedge from foreign currency profit or loss.

Provisions for risks and expenses

Provisions for risks and expenses are set up to cover various contingencies that could arise, and particularly risks related to subsidiaries, litigation and foreign exchange losses.

The Company's pension and similar benefit obligations are limited to paying contributions to general mandatory plans and to paying retirement benefits defined in the applicable collective bargaining agreement.

The actuarial method used is known as the projected unit credit method, which sees each year of service as giving rise to an additional unit of benefit. These calculations incorporate assumptions about mortality, staff turnover and projections of future salaries.

Translation of the establishments' annual financial statements

For independent entities whose functional currency is not the euro, annual financial statements are translated into the Company's reporting currency, namely the euro, according to the following principles:

- translation at the closing rate except for intra-company financing accounts, which are kept at the historic rate;
- translation of net income items at the average rate for the period.

NOTE 4 ADDITIONAL INFORMATION ON THE BALANCE SHEET AND INCOME STATEMENT

Note 4.1 Intangible assets

(in thousands of euros)	Gross value	Impairment	Net value
Software at 31/12/2018	416	(326)	90
Gabon mining permit at 31/12/2018	3,518	(3,518)	(0)
TOTAL INTANGIBLE ASSETS AT 31/12/2018	**3,934**	**(3,844)**	**90**
Acquisitions	1,948		1,948
Depreciation and amortisation		(88)	(88)
TOTAL INTANGIBLE ASSETS AT 31/12/2019	**5,882**	**(3,932)**	**1,950**
Software at 31/12/2019	2,364	(414)	1,950
Gabon mining permit at 31/12/2019	3,518	(3,518)	(0)

Acquisitions during the period correspond to work in progress for new Group software.

Note 4.2 Property, plant and equipment

(in thousands of euros)	Total
Gross value of fixtures and equipment at 31/12/2018	10,413
Amortisation at 31/12/2018	(2,990)
NET VALUE OF PROPERTY, PLANT AND EQUIPMENT AT 31/12/2018	**7,422**
Acquisitions	131
Disposals	(6,938)
Depreciation and amortisation	(163)
NET VALUE OF PROPERTY, PLANT AND EQUIPMENT AT 31/12/2019	**452**
Gross value of fixtures and equipment at 31/12/2019	1,792
Amortisation at 31/12/2019	(1,340)

The Company sold a drilling rig, which had previously been at its Colombian site, to its subsidiary Caroil S.A.S. at market price.

Note 4.3 Other fixed financial assets

(in thousands of euros)	Gross value	Impairment	Net value
Sundry deposits at 31/12/2018	517	(182)	335
TOTAL FINANCIAL ASSETS AT 31/12/2018	**517**	**(182)**	**335**
Acquisitions	118		118
Currency translation effect	4	(4)	0
Depreciation and amortisation			
TOTAL FINANCIAL ASSETS AT 31/12/2019	**639**	**(186)**	**453**
Sundry deposits at 31/12/2019	639	(186)	453

Note 4.4 Equity interests

(in thousands of euros)	31/12/2019			Change		31/12/2018		
	Gross	Impairment	Net	Gross	Impairment	Gross	Impairment	Net
Seplat Plc	140,180		140,180			140,180		140,180
Cardinal Drilling Services Ltd	6,060	(6,060)				6,060	(6,060)	
M&P Assistance Technique S.A.S.				(34,211)	33,096	34,211	(33,096)	1,115
M&P Assistance Technique International S.A.	278		278			278		278
Integra Oil S.A.S.	25,840	(25,840)				25,840	(25,840)	
M&P Italia S.r.l.	11,756	(11,756)		1,000	(1,000)	10,756	(10,756)	
M&P Angola S.A.S.	20,037		20,037	20,000		37		37
M&P IberoAmerica S.L.	1,643		1,643	1,600		43		43
M&P Servicios Integrados U.W.	4		4	4		0		0
M&P Namibia S.A.S.	10,803	(10,803)		10,766	(10,766)	37	(37)	
M&P Mnazi Bay Holdings S.A.S.	19,722		19,722	19,685		37		37
MP East Asia S.A.S.	62,032	(62,032)		61,995	(61,995)	37	(37)	
MPEP BRM S.A.S	123,181	(123,181)		123,144	(123,144)	37	(37)	
M&P Colombia B.V.	92,431	(92,431)				92,431	(92,431)	
MP West Canada S.A.S.	32,883	(32,883)		32,846	(32,846)	37	(37)	
MPEP France S.A.S.	4,037		4,037	4,000		37		37
M&P Amérique Latine S.A.S.	17,237		17,237	17,200		37		37
M&P Trading S.A.S.	500		500			500		500
M&P Services S.A.S.	100		100	100				
Other	255	(138)	117	37	148	218	(286)	(68)
TOTAL EQUITY INTERESTS	**568,979**	**(365,124)**	**203,856**	**258,166**	**(196,507)**	**310,813**	**(168,617)**	**142,196**

The Company recapitalised a number of subsidiaries during the fiscal year to enable them to continue their expansion, most notably with the following cash contributions:

- €20 million to M&P Angola S.A.S. for the acquisition of the 20% interest held by AJOCO in two producing and development blocks located in shallow waters off the shore of Angola;
- €4 million to MPEP France S.A.S., which holds the Mios permit;
- €17 million to M&P Peru Holdings S.A.S., renamed M&P Amérique Latine S.A.S., to continue to participate in tenders for the ongoing development of the Group in Latin America.

M&P Namibia S.A.S., M&P Mnazi Bay Holdings S.A.S., MPEP BRM S.A.S., MP West Canada S.A.S. and MP East Asia S.A.S. were recapitalised by way of set-offs.

M&P Assistance Technique S.A.S., was dissolved without liquidation by universal transfer of assets at 31 December 2019 to Établissements Maurel & Prom S.A., effective retroactively to 1 January 2019.

Note 4.5 Other receivables

(in thousands of euros)	31/12/2019	31/12/2018
Advances to group subsidiaries	345,949	535,914
Sucre carry receivables	9,874	
Prepayments to suppliers and debit notes to subsidiaries		7
Miscellaneous receivables	3,500	4,920
TOTAL OTHER GROSS RECEIVABLES	**359,323**	**540,842**
Impairment	(161,961)	(370,539)
TOTAL OTHER NET RECEIVABLES	**197,362**	**170,303**

Advances to subsidiaries were as follows:

(in thousands of euros)	31/12/2019			Change		31/12/2018		
	Gross	Impairment	Net	Gross	Impairment	Gross	Impairment	Net
M&P IberoAmerica S.L.	45,858	-	45,858	(2,973)	-	48,831	-	48,831
MPEP Tanzania Ltd	37,502	-	37,502	(30,758)	-	68,260	-	68,260
MP West Africa S.A.	30,162	-	30,162	14,669	-	15,492	-	15,492
M&P Angola S.A.S.	29,053	-	29,053	26,979	-	2,073	-	2,073
Caroil S.A.S.	60,835	(49,816)	11,018	30,080	(19,062)	30,754	(30,754)	-
M&P Mnazi Bay Holdings S.A.S.	12,243	-	12,243	(30,441)	10,000	42,684	(10,000)	32,684
MPEP France S.A.S.	7,904	-	7,904	7,520	-	384	-	384
M&P Trading S.A.S.	7,023	-	7,023	6,801	-	222	-	222
M&P Servicios Integrados U.W.	3,777	-	3,777	3,344	-	433	-	433
M&P Services S.A.S.	1,325	-	1,325	1,325	-	0	-	-
M&P Namibia S.A.S.	2,783	(2,783)	-	(8,477)	8,477	11,260	(11,260)	-
M&P Drilling Services B.V.	58,527	(58,527)	-	1,126	(1,126)	57,401	(57,401)	-
MP East Asia S.A.S.	11	(11)	-	(61,984)	61,984	61,995	(61,995)	-
MPEP BRM S.A.S.	182	(182)	-	(122,962)	122,962	123,144	(123,144)	-
MP West Canada S.A.S.	15,709	(15,709)	-	(31,742)	31,742	47,451	(47,451)	-
Saint Aubin Energie Quebec Inc.	2,012	(2,012)	-	28	(28)	1,985	(1,985)	-
ISON Holding S.a.r.l.	13,211	(13,211)	-	162	(162)	13,049	(13,049)	-
Integra Oil S.A.S.	3,691	(3,691)	-	0	-	3,691	(3,691)	-
M&P Colombia B.V.	3,943	(3,943)	-	1,304	(1,304)	2,639	(2,639)	-
M&P Italia S.r.l.	7,098	(7,098)	-	4,886	(4,886)	2,213	(2,213)	-
Other	3,100	(1,382)	1,718	1,148	(21)	1,952	(1,361)	590
TOTAL	**345,949**	**(158,366)**	**187,583**	**(189,965)**	**208,577**	**535,914**	**(366,943)**	**168,971**

Note 4.6 Maturity of receivables

(in thousands of euros)	Total amount	Within one year	More than one year
Deposits and guarantees	453		453
Other receivables	197,362		197,362
Trade receivables and related accounts	182	182	
TOTAL GROSS RECEIVABLES BY DUE DATE	**197,997**	**182**	**197,815**

Note 4.7 Currency translation adjustments

Currency translation adjustments, for both assets and liabilities, pertain to remeasuring payables and receivables (mainly on current accounts and on the shareholder loan denominated in US dollars) at the closing rate, provisioned for the overall foreign exchange position in US dollars at fiscal year-end.

Note 4.8 Cash instruments, available funds and bank loans

(in thousands of euros)	31/12/2019	31/12/2018
Interest-bearing short-term deposits		
Bank current accounts and other	47,201	124,659
SICAV (Investment Company with Variable Capital) and FCP (mutual funds)	84,285	69,281
Available funds	**131,486**	**193,941**
Bank loans	-	-
NET CASH	**131,486**	**193,941**
Treasury shares	12,330	11,746
Equity interests	**12,330**	**11,746**
NET CASH POSITION	**143,815**	**205,686**

As at 31 December 2019, Maurel & Prom held 4,601,090 treasury shares for a gross value of €43 million.

The comparison between the treasury shares' historic acquisition cost and their average cost at December 2019 led the Company to recognise an additional impairment loss, taking their net book value to €13 million.

The cash position changed over the period as follows:

(in thousands of euros)	31/12/2019	31/12/2018
Income for the period	101,585	16,912
Canc. Net increase (reversals) of amortisation, depreciation and provisions	13,996	4,944
Canc. Non-disbursed Rockover extraordinary income	(7,850)	27,844
Canc. Non-cash flow impacts	(141,213)	(95,473)
CASH FLOW FROM OPERATIONS	**(33,482)**	**(45,773)**
Change in working capital requirement	(6,511)	2,294
I. CASH FLOW FROM/(USED IN) OPERATIONS	**(39,993)**	**(43,479)**
Acquisitions of intangible assets, net of transfers	(1,948)	(111)
Acquisitions of property, plant and equipment	(131)	(317)
Change in current accounts and group securities	(155,788)	(29,633)
Cash taken over at the time of the MPAT merger	1,520	
Interest received from investments	3,905	4,108
Dividends received from Seplat and WAF	135,734	85,595
II. CASH FLOW USED FOR INVESTING ACTIVITIES	**(16,459)**	**59,719**
Decrease in financial liabilities	0	(295)
SHL interest payments	(3,701)	(3,239)
Dividend payments	(7,850)	
Changes in equity and treasury shares	1,753	345
III. FINANCING FLOWS	**(9,798)**	**(3,189)**
IV. CHANGE IN CASH POSITION	**(66,251)**	**13,051**
V. CASH AT OPENING	**193,941**	**170,485**
VI. IMPACT OF EXCHANGE RATE FLUCTUATIONS	**3,796**	**10,405**
VII. NET CASH AT CLOSING	**131,486**	**193,941**

Note 4.9 Shareholders' equity

(in thousands of euros)	31/12/2018	Appropriation of income	Income	Allocation of bonus shares	Currency translation adjustments	Dividends	31/12/2019
Share capital	154,549						154,549
Premiums	38,984			(1,867)			37,117
Legal reserve	10,485	846					11,331
Other reserves	159				735		895
Carry forwards	21,823	16,066				(7,850)	30,039
Income	16,912	(16,912)	101,585				101,585
SHAREHOLDERS' EQUITY	**242,912**		**101,585**	**(1,867)**	**735**	**(7,850)**	**335,515**

Note 4.9.1 Employee share issues and bonus shares

The bonus share allocations are as follows:

Date of allocation decision	Vesting date	Number of shares
24/04/2017	24/04/2020 [a]	180,000
03/08/2018	03/08/2020 [b]	157,700
03/08/2018	03/08/2021 [b]	157,700
01/08/2019	01/08/2020 [b]	385,150
01/08/2019	01/08/2021 [b]	385,150
01/08/2019	01/08/2022 [b]	385,150
TOTAL		**1,650,850**

(a) There is no minimum lock-in period for this plan.
(b) The minimum lock-in period for the shares held by beneficiaries is set at one year from the vesting date. The 2018 plans are subject to performance conditions.

Note 4.9.2 Share buyback program

As at 31 December 2019, there were 200,713,522 company shares with a nominal value of €0.77 each, including 4,601,090 treasury shares (i.e. 2.29% of share capital for a gross value of €43 million at end-2019). Share capital stood at €154,549,411.94.

	Number of shares	Treasury shares	Liquidity agreement	Treasury stock
At 31/12/2017	**195,340,313**	**4,312,391**	**91,857**	**4,220,534**
— Share distribution		-895,000		-895,000
— Liquidity agreement movements		+103,690	+103,690	
— Capital increase	5,373,209			
At 31/12/2018	**200,713,522**	**3,521,081**	**195,547**	**3,325,534**
— Buybacks		+1,200,000		+1,200,000
— Share distribution		-133,250		-133,250
— Liquidity agreement movements		+13,259	+13,259	
AT 31/12/2019	**200,713,522**	**4,601,090**	**208,806**	**4,392,284**

Note 4.10 Provisions for risks and expenses

(in thousands of euros)	31/12/2018	Allocation for the year	Write-backs for the year	Universal transfer of assets	31/12/2019
Foreign exchange risk		442			442
Retirement benefits	856	218		121	1,194
Other	13,294	1,000	(10,417)		3,877
TOTAL PROVISIONS	**14,150**	**1,660**	**(10,417)**	**121**	**5,514**

Other provisions mainly concern the share of certain subsidiaries' net negative assets.

The universal transfer of assets column corresponds to the incorporation of the liability regarding the retirement benefits of M&P Assistance S.A.S. employees.

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Note 4.11 Other debts

(in thousands of euros)	31/12/2019	31/12/2018
Shareholder loan	89,015	87,336
Debts to the Gabon subsidiary	83,724	164,153
Debts to other Group subsidiaries	17,694	2,294
Other accrued liabilities	2,396	1,211
TOTAL OTHER LIABILITIES	**192,830**	**254,995**

In December 2017, a shareholder loan was set up with PIEP for an initial amount of $100 million, with a second tranche of $100 million that can be drawn down at the Group's discretion.

The terms of this new facility are as follows:

Initial amount	US$100 million
Additional amount	US$100 million that can be drawn down at will
Maturity	December 2024
First instalment	December 2020
Repayment	17 quarterly instalments
Interest rate	LIBOR + 1.60%

The change in debts to the Gabon subsidiary is as follows:

GABON DEBTS AT END-2018	**(164,153)**
Sales inflow net of cash calls	(63,592)
Intercompany chargeback	13,149
Dividends received	125,000
Interest on current accounts	(8,712)
Foreign exchange effect on financing in USD	14,584
GABON DEBTS AT END-2019	**(83,724)**

Note 4.12 Debt maturities

(in thousands of euros)	Total amount	Within one year	More than one year	More than five years
Trade payables and related accounts	2,667	2,667		
Tax and social security payables	7,010	7,010		
Fixed asset liabilities and related accounts	1,612	1,612		
Other debts	192,830	109,051	83,779	
TOTAL PAYABLES BY DUE DATE	**204,118**	**120,339**	**83,779**	

Note 4.13 Sales

Company sales correspond exclusively to services and studies provided to the Company's subsidiaries, especially in Gabon and Tanzania.

Note 4.14 Financial income

(in thousands of euros)	Note	Net at 31/12/2019	Net at 31/12/2018
Interest on other borrowings	a)	(3,701)	(3,239)
Income from cash	b)	3,905	4,108
INTEREST FROM BORROWINGS AND CASH		**204**	**869**
ALLOCATIONS TO AND REVERSALS OF PROVISIONS ON TREASURY SHARES		**(1,053)**	**8,440**
Credit losses on investments	c)	0	(19,987)
Interest receivables	g)	(1,864)	292
Net reversals of net provisions on securities and current accounts	d)	(13,342)	(10,998)
INCOME ON SECURITIES AND INVESTMENT-RELATED RECEIVABLES		**(15,206)**	**(30,693)**
FINANCIAL EXPENSES		**(0)**	**(159)**
DIVIDENDS RECEIVED	**E)**	**135,734**	**85,596**
Foreign exchange gains and losses	f)	3,387	9,325
Net reversals of financial provisions for foreign exchange rate differences		(442)	373
EXCHANGE LOSS		**2,945**	**9,698**
FINANCIAL INCOME		**122,624**	**73,750**

a) Interest on the shareholder loan;
b) Cash income from investment in SICAVs;
c) Credit loss on 2018 investments would be equal to the waiver of M&P Amérique Latine S.A.S. (formerly M&P Peru Holdings S.A.S.) receivables;
d) Provisions are allocated on the basis of value in use, taking into account the subsidiaries' net worth, where applicable;
e) €125 million in M&P West Africa dividends and €10.7 million in Seplat Plc dividends;
f) Currency differences are mainly attributable to the revaluation of cash in USD;
g) Interest on the average annual outstanding amounts of subsidiary current accounts.

Note 4.15 Income tax

Établissements Maurel & Prom S.A. is the parent company of the tax consolidation group comprising M&P West Africa S.A., M&P Amérique Latine S.A.S. (formerly M&P Peru Holdings S.A.S.), M&P Volney 5 S.A.S., M&P Angola S.A.S., MPEP BRM S.A.S., MPEP France, MP Namibia S.A.S., MP Mnazi Bay Holdings S.A.S., MP East Asia S.A.S., MP West Canada S.A.S., M&P Trading S.A.S. And Caroil S.A.S.

NOTE 5 ADDITIONAL INFORMATION

Note 5.1 Financial risks

The Company's results are sensitive to various market risks, including EUR/USD foreign exchange risk, considering that a substantial portion of receivables and liabilities are denominated in US dollars.

The Company is also exposed to liquidity risk and interest rate risk. The Group's borrowing terms and conditions and the financing structure of the Company are described in the Financing paragraph of the year's Annual Report.

Successive treasury share repurchase plans have been put in place since 12 January 2005. As at 31 December 2019, the Company held 4,601,090 treasury shares for a gross carrying amount of €43 million, compared to a market value of €12.3 million. A provision was therefore established in the amount of €31 million. A 10% decrease in the value of these securities would have a negative impact of €1 million on the Company's net income.

Note 5.2 Off-balance sheet commitments

To the best of the Company's knowledge, there are no exceptional events, litigation, risks or off-balance sheet commitments likely to adversely affect the Company's financial position, assets and liabilities, results or activities.

Note 5.2.1 Term loan ($600 million)

Maurel & Prom West Africa S.A., sole and whole owner of Maurel & Prom Gabon, took out a $600-million term loan on 10 December 2017. This loan is guaranteed by the parent company Établissements Maurel & Prom. The borrower also benefits from the financial support of the Group's main shareholder, PT Pertamina International Eksplorasi Dan Produksi (PIEP), should it fail to meet its payment obligations under this loan.

No Group assets have been pledged as collateral. However, restrictions on the use of certain bank accounts of Maurel & Prom Gabon and Maurel & Prom West Africa S.A. were specified in the event of default on this new loan (except in certain cases).

Furthermore, under the terms of this loan, Maurel & Prom West Africa S.A. has undertaken to meet certain financial ratios, calculated at Group level, at 30 June and 31 December of each year:

- ratio for the Group's consolidated net debt to EBITDAX (earnings before interest, taxes, depreciation, amortisation and impairment net of the impact of foreign exchange gains and losses and exploration costs) not to exceed 4.00:1.00, calculated over a 12-month period prior to the reference date;
- the Group's debt service cover ratio (DSCR) calculated over the six months preceding the reference date, to be higher than 3.50:1.00; and
- Group Tangible Net Worth to exceed $500 million at each reference date.

The Group was in compliance with these covenants as at 31 December 2019.

Maurel & Prom West Africa S.A., Établissements Maurel & Prom S.A. and Maurel & Prom Gabon S.A. have also committed to maintaining a minimum consolidated amount of US$100 million cash in their bank accounts, failing which Établissements Maurel & Prom S.A. would be forced to draw on the unused portion of the PIEP shareholder loan.

Établissements Maurel & Prom S.A. has agreed that the total dividend paid out per calendar year for a period of 36 months after drawdown will not exceed $10 million while guaranteeing that minimum working capital requirements agreed by the parties will be respected.

Note 5.2.2 Subordination agreements with PIEP

Under the term loan of December 2017, the Group signed a subordination agreement pursuant to which some liabilities towards PIEP are subordinate to the repayment of the bank term loan.

Note 5.2.3 Contractual commitments in Gabon

Under the terms of the agreement to acquire the Gabonese asset and subsequent amendments thereto entered into with the Gabonese government, Rockover and Masasa Trust in February 2005, Maurel & Prom is obliged to pay:

- 1.4% of production valued at the official sale price, paid monthly;
- a royalty amounting to $0.65 for every barrel produced from the date that total production in all licensed zones has exceeded 80 MMbbl (during the month of September 2019); and
- 5% on production from the sole Banio field, valued at the official sale price, when total production from this field exceeds 3.865 million barrels;
- 2% of total available production, valued at the official sale price, up to 30 MMbbl and 1.5% above this limit, based on production from operating permits with the Nyanga-Mayombé exploration permit. This commitment is recognised in expenses commensurate with production, knowing that production in the Banio field (the only Nyanga-Mayombé exploration permit to date) is currently suspended.

Note 5.3 Company workforce

As at 31 December 2019, the Company has 44 paid staff members.

Note 5.4 Executive remuneration

Principal Officers include the Chairman, the Chief Executive Officers and the members of the Board of Directors.

(in thousands of euros)	31/12/2019	31/12/2018
Short-term benefits	1,568	1,431
Share-based payment	254	281
TOTAL	**1,822**	**1,712**

Note 5.5 Related companies

(in thousands of euros)	31/12/2019	31/12/2018
Equity interests	568,979	310,813
Other receivables	355,823	535,914
ASSETS	**924,803**	**846,727**
Fixed asset liabilities	1,612	1,612
Other debts	101,418	166,448
Shareholder loan	89,015	87,336
LIABILITIES	**103,030**	**168,059**
Financial income	162	292
Dividends	135,731	85,595
Financial expenses	(2,026)	(23,226)
INCOME STATEMENT	**133,867**	**62,661**

Note 5.6 Post-balance sheet events

On 30 January and 11 March 2020, the World Health Organization respectively declared that the coronavirus epidemic was a global health emergency and that it had become a pandemic. In France, on 12 March, 2020, the first measures were announced by the President of the Republic and reinforced on 14 March 2020 by the Prime Minister. The Company implements the measures deemed appropriate to protect the health of its employees and meet the needs of its subsidiaries. The context of the global epidemic leading to a major economic crisis constitutes an event which has no direct and preponderant link with a situation existing at the reporting date. It is not possible currently to determine the net impact of the epidemic on the activity and the results of the company for the financial year 2020.

Besides, on 16 March 2020 the Group successfully rescheduled its debt. Under the terms of the signed amendments, the amount of the maturities to be paid in 2020 and 2021 has been halved. The new repayment profile will improve liquid assets by reducing the short-term portion of borrowings. The change in these maturities has not been included in the financial position as at 31 December 2019,

To the best of Maurel & Prom's knowledge, there are no post-balance sheet events likely to adversely affect the Company's financial position, assets and liabilities, results or activities.

Note 5.7 Subsidiaries and affiliates

Company	Currency	% held	Capital *(in stated currency)*	Shareholders' equity other than share capital *(in stated currency)*	Gross carrying amount of securities held *(in €)*	Impairment	Net carrying amount of securities held *(in €)*	Gross loans and advances granted[a] *(in €)*	Dividends received	Sales for the previous fiscal year *(in stated currency)*	Net income for the previous fiscal year *(in stated currency)*
M&P Trading S.A.S.	EUR	100%	500,000	1,422,909	500,000	0	500,000	7,023,038		289,050,572	1,597,868
MPEP France S.A.S	EUR	100%	4,037,000	(109,728)	4,037,000	0	4,037,000	7,903,822		None	(4,204,153)
M&P Services S.A.S.	EUR	100%	100,000	92,658	100,000		100,000	1,325,260	0	1,567,868	(7,341)
Caroil S.A.	EUR	100%	24,096,208	(73,912,550)	1		1	60,834,535	0	30,113,983	(21,352,864)
MP West Africa S.A.	EUR	100%	80,000	12,804,267	80,000	0	80,000	30,161,679	125,000,000	None	133,878,194
M&P Assistance Technique International S.A.	EUR	99.99%	195,270	1,525,956	277,714	0	277,714	0	0	13,616,522	383,342
M&P Angola S.A.S.	EUR	100%	20,037,000	10,023,070	20,037,000	0	20,037,000	29,052,756	0	31,759,102	10,070,314
M&P Namibia S.A.S.	EUR	100%	1,500,000	(69,120)	10,802,738	(10,802,738)	0	2,783,299	0	None	(69,119)
M&P Drilling Services B.V.	USD	100%	20,610	(68,464,295)	18,000	(18,000)	0	58,527,046	0	None	(32,338)
MPEP Tanzania Ltd	USD	100%	15	5,198,217	10	0	10	37,501,818	0	23,815,183	10,662,778
MP Mnazi Bay Holdings	EUR	100%	37,000	9,839,778	19,722,217	0	19,722,217	12,243,042	0	None	(123,221)
MP East Asia S.A.S.	EUR	100%	37,000	(52,863)	62,032,166	(62,032,166)	0	10,806	0	None	(10,807)
MPEP BRM S.A.S.	EUR	100%	37,000	(909,409)	123,181,382	123,181,382)	0	0	0	None	858,891
MP West Canada S.A.S.	EUR	100%	65,293	(11,378)	32,882,745	(32,882,745)	0	15,709,031	0	None	(11,377)
M&P Amérique Latine	EUR	100%	17,237,000	464,581	17,237,000	0	17,237,000	(17,694,290)	0	None	503,960
M&P Colombia B.V.	USD	50%	61,000	1,650,691	92,430,958	(92,430,958)	0	3,942,576	0	None	(2,332,000)
M&P Ibero America S.L.	EUR	80%	2,053,750	(29,159)	1,643,000	0	1,643,000	45,857,645	0	None	(2,526,626)
M&P Servicios Integrados U.W.	EUR	100%	5,389	(4,728,251)	4,311		4,311	3,777,178	0	None	(4,300,659)
M&P Italia S.r.l.	EUR	100%	128,572	169,973	11,756,245	(11,756,245)	0	7,098,451	0	None	(749,081)
Seplat Plc	USD	20.46%	1,834,000	N/A	140,180,414	0	140,180,414	8,386	10,730,789	N/A	N/A
Cardinal Drilling Services Ltd[b]	USD	40%	N/A	N/A	6,059,688	(6,059,688)	0	0	0	N/A	N/A
Integra Oil S.A.S.[b]	USD	10%	37,000	N/A	25,839,793	(25,839,793)	0	3,691,399	0	N/A	N/A

(a) Including accrued interest.
(b) No information available.

5.4 STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

This is a translation into English of the Statutory Auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users. This Statutory Auditors' report includes information required by European Regulation and French law, such as information about the appointment of the Statutory Auditors or verification of the management report and other documents provided to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

For the year ended December 31st 2019

To the shareholders of Établissements Maurel & Prom S.A.,

Opinion

In compliance with the engagement entrusted to us by your General Shareholders' Meeting, we have audited the accompanying financial statements of Établissements Maurel & Prom S.A. for the year ended December 31st 2019. These financial statements were approved by the Board of Directors on March 31, 2020 based on the information available at that date and in the evolving context of the Covid-19 pandemic.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31st 2019 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the Statutory Auditors' Responsibilities for the audit of the financial statements section of our report.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from January 1st, 2019 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5 (1) of Regulation (EU) No 537/2014 or in the French Code of Ethics (code de déontologie) for Statutory Auditors.

Justification of Assessments – Key audit Matters

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, approved in the context described above, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Valuation of equity shares and related receivables

Key audit matter	Our response
The equity shares and related receivables on the balance sheet as at 31 December 2019 for a net amount of MEUR 391 represent 69% of the company's assets. For companies in exploration phase, equity shares and related receivables are subject to a depreciation for exploration expenses as long as no decision of business development or production project was not taken. In the event that there has been evidence of proven reserves and for companies with an oil production activity, the value of equity shares and related receivables is limited to the amount of future revenue discounted at the time of closing. For other activities, provisions for depreciation of equity shares and related receivables are determined taking into account the financial performance of the equity mainly derived from discounted cash flow, evolution of income or their probable resale value. For listed investments, the value in use is determined by taking also into consideration the stock exchange price. In this context, and because of the uncertainties in relation with certain elements and in particular the probability of the forecasts realisation, we considered that the correct valuation of equity shares and related receivables was a key point in the audit.	In order to assess the reasonableness of the estimation of current equity, based on the information provided to us, our work consisted mainly of verifying that the estimation of these values determined by the management is based on an appropriate justification of the valuation method and the quantified elements used and, according to equity shares concerned, to: — verify that the equity selected is consistent with the accounts of the entities that have been the subject of an audit or analytical procedures and that the adjustments made, if any, on such equity are based on probative documentation; — verify the stock exchange share price used; — obtain forecasts of cash flow and operating flow for the activities of the entities concerned established by the management; — verify the consistency of the assumptions retained by the management with the data obtained from the reports of independent expertise; — verify the main underlying data for the appraisal of future revenues including oil reserves, forecast sales prices, and discount and inflation rates; — verify that the value issued from the cash flow forecast has been adjusted by the amount of the debt of the entity under consideration. in addition to the appreciation of the equity shares' present value, our works have also included the following works: — to verify the recoverability of receivables related to investments regarding the analysis performed on equity investments; — to verify the posting of a provision for risks if the company is committed to bear the losses of a subsidiary with a negative net equity.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to the shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors held on April 22th 2020 and in the other documents with respect to the financial position and the financial statements provided to shareholders. With regard to the events which occurred and the elements known after the date of closing of the accounts relating to the effects of the crisis linked to Covid-19, the Management indicated to us that they will be subject of a communication to the General meeting called to approve the accounts.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment deadlines mentioned in Article D.441-4 of the French Commercial Code (Code de commerce).

Information relating to corporate governance

We attest that the Board of Directors' report on corporate governance sets out the information required by Articles L. 225-37-3 and L. 225-37-4 of the French Commercial Code.

Concerning the information given in accordance with the requirements of Article L. 225-37-3 of the French Commercial Code (code de commerce) relating to remunerations and benefits received by the directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from controlling and controlled companies. Based on these procedures, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your company considered likely to have an impact in the event of a public takeover bid or exchange offer, provided pursuant to Article L. 225-37-5 of the French Commercial Code, we have agreed this information to the source documents communicated to us. Based on these procedures, we have no observations to make on this information.

Other information

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Report on Other Legal and Regulatory Requirements

Appointment of the Statutory Auditors

We were appointed as Statutory Auditors of Établissements Maurel & Prom S.A. by the annual general meeting held on June 12, 2014 for KPMG and onJune 14, 2002 for International Audit Company.

As at December 31st 2019, KPMG and International Audit Company were in the 6th year and 18th year of total uninterrupted engagement.

Responsibilities of Management and Those Charged with Governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the audit of the financial statements

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements.
- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code (code de commerce) and in the French Code of Ethics (code de déontologie) for Statutory Auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

The Statutory Auditors
French original signed by

Paris-La Défense, on the 22 avril 2020	Paris, on the 22 April 2020
KPMG audit	International Audit Company
Éric Jacquet Partner	**François Caillet** Partner

5.5 FIVE-YEAR FINANCIAL SUMMARY

(in euros)	31/12/2015	31/12/2016	31/12/2017	31/12/2018	31/12/2019
I. Financial position at the end of the fiscal year					
a) Share capital	150,412,041	150,412,041	150,412,041	154,549,412	154,549,412
b) Number of shares issued	195,340,313	195,340,313	195,340,313	200,713,522	200,713,522
II. Total income from operating activities					
a) Sales (exclusive of tax)	16,154,394	16,144,493	17,942,804	18,169,332	19,144,180
b) Income before tax, amortisation, depreciation and provisions	30,657,865	(68,347,851)	33,478,240	22,377,263	113,578,198
c) Income tax	941,929	63,838	3,685,518	(521,146)	2,002,613
d) Income after tax, amortisation, depreciation and provisions	(196,371,528)	(37,492,782)	22,971,076	16,912,001	101,584,565
e) Distributed profits [(a)]	0	0	0	7,849,650	0
III. Earnings per share					
a) Income after tax, but before amortisation, depreciation and provisions	0.162	(0.350)	0.190	0.114	0.556
b) Earnings after tax, amortisation, depreciation and provisions	(1.005)	(0.192)	0.118	0.084	0.506
c) Net dividend per share [(a)]	0.000	0.000	0.000	0.04	
IV. Personnel					
a) Number of employees	30	30	30	36	44
b) Total payroll	6,029,085	5,750,170	5,845,096	7,678,612	10,555,816
c) Sums paid for employee benefits (social security, welfare schemes, etc.)	3,000,771	3,547,316	3,467,000	3,460,293	5,042,338

(a) Amount payable for the fiscal year indicated, paid in the following fiscal year.

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6 INFORMATION ABOUT THE COMPANY AND ITS CAPITAL

Information about the company

Company name: Établissements Maurel & Prom.

APE Code: the Company's APE code (French Business Code) is 7010Z (Registered office activities).

Trade and Companies Register: the Company is registered in the Paris Trade and Companies Register (*Registre du Commerce et des Sociétés de Paris*) under number 457 202 331.

Legal Entity Identifier (LEI): 969500ZTY19C1C594X25.

Company's date of incorporation (registration in the Trade and Companies Register): 10 December 1919. The Company is incorporated under French law.

Company duration: 99 years, unless dissolved early or extended. Initially intended until 31 December 2018, the Company's duration was extended, by decision of the shareholders at the Extraordinary General Shareholders' Meeting of 13 October 2014, to 99 years from the date of the meeting, i.e. until 13 October 2113.

Since 14 June 2007, Maurel & Prom has been a public limited company (*société anonyme*) with a Board of Directors, governed by the French Commercial Code (in particular by the provisions of Articles L. 225-17 *et seq.* of the Code), as well as by all other laws and regulations applicable to it.

Registered office: 51, rue d'Anjou – 75008 Paris, France. Tel.: +33 (0)1 53 83 16 00/Fax: +33 (0)1 53 83 16 04.

6.1 SHARE CAPITAL

6.1.1 Share capital and authorisations to increase capital

6.1.1.1 Subscribed capital

At 31 December 2019, the Company's share capital was €154,549,411.94 (one hundred and fifty-four million five hundred and forty-nine thousand four hundred and eleven euros and ninety-four euro cents), divided into 200,713,522 (two hundred million seven hundred and thirteen thousand five hundred and twenty-two) fully paid-up shares with a nominal value of €0.77 (seventy-seven euro cents) each.

Since 24 April, the Company's share capital was €154,688,011.94 (one hundred and fifty-four million six hundred and eighty-eight thousand eleven euros and ninety-four cents), divided into 200,893,522 (ttwo hundred million eight hundred and ninety-three thousand five hundred and twenty-two) fully paid-up shares with a nominal value of €0.77 (seventy-seven euro cents) each.

Each share confers a right to the Company's profits and assets in proportion to the share of the capital that it represents. Maurel & Prom's share capital may be increased, reduced or amortised under the terms and conditions governed by law, as the Bylaws make no specific provision for this (see section 6.2.5. of this Annual Report).

6.1.1.2 Authorised capital

Capital increase authorisations and delegations granted by the Company's General Shareholders' Meeting in effect as at 31 December 2019, as well as their potential use during the fiscal year ended 31 December 2019, are described in the tables shown in section 3.6 of this Annual Report.

6.1.2 Treasury shares held by the issuer or on its behalf, or by its subsidiaries – Share repurchase plan

6.1.2.1 2019 share repurchase

Authorities granted by the General shareholders' meetings of 20 June 2018 and 13 June 2019

Authority granted to the Board of Directors by the Combined (Ordinary and Extraordinary) General Shareholders' Meeting of 20 June 2018 (Resolution Seventeen) was renewed by the Combined (Ordinary and Extraordinary) General Shareholders' Meeting of 13 June 2019 (Resolution Fifteen).

The share repurchase plan adopted on 13 June 2019 can be summarised as follows:

- the Board of Directors has the authority to purchase, hold or transfer shares of the Company, within the limit of the number of shares representing 10% of the share capital at any time (this percentage applying to share capital adjusted for transactions affecting it subsequent to the General Shareholders' Meeting) or 5% if it pertains to shares purchased to be retained and subsequently used as payment or exchange in a merger, demerger, capital contribution or external growth transaction;
- where the shares are redeemed to boost liquidity, the number of shares used to calculate this 10% limit corresponds to the number of shares purchased, less the number of shares resold over the term of this authority;
- the maximum purchase price must not exceed €10 per share. This price may be adjusted in the event of transactions relating to the share capital, such as the incorporation of reserves followed by the creation and allocation of free shares and/or the splitting or reverse splitting of shares;
- the maximum value of funds designated for the repurchase plan is €200,713,520 (calculated on the basis of the share capital at 31 December 2018);

- the authority is granted for a period of 18 months, beginning on 13 June 2019 and expiring on 13 December 2020;
- the authority cannot be used in a public offering of Company shares.

The purposes of the share purchase programme are as follows:

- to honour obligations under share option plans, under bonus share allocations or other share allocations or sales of shares, including under the employee shareholding or savings plan (or similar), to employees and/or corporate officers of the Company and companies or economic interest groups related to it in accordance with applicable law and regulations, or as part of profit-sharing in the Company's growth;
- to honour obligations relating to transferable securities conferring access to Company shares, by any means, immediately or in the future (including any hedging transactions by virtue of the Company's obligations relating to such transferable securities);
- to support the market for Company shares under a liquidity agreement in accordance with market practice authorised by the French Financial Markets Authority (AMF);
- to hold shares for subsequent use as exchange or payment in a potential merger, demerger, capital contribution or external growth transaction;
- to cancel all or part of the shares repurchased.

Number of securities and proportion of capital that the issuer directly or indirectly holds

At 31 December 2019, the Company held 4,601,090 of its own shares, or 2.29% of the share capital. The breakdown of securities held by the Company by objective as at 31 December 2019 is as follows:

- 208,806 shares, or around 4.54% of the treasury shares (representing approximately 0.10% of the Company's share capital), were held under a liquidity agreement;
- 3,692,284 shares, or around 80.25% of treasury shares (representing approximately 1.84% of the Company's share capital), were held as part of the Company's share retention objective with a view to their subsequent use as payment or exchange in potential external growth transactions; and
- 700,000 shares, or around 15.21% of treasury shares (representing approximately 0.355% of the capital), are allocated for cancellation.

During the fiscal year ended 31 December 2019, a total of 133,250 shares were cancelled.

6.1.2.2 Report on previous plans

Situation at 31/12/2019	
Percentage of capital held as treasury shares	2.29%
Number of shares cancelled in the past 24 months (1,028,250)	0.51%
Number of shares held in portfolio	4,601,090
Carrying value of the portfolio	€43,276,739.54
Market value of the portfolio (based on the weighted average share price in December 2019 of €2.6798)	€12,329,771.09

From 1 January to 31 December 2019, no repurchased shares were reallocated.

During the year just ended, the Company made use of its share repurchase plan through its liquidity agreement as well as through the authorisation granted to the Board of Directors to repurchase the Company's shares with a view to retaining them and using them at a later date in an external growth transaction.

The report on the completion of repurchase plans between 1 January and 31 December 2019 under the liquidity agreement with an investment services provider is as follows:

	Cumulative gross flows [a]		Positions opened on the date that the plan was published			
	Purchases	Sales/ transfers	Open buy positions		Open sell positions	
Number of securities	984,926	971667	-	-	-	-
Average maximum term	-	-	-	-	-	-
Average transaction price	2.9902	3.0253	-	-	-	-
TRANSACTION AMOUNTS	**2,945,126**	**2,939,584**	**-**	**-**	**-**	**-**

(a) Total gross flows include cash purchases and sales as well as exercised or expired options and futures.

For fiscal 2019, the Company repurchased 1,200,000 shares with a view to retaining them and using them at a later date in an external growth transaction. To date, these treasury shares have not been reallocated.

6.1.2.3 Description of the share repurchase plan pursuant to Articles 241-1 *et seq.* of the General Regulations of the French Financial Markets Authority (AMF)

Legal framework

The plan is implemented in accordance with the provisions of Articles L. 225-209 *et seq.* of the French Commercial Code, Regulation (EC) No. 596/2014 of the European Parliament and Council of 16 April 2014, EU delegated act No. 2016/1052 of the European Commission of 8 March 2016 and the General Regulations of the French Financial Markets Authority (AMF).

Objectives of the new repurchase plan submitted to the General Shareholders' Meeting of 30 June 2020

At the Combined (Ordinary and Extraordinary) General Shareholders' Meeting of 30 June 2020, shareholders will be asked to renew the authorization granted by the Combined (Ordinary and Extraordinary) General Shareholders' Meeting on 13 June 2019.

The purposes of the new plan will be:

- to honour obligations under share option plans, under bonus share allocations or other share allocations or sales of shares, including under the employee shareholding or savings plan (or similar), to employees and/or corporate officers of the Company and companies or economic interest groups related to it in accordance with applicable law and regulations, or as part of profit-sharing in the Company's growth;
- to honour obligations relating to transferable securities conferring access to Company shares, by any means, immediately or in the future (including any hedging transactions by virtue of the Company's obligations relating to such transferable securities);
- to support the market for Company shares under a liquidity agreement in accordance with market practice authorised by the French Financial Markets Authority (AMF);
- to hold shares for subsequent use as exchange or payment in a potential merger, demerger, capital contribution or external growth transaction; and
- to cancel all or part of the shares repurchased.

The repurchase plan is intended to enable any market practices authorised or to be authorised by market authorities to be implemented, and more generally, to complete any other transaction or purpose that complies with the laws and regulations in force or that may eventually be applicable.

Number of securities and proportion of capital that the issuer directly or indirectly holds

At 31 March 2020, the Company held 4,648,111 treasury shares representing 2.32% of the share capital. The breakdown of securities held by the Company by objective as at 31 March 2020 is indicated below:

- 255,827 shares, or around 5.50% of the treasury shares (representing approximately 0.13% of the Company's share capital), were held under a liquidity agreement;
- 3,692,284 shares, or around 79.44% of treasury shares (representing approximately 1.84% of the Company's share capital), were held as part of the Company's share retention objective with a view to their subsequent use as payment or exchange in potential external growth transactions; and
- 700,000 shares or around 15.06% of treasury shares (representing approximately 1.84% of the capital) are allocated for cancellation.

Maximum share of capital, maximum number and characteristics of securities, maximum purchase price

Securities concerned

The repurchase plan concerns company shares (ISIN code FR0000051070), traded on Euronext Paris (compartment B – Midcap), under Legal Entity Identifier (LEI) 969500ZTYI9C1C594X25.

Maximum share of capital

No more than 10% of the total number of shares making up the Company's share capital may be purchased (i.e. 20,089,352 shares as at the date of this publication), it being stated that:

- this limit refers to the Company's share capital which may, if necessary, be adjusted to account for subsequent transactions affecting the share capital that take place after the General Shareholders' Meeting of 30 June 2020. Under no circumstances may the purchases made by the Company cause it to directly or indirectly hold more than 10% of its share capital;
- the number of shares purchased by the Company to retain for use as payment or exchange in a merger, demerger or capital contribution may not exceed 5% of its share capital (i.e. 10,044,676 shares as at the date of this publication).

Purchase price

The Company may not pay more than €5 per share (excluding acquisition costs) for its treasury shares. Consequently, the maximum amount of funds that the Company may use for this repurchase plan is €100,446,761 (excluding acquisition costs).

Repurchase procedures

These shares may be purchased, sold, transferred, allotted or exchanged one or more times under the terms and conditions set forth by law and/or applicable regulations by any means, in particular on regulated markets, multilateral trading platforms (MTF) or via systematic internalisers or over the counter, including purchases or sales in blocks, by using options or any financial instrument (including derivatives), in all cases, either directly or indirectly through the intermediary of an investment services provider, in accordance with applicable law and regulations on the date of the transactions considered.

These transactions may occur at any time except during periods of public offering concerning the shares of the Company.

Duration of the repurchase plan

The duration of this share repurchase plan is 18 months from the General Shareholders' Meeting of 30 June 2020, i.e. until 30 December 2021.

6.1.3 History of the share capital

The table below shows the change in the Maurel & Prom's share capital during fiscal years 2017, 2018 and 2019.

Date and transaction		Change in capital		Share capital after transaction	Total number of shares outstanding
		Nominal value of the transaction	Number of shares		
25/02/2017	Capital increase following a bonus share award plan	€832,062	1,080,600	€151,244,103.01	196,420,913
25/02/2017	Cancellation of treasury shares	€(832,062)	(1,080,600)	€150,412,041.01	195,340,313
24/04/2018	Capital increase following a bonus share award plan	€689,150	895,000	€151,101,191.01	196,235,313
24/04/2018	Cancellation of treasury shares	€(689,150)	(895,000)	€150,412,041.01	195,340,313
12/12/2018	Capital increase in cash reserved for Rockover Energy Limited	€4,137,371	5,373,209	€154,549,411.94	200,713,522
01/08/2019	Capital increase following a bonus share award plan	€102,602.50	133,250	€154,652,014.44	200,846,772
01/08/2019	Cancellation of treasury shares	€(102,602.50)	(133,250)	€154,549,411.94	200,713,522

To the Company's knowledge, none of its shares has been pledged.

6.1.4 Potential capital dilution

The table below shows the maximum potential dilution [a] of the Company's share capital resulting from the allocation of free shares at 31 December 2019.

Capital at 31 December 2019	€154,549,411.94	200,713,522 shares

	Issue date	Vesting date	Number of potential shares	Potential dilution
Free shares	24/04/2017	24/04/2020	180,000	0.09%
	03/08/2018	03/08/2020	157,700	0.08%
	03/08/2018 [a]	03/08/2021	157,700	0.08%
	01/08/2019 [a]	01/08/2020	385,150	0.19%
	01/08/2019 [a]	01/08/2021	385,150	0.19%
	01/08/2019 [a]	01/08/2022	385,150	0.19%
TOTAL BONUS SHARES	**-**	**-**	**1,650,850**	**0.82%**
TOTAL	**-**	**-**	**1,650,850**	**0.82%**

(a) The definitive allocation of performance shares will be subject to the completion of a condition of presence and certain performance criteria defined annually by the Board of Directors.

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6.2 ARTICLES OF ASSOCIATION AND BYLAWS

The following information:

- corporate purpose;
- provisions relating to administrative and management bodies;
- terms and conditions for exercising voting rights – double voting rights;
- disposal and transfer of shares;
- procedure for modifying shareholders' rights;
- shareholders' meeting notices and conditions of admission;
- statutory thresholds;
- rights and obligations attached to each share class;

is included in the Company's Bylaws available at: www.maureletprom.fr.

In addition to the amendments to the Company's Bylaws relating to share capital in the last three fiscal years, no other changes to the Bylaws were approved by the Company's General Shareholders' Meeting.

6.2.1 Corporate purpose

The Company's corporate purpose is described in Article 3 of its Bylaws. The Company has the following purpose, both in France and abroad:

- the management of all shares and membership rights and, to this end, the acquisition of interests in any company, group or association, particularly by way of purchase, subscription and contribution, as well as the sale in any form of said shares or membership rights;
- the prospecting and exploitation of all mineral deposits, particularly liquid or gaseous hydrocarbon deposits and related products;
- the leasing, acquisition, transfer and sale of all wells, land, deposits, concessions, operating permits and prospecting permits, either on its own account or on behalf of third parties, whether by participation or otherwise, and the transportation, storage, processing, transformation and trading of all natural or synthetic hydrocarbons, all liquid or gaseous products or by-products of the subsoil, and all minerals or metals;
- the acquisition of any buildings and their management or sale;
- trading in all products and commodities;
- generally speaking, the Company's direct or indirect participation in all commercial, industrial, property, agricultural and financial transactions, in France or other countries, either by the formation of new companies or by the contribution, subscription or purchase of shares or membership rights, merger, joint venture or otherwise, and generally all transactions of any kind whatsoever directly or indirectly related to these activities and likely to facilitate development or management.

Provisions relating to administrative and management bodies

At its meeting of 25 April 2019, the Company's Board of Directors updated the internal rules. These internal rules reprise and detail certain articles in the Bylaws, including membership of the Board and the concept of independent director, the operating rules, missions, rights and obligations incumbent on directors laid down in a charter, the appointment and role of observers and the membership and remits of the Audit Committee, Risk Observatory and Appointment and Remuneration Committee.

Furthermore, following the legal and regulatory provisions regarding the restrictions or prohibitions of members of the Board of Directors from trading in the Company's shares, the Company has a Code of Conduct to prevent insider trading and transactions which has been updated to take account of the amendments resulting from the entry into force of European Regulation No. 596/2014 of the European Parliament and Council of 16 April 2014 on market abuse (see section 3.2.2.4 (A) of this Annual Report).

The internal rules and the Code of Conduct are available on the Company's website (www.maureletprom.fr).

6.2.2 Rights, privileges and restrictions attached to each class of shares in issue

At all General shareholders' meetings, every shareholder who is a member of such meetings has as many votes as the shares that he/she owns or represents, without any limitations other than those arising from statutory provisions.

Each share entitles the holder to one vote. A double voting right is conferred upon the holders of fully paid-up registered shares who are able to prove that they have been shareholders for at least four years without interruption (Article 11, paragraph 7). Furthermore, in the event of a capital increase through the capitalisation of reserves, profits or issue premiums, the double voting right is conferred – immediately upon the issue of any registered shares allocated free of charge – to a shareholder who had old shares benefiting from this same entitlement.

This double voting right will automatically lapse in respect of any shares that were able to be converted into bearer shares or transferred, but it may be reinstated if the new holder of the shares can prove that he/she has been their registered holder for at least four years.

Nevertheless, any transfer from registered share to registered share following an *ab intestate* or testamentary succession or division of jointly owned assets or joint property as between spouses shall not interrupt the above four-year period or shall retain the acquired right. The same applies in the case of *inter vivos* gifts between living persons in favour of a spouse or relative entitled to inherit.

The double voting right may be cancelled by decision of the Extraordinary General Shareholders' Meeting after ratification by the special meeting of beneficiary shareholders.

Details of double voting rights are given in the share ownership tables in section 6.3 of this Annual Report.

6.2.3 Necessary procedures for modifying shareholders' rights

Any amendment to the Company's Bylaws must be decided or authorised by the Extraordinary General Shareholders' Meeting, acting with the quorum and majority required by the provisions of Article L. 225-96 of the French Commercial Code.

6.2.4 Required statement of declaration of ownership disclosure thresholds

In addition to the thresholds set forth in applicable laws and regulations as defined in Article L 233-7 of the French Commercial Code regarding crossing legal and regulatory thresholds, the Company's Bylaws require that statutory threshold crossings be disclosed. Any individual or legal entity, acting alone or in concert, that comes to directly or indirectly hold a number of shares representing a percentage of the capital or voting rights equal to or greater than 2%, or a multiple of 2%, as long as it does not hold, alone or in concert, a total number of shares representing more than two-thirds of the Company's capital and voting rights, must inform the Company of the total number of shares conferring entitlement to the Company capital that it owns, by registered mail with acknowledgement of receipt sent to the registered office within a period of five trading days from the date on which the aforementioned ownership thresholds are exceeded.

At the request, recorded in the minutes of the General Shareholders' Meeting, of one or more shareholders holding at least 2% of the Company's capital or voting rights, any failure to comply with this disclosure obligation shall be penalised, with respect to the shares exceeding the percentage that should have been declared, by withdrawal of the right to vote at any General Shareholders' Meeting that may be held until the end of a two-year period after the date on which the notification was formally recorded.

The same duty of disclosure applies, with the same time scale and under the same conditions, each time the fraction of capital or voting rights held by a shareholder falls below one of the thresholds mentioned above.

To calculate the thresholds mentioned above, account is taken of the shares and voting rights held, as well as comparable shares or voting rights – even if the person concerned does not personally hold shares or voting rights in another manner – in accordance with Article L. 233-9 of the French Commercial Code, and they are divided by the total number of shares comprising the Company's capital and the total number of voting rights attached to those shares. The total number of voting rights is calculated on the basis of all shares to which voting rights are attached, including shares not eligible for voting rights.

In order to identify the owners of bearer shares, the Company is at all times entitled, in accordance with the conditions and the methods laid down by the legal and regulatory provisions, to request that the central depository keeping its share issue account disclose the identity of the owners of shares conferring immediate or future voting rights at General shareholders' meetings, as well as the number of shares held by each of them and, if applicable, any restrictions relating to the shares.

6.2.5 Provisions of the Bylaws reinforcing the laws governing changes to the share capital

The Company's share capital may only be changed in accordance with the laws and regulations in force, namely Articles L. 225-127 *et seq.* of the French Commercial Code. The law takes precedence over any provision of the Bylaws, charter or internal rules in matters concerning changes to the Company's share capital.

6.2.6 Disposal and transfer of shares

Subject to the legal and regulatory provisions, the shares are freely transferable. The shares are registered in an account and are transferred by means of a transfer from one account to another.

6.3 SHAREHOLDING

6.3.1 Current shareholding structure

6.3.1.1 Composition

At 31 December 2019, the capital and voting rights of the Company were distributed as follows:

At 31/12/2019	Number of share	% of capital	Number of exercisable voting rights	% of exercisable voting rights	% of theoretical voting rights
				out of 196,644,890	out of 201,245,980
PIEP	143,082,389	71.29%	143,082,389	72.76%	71.10%
Institutional investors	12,585,200	6.27%	12,585,200	6.40%	6.25%
Public and other	39,686,144	19.77%	40,196,803	20.44%	19.97%
Maurel & Prom (treasury shares)	4,601,090	2.29%	-	-	2.29%
Employees	758,699	0.38%	780,498	0.40%	0.39%
TOTAL	**200,713,522**	**100%**	**196,644,890**	**100%**	**100%**

Exercisable voting rights = the total number of shares which have exercisable voting rights attached, not including the voting rights attached to shares that are not eligible for voting rights (including treasury shares).
Theoretical voting rights = the total number of voting rights attached to the total number of shares, including treasury shares without voting rights. In accordance with the regulation applicable to thresholds disclosure, the ownership thresholds relating to voting rights are calculated on the basis of theoretical voting rights (and not exercisable voting rights).

The breakdown of the Company's capital during the previous fiscal years is shown in the tables below.

The ownership thresholds relating to voting rights are calculated on the basis of theoretical voting rights (and not exercisable voting rights).

At 31 December 2018, the capital and voting rights of the Company were distributed as follows:

At 31/12/2018	Number of share	% of capital	Number of exercisable voting rights	% of exercisable voting rights	% of theoretical voting rights
				out of 197,717,685	out of 201,238,766
PIEP	141,998,480	70.75%	141,998,480	71.81%	70.56%
Institutional investors	19,672,509	9.80%	19,782,939	10.01%	9.83%
Public and other	33,955,887	16.92%	34,299,401	17.35%	17.04%
Maurel & Prom (treasury shares)	3,521,081	1.75%	-	-	1.75%
Employees	1,565,565	0.78%	1,636,865	0.83%	0.81%
TOTAL	**200,713,522**	**100%**	**197,717,685**	**100%**	**100%**

Exercisable voting rights = the total number of shares which have exercisable voting rights attached, not including the voting rights attached to shares that are not eligible for voting rights (including treasury shares).
Theoretical voting rights = the total number of voting rights attached to the total number of shares, including treasury shares without voting rights. In accordance with the regulation applicable to thresholds disclosure, the ownership thresholds relating to voting rights are calculated on the basis of theoretical voting rights (and not exercisable voting rights).

At 31 December 2017, the capital and voting rights of the Company were distributed as follows:

At 31/12/2017	Number of share	% of capital	Number of exercisable voting rights	% of exercisable voting rights	% of theoretical voting rights
				out of 191,656,189	out of 195,968,580
PIEP	141,911,939	72.65%	141,911,939	74%	72.4%
Institutional investors	9,092,800	4.66%	9,203,230	4.7%	4.6%
Public and other	38,460,460	19.68%	38,793,823	20.5%	20.1%
Maurel & Prom (treasury shares)	4,312,391	2.21%	-	-	2.1%
Employees	1,562,723	0.80%	1,747,197	0.8%	0.8%
TOTAL	**195,340,313**	**100%**	**191,656,189**	**100%**	**100%**

Theoretical voting rights = total number of voting rights attached to the total number of shares, including treasury shares without voting rights. In accordance with the regulation applicable to thresholds disclosure, the ownership thresholds relating to voting rights are calculated on the basis of theoretical voting rights (and not exercisable voting rights).

6.3.1.2 Shareholders with more than 5% of capital

To the Company's knowledge, as at 31 December 2019 and as at the date of this Annual Report, only PIEP holds more than 5% of the share capital and/or voting rights of the Company.

6.3.1.3 Legal disclosure thresholds

Between 1 January 2019 and the date of this Annual Report, the Company was not notified of any disclosures of crossing legal thresholds. No statements of declaration of ownership disclosure thresholds were published by the French Financial Markets Authority.

6.3.1.4 Voting rights of the main shareholders exceeding their share of the capital

In accordance with Article 11, paragraph 7 of the Company's Bylaws, "Rights and obligations attached to shares", "a double voting right is granted to fully paid-up shares for which registration in the name of the same shareholder in the Company's registers can be proven for at least four uninterrupted years from the date on which they were fully paid up".

6.3.2 Dividend

In accordance with Article 243 *bis* of the French General Tax Code, the Combined Ordinary and Extraordinary General Shareholders' Meeting of 13 June 2019 approved the distribution of a dividend for fiscal year 2018 of €0.04 per share, which is an aggregate paid dividend amount of €7,849,650 calculated based on the number of shares eligible for a dividend payment on the payment date. The ex-dividend date was 17 June 2019 and the payment date was 19 June 2019.

No dividend was distributed for the fiscal years ended 31 December 2016 and 2017.

The Board of Directors decided to put forward a proposal at the Combined (Ordinary and Extraordinary) General Shareholders' Meeting having to decide on the financial statements for the fiscal year ended on 31 December 2019, not to distribute any dividend for this year.

6.3.3 Control of the issuer exercised by one or more shareholders

6.3.3.1 Control of the issuer exercised by one or more shareholders

Since the first settlement of securities tendered as part of the takeover bid initiated by PIEP for Company securities on 1 February 2017, control of the Company has been held by PIEP. At 31 March 2020, PIEP held 71.29% of the Company's share capital, 71.11% of theoretical voting rights and 72.79% of exercisable voting rights.

It should be noted that as at the date of this Annual Report, the organisation and operating procedures of the Board of Directors and its special committees, the number of independent directors (forming more than one-third of the Board, which ensures there are no conflicts of interest and regularly conducts assessments, two-thirds of the Audit Committee, two-thirds of the Appointment and Remuneration Committee and the three-quarters of the Risk Observatory), the chairmanship of all the Board committees being ensured by independent directors, the separation of the offices of Chairman and Chief Executive Officer (with this office being held by a person outside PIEP) and compliance with the Internal Rules and the AFEP-MEDEF Code all contribute to the oversight of the Company's control by PIEP.

6.3.3.2 Agreements known to the issuer, the implementation of which could result in a change in control

To the Company's knowledge, there are no agreements between its shareholders or clauses in any agreement providing for preferential terms for the sale or purchase of Maurel & Prom shares affecting 0.5% or more of the share capital or voting rights of the Company, the implementation of which could result in a change in control of the Company.

6.4 RELATED-PARTY TRANSACTIONS

The breakdown of related-party transactions as referred to by standards adopted in accordance with European Regulation No. (EC) 1606/2002 concluded by Group companies during fiscal years 2017, 2018 and 2019 are shown in Note 6.4 of the notes to the consolidated financial statements (see section 5.1.4 of this Annual Report). These transactions mainly concern equity associates and non-consolidated companies.

6.5 REGULATED AGREEMENTS AND COMMITMENTS

6.5.1 Regulated agreements and commitments

Regulated agreements and commitments within the meaning of Articles L. 225-38 *et seq.* of the French Commercial Code are shown in the Statutory Auditors' special report in section 6.5.2 below.

The Board of Directors conducted the annual review of regulated agreements and commitments during its meeting of 31 March 2020.

6.5.2 Special report of the Statutory Auditors on regulated agreements and commitments

General Shareholders' Meeting called to approve the financial statements for the fiscal year ended 31 December 2019.

To the General Shareholders' Meeting,

In our capacity as Statutory Auditors of your Company, we hereby present our report on the regulated agreements and commitments.

It is our responsibility to inform you, on the basis of information provided to us, of the characteristics, essential terms and conditions, and reasons for the company's interest in the agreements and commitments of which we have been advised, or which we have discovered during our mission, without commenting on their usefulness or validity, or identifying the existence of other such agreements or commitments. It is your responsibility, under the provisions of Article R. 225-31 of the French Commercial Code, to assess the benefits of entering into these agreements and commitments when they are submitted for your approval.

In addition, we are required, where applicable, to inform you, in accordance with Article R. 225-31 of the French Commercial Code, about the continuation during the year of agreements and commitments previously approved by the General Shareholders' Meeting.

We planned and performed our audit in compliance with the professional guidelines issued by the French national auditing body (*Compagnie nationale des commissaires aux comptes*). Those guidelines require that we verify that the data and disclosures provided to us are consistent with the documents on which they were based.

Agreements and commitments submitted for the approval of the General Shareholders' Meeting

Agreements and commitments authorised during the past fiscal year

We hereby inform you that we have not received notice of any agreement or commitment that has been authorised and entered into during the past fiscal year that requires submission for the approval of the General Shareholders' Meeting pursuant to the provisions of Article L. 225-38 of the French Commercial Code.

Agreements and commitments authorised since closing date

We have been informed of the following agreements and commitments, authorised since the closing date of the previous fiscal year, that have been previously authorised by your Board of Directors.

Conclusion of an amendment to the shareholder loan with PIEP

Nature and purpose

At its meeting of 2nd March 2020, your Board of Directors authorised the entering into an amendment to the shareholder loan between your company and PT Pertamina Internasional Eksplorasi dan Produksi (PIEP). This amendment has been signed on 16 March 2020.

Persons concerned

The company PIEP, a shareholder with more than 10% of your company's share capital, and Mr. Aussie Gautama, Mr. Denie S. Tampubolon, Mr. Narendra Widjajanto and Mrs. Ida Yusmiati, directors of your company and officers of PIEP or its majority shareholder, PT Pertamina (Persero).

Terms and reasons justifying the interest of this agreement

The purpose of the Amendment is to amend the amortization schedule of the PIEP shareholder loan initially entered into in December 2017, by reducing the instalments from 2020 to 2023, without modifying the amount borrowed.

The PIEP shareholder loan bears interest at the annual rate of LIBOR + 1.6%, which has not been modified by the amendment. It is specified that the total amount of your company's commitments under the terms of the PIEP shareholder loan, as amended by the Amendment, is approximately $1.6m of additional interests compared to the interests arising from the PIEP shareholder loan prior to the Amendment.

This Amendment is made in the context of the conclusion of an amendment to the $600m bank facility agreement entered into on 10 December 2017 between Maurel & Prom West Africa SA (as borrower, subsidiary of your company) and MUFG Bank, LTD, Hong Kong Branch (formerly known as The Bank of Tokyo-Mitsubishi UFG, LTD., Hong Kong Branch) (as agent), and allows your company to maintain ample liquidity and better adapt debt repayments to cash flow generation and investment profile.

Agreements and commitments already approved by the General Shareholders' Meeting

Agreements and commitments approved in previous fiscal years whose implementation continued during the past fiscal year

Pursuant to Article R. 225-30 of the French Commercial Code, we have been informed that the following agreements and commitments, already approved by the General Shareholders' Meeting in previous fiscal years, continued to be implemented during the past fiscal year.

Conclusion of a shareholder loan with PIEP

Nature and purpose

At its meeting of 23 November 2017, your Board of Directors authorised a shareholder loan between your company and PT Pertamina Internasional Eksplorasi dan Produksi (PIEP).

Persons concerned

The company PIEP, a shareholder with more than 10% of your company's share capital, and Mr. Aussie Gautama, Mr. Denie Tampubolon, Mr. Narendra Widjajanto and Mrs. Ida Yusmiati, directors of your company and officers of PIEP or its majority shareholder, PT Pertamina (Persero).

Terms and reasons justifying the interest of this agreement

On 11 December 2017 your Company concluded a shareholder loan for the initial amount of $100m (with a second tranche of $100m), which may be drawn down at your company's discretion. This loan is repayable in 17 quarterly instalments starting in December 2020 and bears interest at the annual rate of LIBOR +1.6%.

As at 31 December 2019, the amount drawn by your company was $100m.

This agreement is part of your company's debt refinancing transaction of December 2017 and is being used to repay all of its old credit facilities.

Conclusion of a subordination agreement with PIEP

Nature and purpose

At its meeting of 23 November 2017, your Board of Directors authorised an agreement to subordinate the debts of your company, in particular those resulting from the shareholder loan granted by PT Pertamina Internasional Eksplorasi dan Produksi (PIEP).

Persons concerned

The company PIEP, a shareholder with more than 10% of your company's share capital, and Mr. Aussie Gautama, Mr. Denie Tampubolon, Mr. Narendra Widjajanto and Mrs. Ida Yusmiati, directors of your company and officers of PIEP or its majority shareholder, PT Pertamina.

Terms and reasons justifying the interest of this agreement

In view of the commitments made by your company under the $600m credit agreement entered into with a banking pool on 10 December 2017, the conclusion of the shareholder loan entered into with PIEP, as described above, required conclusion of a commitment to subordinate this loan to the $600m credit agreement. This subordination agreement was signed on 11 December 2017.

The conclusion of this subordination agreement is a consequence of the PIEP shareholder loan.

Amendment relating to the suspension of Michel Hochard's Employment Contract as Chief Financial Officer

Nature and purpose

At its meeting of 26 May 2014, your Board of Directors voted to appoint Michel Hochard as Chief Executive Officer of your company.

Persons concerned

Michel Hochard, Chief Executive Officer of your Company as from 26 May 2014 until 31 October 2019.

Terms and conditions

Insofar as Michel Hochard, prior to his appointment as the Chief Executive Officer of your company, was the company's Chief Financial Officer, the Board of Directors, on the recommendation of the Appointment and Remuneration Committee, duly noted the automatic suspension of Michel Hochard's Employment Contract dated 27 November 2007 (and its amendment dated 10 October 2011) (the "Employment Contract"), it being specified that the Employment Contract would automatically go back into effect upon the termination, for any cause whatsoever, of Michel Hochard's appointment as Chief Executive Officer.

Accordingly, your Board of Directors authorised this suspension of the Employment Contract to be formalised in an amendment dated 26 May 2014, which sets out the terms and conditions governing the suspension and resumption of the said contract.

The Employment Contract resumed from 1 November to 31 December 2019, date on which Mr. Michel Hochard decided to retire.

The Statutory Auditors

Paris-La Défense, 22 April 2020
KPMG audit

Department of KPMG S.A.

Éric Jacquet
Partner

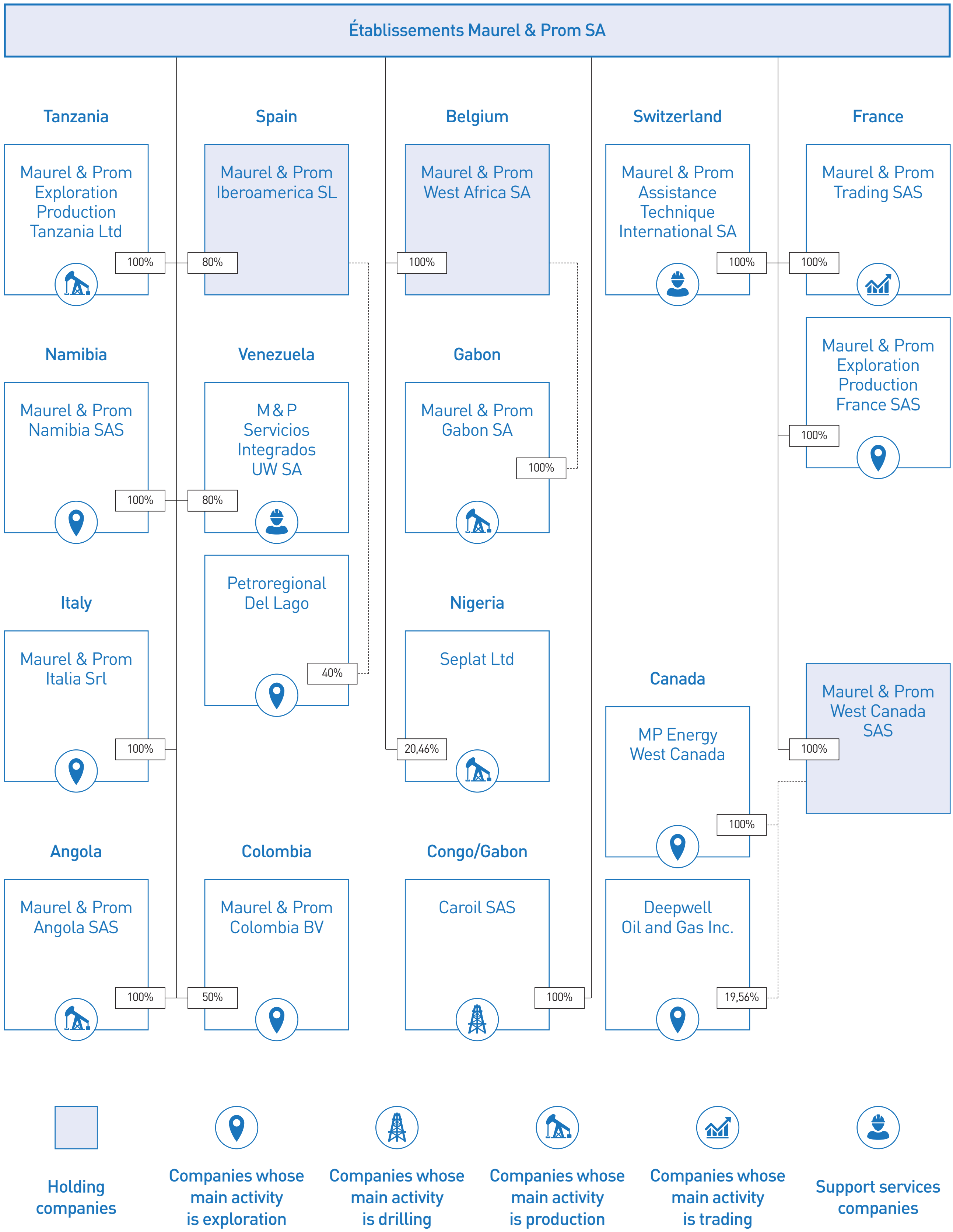
Paris, 22 April 2020
International Audit Company

François Caillet
Partner

7 ADDITIONAL INFORMATION

7.1 ORGANISATION CHART

7.1.1 Organisation chart of the main Group entities



7.1.2 List of all incorporated Group entities in 2019

Pursuant to the OECD recommendation under Action 13 of its Base Erosion and Profit Shifting (BEPS) Project and to the Accounting Directive 2013/34/EU of the European Parliament and Council of 26 June 2013 relating to the annual financial statements, consolidated financial statements and related reports of certain types of undertakings (the "Accounting Directive"),the Group has included country-by-country reporting in its legal organisation chart with an overview of the breakdown of income, taxes and activities by tax jurisdiction.

Tax jurisdiction	Resident incor-porated entity	Abbre-viation entities	Registered office	Conso-lidated entities	Mining rights owned or managed	Hydro-carbon sales	Liquid and gas hydro-carbon exploration	Technical drilling services	Admini-strative and manage-ment services	Group internal financing	Shares or other equity instruments held	Trading	Dormant activities	Other
Angola	Maurel & Prom Angola S.A.S.	M&P Angola	Paris, France	✓	✓	✓	✓							
Belgium	Maurel & Prom West Africa S.A. (registered office)	M&P WAF	Brussels, Belgique	✓							✓			
Brazil	MP Oleo & Gas do Brazil	MP Oleo Gas	Paris, France										✓	
Canada	Saint-Aubin Énergie Québec Inc (Gaspesie)	MPEQBEC	Montreal, Canada	✓	✓		✓							
Canada	Saint-Aubin Exploration & Production Québec Inc (Anticosti)	SAEPQBEC	Montreal, Canada	✓	✓		✓							
Canada	MP Energy West Canada Corp. (Sawn Lake)	MPEWC	Calgary, Canada	✓	✓		✓							
Canada	Deep Well Oil & Gas, Inc	DW	Edmonton, Alberta, Canada	✓	✓		✓							
Colombia	Maurel & Prom Colombia BV	MPCBV	Rotterdam, Netherlands	✓	✓		✓							
Colombia	Établis-sements Maurel & Prom S.A. (Bogota-based South American company)	SURAMER	Paris, France	✓				✓						
Colombia	Caroil S.A.S (Colombia based)	Caroil	Paris, France	✓				✓					✓	
Congo	Caroil S.A.S (Congo based)	Caroil	Paris, France	✓				✓						
Spain	Maurel & Prom Ibero-america S.L.	M&P Ibero-america	Madrid, Spain	✓							✓			
France	Établis-sements Maurel & Prom S.A. (siège)	EMP	Paris, France	✓	✓				✓	✓	✓			

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Tax jurisdiction	Resident incorporated entity	Abbreviation entities	Registered office	Consolidated entities	Mining rights owned or managed	Hydrocarbon sales	Liquid and gas hydrocarbon exploration	Technical drilling services	Administrative and management services	Group internal financing	Shares or other equity instruments held	Trading	Dormant activities	Other
France	Maurel & Prom Assistance Technique S.A.S.	MPAT	Paris, France						✓					e
France	Maurel & Prom West Africa S.A. (France based)	M&P WAF	Brussels, Belgium	✓							✓			
France	Maurel & Prom Exploration Production BRM S.A.S. (registered office)	MPEP BRM	Paris, France	✓	✓		✓							
France	Maurel & Prom Mnazi Bay Holdings S.A.S.	M&P MB Holdings	Paris, France	✓							✓			
France	Caroil S.A.S (registered office)	Caroil	Paris, France	✓							✓			
France	MP West Canada S.A.S.	MP West Canada	Paris, France	✓							✓			
France	Maurel & Prom Exploration Production France S.A.S. (Mios)	MPEP France	Paris, France	✓			✓							
France	Maurel & Prom Volney 5 S.A.	M&P Volney 5	Paris, France						✓				✓	
France	Maurel & Prom Services S.A.S.	M&P Services	Paris, France	✓					✓					
France	Maurel & Prom Anjou 1 S.A.S.	M&P Anjou1	Paris, France										✓	
France	Integra Oil S.A.S	Integra Oil	Paris, France		✓						✓			b
France	Maurel & Prom Trading S.A.S.	M&P Trading	Paris, France	✓								✓		
Gabon	Maurel & Prom Gabon S.A.	M&P Gabon	Port-Gentil, Gabon	✓	✓	✓	✓							
Gabon	Caroil S.A.S. (Gabon based	Caroil	Port-Gentil, Gabon	✓				✓						
Gabon	Caroil S.A.	Caroil	Port-Gentil, Gabon											✓
Gabon	Maurel & Prom Exploration Production Gabon S.A.	MPEP Gabon	Port-Gentil, Gabon		✓								✓	
Gabon	Maurel & Prom Develop-pement Gabon S.A.	M&P dev Gabon	Port-Gentil, Gabon		✓								✓	d

Tax jurisdiction	Resident incorporated entity	Abbreviation entities	Registered office	Consolidated entities	Mining rights owned or managed	Hydrocarbon sales	Liquid and gas hydrocarbon exploration	Technical drilling services	Administrative and management services	Group internal financing	Shares or other equity instruments held	Trading	Dormant activities	Other
Luxembourg	Ison holding S.a.r.l.	Ison	Luxembourg, Luxembourg		✓						✓			a
Myanmar	MP East Asia S.A.S.	MP East Asia	Paris, France	✓	✓		✓							
Namibia	Maurel & Prom Namibia S.A.S.	M&P Namibia	Paris, France	✓	✓		✓							
Nigeria	Seplat Plc	Seplat	Lagos, Nigeria	✓	✓	✓	✓							
Nigeria	Cardinal Ltd	Cardinal	Nigeria					✓						
Uganda	Caroil S.A.S. (Ouganda based)	Caroil	Paris, France	✓				✓						
Netherlands	M&P Drilling Services B.V.	MPDS	Amsterdam, Netherlands	✓						✓	✓			d
Sicily	Maurel & Prom Italia S.r.l	M&P Italia	Raguse, Sicily	✓	✓		✓							
Switzerland	Maurel & Prom Assistance Technique International S.A.	MPATI	Genève, Switzerland	✓					c					
Switzerland	Caroil Assistance Technique International S.A.	CATI	Genève, Switzerland	✓					c					
Tanzania	M&P Tanzania Ltd	M&P Tanzania	Dar Es Salaam, Tanzanie										✓	d
Tanzania	M&P Exploration Production Tanzania Ltd	MPEP Tanzania	Dar Es Salaam, Tanzania	✓	✓	✓	✓							
Tanzania	Cyprus Mnazi Bay Limited	CMBL	Nicosie, Cyprus	✓	✓	✓	✓							
Tanzania	Maurel & Prom Exploration Production BRM S.A.S. (Tanzania based)	MPEP BRM	Paris, France	✓	✓		✓							
Tanzania	Caroil S.A.S (Tanzania based)	Caroil	Paris, France	✓				✓						
Venezuela	Petroregional Del Lago (PRDL)	PRDL	Caracas, Venezuela	✓	✓	✓								
Venezuela	M&P Servicios Integrados UWS.A.	M&P SIUW	Caracas, Venezuela	✓					✓					

This list also fulfils the reporting obligations required under the EU Single Accounting Directive 2013/34/EU.

a: Since 2012, the Company has held an 18.64% stake in ISON Holding Sarl, a company incorporated under Luxembourg law. This company manages interests in gold-mining activities in Mali and owns New Gold Mali (NGM) and Tichit.

b: In 2015, the Company received US$9 million plus a 10% stake in that holding company, which owns assets in Venezuela, along with pre-emptive rights on 50% of the dividends as payment for its receivable against the Intégra Oil group.

c: Maurel & Prom Assistance Technique International and Caroil Assistance Technique International are entirely devoted to managing the majority of the personnel dedicated to the Group's international activities.

d: These dormant entities were still in the process of liquidation at 31 December 2019.

e: Dissolution without liquidation of Maurel & Prom Assistance Technique. It was effective retroactively to 1 January 2019.

7.1.3 Overview of the breakdown of activities, income and taxes by tax jurisdiction

The information presented in this section includes estimated corporate information (as the company financial statements of the Company's subsidiaries had not all been approved on the closing date of the Group's consolidated financial statements, these cannot be considered final) for fiscal year 2019, for entities held directly or indirectly at more than 40%, converted into euros at an average rate for the fiscal year for the income statement information, and at the closing date for the balance sheet information. This information differs from the consolidated financial statements to the extent that it is taken from the financial statements prepared according to local accounting standards and aggregates non-eliminated intra-Group operations. The allocation of sales to related parties reflects the presentation of segment information. This information has been prepared in accordance with the proposed amendment to the Accounting Directive presented by the European Commission in April 2016 regarding the communication of information relating to income tax by certain companies and branches.

Overview of the breakdown of activities, income and taxes by tax jurisdiction

Tax jurisdiction	In thousands Currency	External sales	Related-party sales	Total sales	Profit (loss)	Tax	Pre-tax profit (loss)	Income and production right tax liability paid (+) or repaid (-)	Income and production right tax liability payable	Share capital	Number of employees	Property, plant and equipment
Angola	USD	35,585	-	35,585	13,194	(3,511)	16,706	-	7,920	-	-	-
Belgium	USD	-	-	-	962	-	962	-	-	94	-	-
Canada	CAD	-	-	-	(736)	(126)	(609)	-	-	12,135	-	14,900
Colombia	USD	-	-	-	(1,534)	(74)	(1,461)	209	9	61	6	41
Congo	USD	3,581	-	3,581	(737)	(233)	(503)	233	-	-	2	1,620
Spain	EUR	-	-	-	(2,521)	-	(2,521)	-	-	64	-	-
France	EUR	7,141	339,619	346,760	224,933	772	224,161	-	-	250,926	42	10,581
Gabon	USD	423,290	22,129	445,419	130,119	(1,579)	131,698	68,925	-	124	488	605,592
Myanmar	EUR	-	-	-	(11)	-	(11)	-	-	37	-	-
Namibia	USD	-	-	-	(38)	-	(38)	-	-	-	-	-
Uganda	USD	-	-	-	(6)	-	(6)	-	-	-	-	-
Netherlands	USD	-	-	-	(32)	-	(32)	-	-	20	-	-
Sicily	EUR	-	-	-	(749)	-	(749)	-	-	300	2	5,586
Switzerland	EUR	-	13,617	13,617	383	(68)	451	71	-	195	117 [a]	-
Tanzania	USD	34,030	-	34,030	16,921	(6,874)	23,795	6,411	5,349	38	87	43,172
Venezuela	EUR	-	-	-	(4,301)	-	(4,301)	-	-	5	19	391
TOTAL		**503,628**									**763**	

(a) Swiss employees are on expatriate contracts and work at the Group's operating subsidiaries.

7.2 CONTRACTUAL FRAMEWORK APPLICABLE TO THE GROUP'S ACTIVITIES

Permits and agreements, the terms of which vary depending on the host country and pursuant to which the Group entities own oil and/or gas operating interests, are generally granted by or entered into with a government or national company (granted in the case of permits, licences and concessions; entered into in the case of agreements).

Today, production sharing contracts (PSCs) typically govern most of the permits held in M&P's portfolio, concessions being in the minority.

PSCs define the terms and conditions for sharing oil and/or gas production and lay the foundations for collaboration between the oil operator (composed of one or more companies) holding the permit (or licence) and the host country, which may be represented by a national hydrocarbon company. For instance, the host country (or its national company) may participate in operational decision-making (usually specified by a joint operating agreement), in the production sharing calculation or in cost accounting. The oil operator (or operators) undertakes to perform all oil operations, from exploration and exploitation to development. In exchange, the oil operator (or operators) receives a percentage of production (cost oil), the sale of which enables it to cover all costs incurred under the allocated permit (or licence). Lastly, the balance of production (profit oil) is shared between the oil operator (or operators) and the host country (or its national company), based on the production level achieved.

While the contractual framework of the PSC is relatively elaborate, the concession model itself simply grants full ownership of the assets, facilities and all production to the oil operator (or operators), which always assumes the risks in exchange for a royalty paid to the host country (or its national company), calculated on production, and taxes paid on the profits generated. Depending on local regulations, other taxes may be applied.

Throughout the life of a permit (or licence), partners and local authorities, assisted by international audit firms, regularly audit the costs incurred and declared by the oil operator to the joint ventures of the block concerned.

Hydrocarbon exploration and production are subject to authorisations from the local public authority that differentiate between several specific and limited time periods for each activity. In practice, the operator has a limited period in which to conduct seismic interpretations of an area (which may be extended if the operator considers it necessary and provides justification thereof) or to perform a certain number of required drilling operations. Failure to comply with these obligations could result in local authorities withdrawing the operator's permit (or licence).

Lastly, the Group pays taxes based on the income generated from its oil and gas production and sales activities. Depending on the host country, the Group's oil and gas production and sales may be subject to other forms of taxation.

7.3 MAJOR CONTRACTS

Apart from the agreements below and those signed in the course of its normal activities, the Company has not entered into any significant agreements in the last two fiscal years.

7.3.1 Financing

On 12 December 2017, the Company had announced the strengthening of the Group's financial structure, thereby reaffirming the backing of PIEP in the Company's growth strategy. This strengthening was largely due to the refinancing of the Company's entire debt on favourable terms and to the rescheduling of repayments over a seven-year period, including a two-year grace period, under a $600-million term-loan entered into with a banking syndicate ("term loan") and a $200-million shareholder loan from PIEP ($100 million of which has been drawn) ("shareholder loan"). It gave the Company increased financial flexibility in view of potential developments in Africa and Latin America. For more details, please refer to the 2017 Annual Report (chapter 5 of the financial statements; Notes 4.4, 5.2.1 and 6.5.3).

On 16 March 2020, the Company announced it had signed riders to both the term loan and the shareholder loan aimed at reducing the maturities of its two loans over 2020 and 2021. This would allow it to maintain sufficient liquidity and better adapt its debt repayments to cash flow generation and the investment profile.(chapter 1 – 1.3.3)

7.3.2 Acquisitions

In line with its growth and development strategy, in fiscal 2018 the Group acquired assets in Africa and Latin America. of which continued to be paid in 2019 and also in 2018 bought back Rockover's earnouts related to its main Gabonese asset.

7.3.2.1 Angola

In October 2018, the Group signed a sale and purchase agreement to acquire AJOCO's 20% interest in two producing and development blocks located in shallow waters off the shore of Angola. As the period for possible pre-emptions related to that acquisition ended in December 2018, the acquisition was closed on 31 July 2019 with administrative approval from the Angolan Ministry of Petroleum and concession holder Sonangol EP. The total adjusted amount of the transaction was $35 million, funded from Maurel & Prom's existing cash. The adjustment was based on working capital and cash flows since the economic effective date of the transaction (1 January 2018). The transaction also provided for an additional contingent consideration of up to $25 million subject to oil price performance and resources development. In the end, no additional payment was made because the conditions were not met.

7.3.2.2 Venezuela

In December 2018, the Group closed the acquisition of the 40% interest held by Shell Exploration and Production Investments B.V. ("Shell") in Petroregional del Lago (the "Mixed Company"), which operates the Urdaneta West oil field located at Lake Maracaibo, Venezuela. The total consideration for the acquisition of Shell's shares in the Mixed Company was €70 million, funded from Maurel & Prom's existing cash resources and composed as follows:

- €47 million which were paid at the closing of the acquisition; and
- €23 million payable in monthly instalments starting in December 2019 and ending in April 2020.

Maurel & Prom Iberoamerica S.L. (formerly Maurel & Prom Venezuela) obtained approval from Venezuela's Ministry of Petroleum for the transfer of the 40% interest in Petroregional del Lago, in accordance with applicable regulations for the transfer of shares in mixed companies between private investors. This transaction was completed on 20 December 2018.

On 17 July 2019 and 24 July 2019 respectively, Sucre Energy Latam B.V. acquired a 20% stake in Maurel & Prom Iberoamerica S.L. and M&P Servicios Integrados UW., the Group's services company in Venezuela.

7.3.3 Crude oil trading

Through its wholly owned subsidiary "Maurel & Prom Trading", the Group now trades the crude oil produced by M&P Gabon and M&P Angola. A first lifting of Rabi light crude was carried out at the Cap Lopez terminal (Gabon by Maurel & Prom Trading at the end of March 2019, and first lifting of Palanca crude was carried out at the Palanca terminal (Angola) by Maurel & Prom Trading in December 2019 (see chapter 1 – 1.2.4 Trading).

In the long run, this entity will market all the crude volumes produced by the Group, allowing M&P to maximise value creation. This new method of trading by Maurel & Prom Trading has been approved by the Group's banking consortium.

7.3.4 Other large contracts

Under the Ezanga PSC, the Gabonese Republic has a right of entry once an Exclusive Development Authorisation is granted. On 6 June 2019, Maurel & Prom Gabon, as Operator of the Ezanga block (with a 80% stake), signed a joint operating agreement with its partners Gabon Oil Company (12.5% stake) and Tullow Oil Gabon (7.5% stake), governing respective rights and obligations with regard to oil operations under Ezanga PSC No. G4-244. This type of agreement is standard in the oil industry and is based on the AIPN (Association of International Petroleum Negotiators) model. Specifically, it allows the Operator to issue cash calls to its partners so that they can jointly finance oil operations in the appropriate proportions.

This joint operating agreement formalised the entry of Gabon Oil Company (Gabon's national oil company) into the Ezanga Contractor, also formalised by amendment 3 to the Ezanga PSC signed by the partners and the Gabonese Ministries of Petroleum and the Economy.

The agreement also allowed Gabon Oil Company firstly to repay the investments Maurel & Prom Gabon had made in its name over the course of 2018 and in the first half of 2019 amounting to $45 million (after which Gabon Oil Company's participation in the financing of the joint operations was through cash calls issued by the operator following the entry into force of the joint operating agreement) as consideration for a rebate by Maurel

& Prom Gabon for an equivalent share of oil production (713,000 barrels), and secondly to place in an escrow account the sum of $43 million representing the balance of the receivable held by Maurel & Prom Gabon against Gabon Oil Company for investments made between 2014 and 2016, so that Gabon Oil Company could perform an audit on these incurred costs. As that audit ended in the rejection of the costs borne by the Operator, and under the terms of the various settlement agreements between Maurel & Prom Gabon and Gabon Oil Company, an independent appraiser at the Paris International Chamber of Commerce will be appointed with the authority to settle the dispute definitively through a simplified, accelerated procedure.

The agreement signed on 26 July 2012 to acquire Cyprus Mnazi Bay Limited from Wentworth provided for Wentworth to be paid up to $5 million if gas production volumes exceeded 10 million cubic feet per day over a period of 30 consecutive days. As at 31 December 2019, Wentworth had been paid $5 million.

7.4 RESTRICTION ON THE USE OF CAPITAL WITH A SIGNIFICANT IMPACT ON OPERATIONS

With the exception of the limits set out above, the Company has made no commitments with a significant impact on operations that would restrict the use of capital.

7.5 PROPERTY, PLANT AND EQUIPMENT

With the exception of one building located in Gabon, no company in the Group owns any buildings.

The Company's registered office is under a commercial lease signed on 31 January 2013 for the offices at 51, rue d'Anjou, 75008 Paris. It expires on 31 January 2022 after a nine-year period.

The Group is co-owner, with its associated companies, of the equipment and facilities needed to produce hydrocarbons at the fields it operates for the duration of their exploitation, as well as certain pipelines used to deliver crude oil to the point of extraction.

7.6 RESEARCH AND DEVELOPMENT, PATENTS AND LICENCES

The Group does not conduct research and development and does not own any patents or significant licences.

7.7 THIRD-PARTY INFORMATION AND STATEMENT BY EXPERTS AND DECLARATIONS OF INTEREST

Any information relating to the Group's hydrocarbon reserves and resources provided in this Annual Report is based on certifications or assessments by independent appraisers, whose names are given in section 1.1.1 of this Annual Report.

7.8 LEGAL PROCEEDINGS AND ARBITRATIONS

The main disputes in which the Company or its subsidiaries are involved are described below.

Beside these disputes, no other governmental, legal or arbitration proceeding exists, including any proceeding of which the Company is aware, whether pending or threatened, that could have or that has had a significant impact on the financial position or profitability of the Company and/or the Group over the course of the last twelve months.

7.8.1 Jointly interested parties Rolland & Graff litigations

By writ dated 7 March 2016, the jointly interested parties Graff & Rolland and Vintage Investment Club commenced proceedings against Pacifico, Maurel & Prom and MPI in the Paris Commercial Court seeking to establish that Pacifico "had allegedly filed a takeover bid on MPI and Maurel & Prom prior to the Combined General shareholders' meetings of each of these two companies", which was done in application of Article 234-1 of the General Regulations of the AMF, and therefore to "cancel MPI's and Maurel & Prom's Combined General shareholders' meetings held on 17 December 2015" that approved the merger between the Company and MPI, as well as Maurel & Prom's General shareholders Meetings of 18 June 2015, 13 October 2014 and 12 June 2014. Damages are also sought from Maurel & Prom both personally and as successor in interest to MPI in the amount of €1,000,000, and from Pacifico. Proceedings are still ongoing. In a ruling handed down on December 20, 2019, the Paris Commercial Court dismissed all the claims of the Graff and Rolland consorts and the Vintage Investment Club. The plaintiffs have appealed this decision.

7.8.2 Golden Palm arbitration

On 17 March 2017, the Group received official notification that a request for arbitration proceedings had been initiated against it by Golden Palm and PIA (it being specified that PIA was a joint shareholder of MP Iraq – which went on to become Middle East Petroleum Investors (MEPI) – and "partner" on this project), which claimed that the Group owed them the sum of approximately €33.3 million as payment for an oil project in Iraq that was never completed. The Group deemed the claims issued by Golden Palm and PIA to have no legal basis and therefore intended to vigorously defend its legitimate interests. The situation as at the date of this Annual Report is that Golden Palm and PIA (the claimants) eventually decided to end the arbitration proceedings and thus requested from the ICC (International Chamber of Commerce) that the case be withdrawn.

However, on 13 March 2019, MEPI summoned the company before the Paris Commercial Court claiming an amount of €70 million. Under the terms of a ruling delivered on 13 March 2020, the Paris Commercial Court upheld Maurel & Prom's claims, declaring that it was not the competent court to hear the action brought by MEPI against Maurel & Prom and a former senior executive. In particular, it ruled that MEPI was bound by the arbitration clause contained in the partnership agreement signed by the parties, even if it was not a signatory to that agreement. Consequently, if MEPI wanted to pursue the claim, said claim would have to be brought before an arbitration court. As of the publication of the present Annual Report, MEPI did not appeal against this decision of the Paris Commercial Court.

7.9 PAYMENTS MADE TO GOVERNMENTS OF COUNTRIES WHERE EXTRACTIVE ACTIVITIES ARE CARRIED OUT

7.9.1 Preparation basis

The publication of this information was made compulsory for the extractive industries by Transparency Directive 2004/109/EC of 15 December 2004, transposed into French law by Law 2014/1662 of 30 December 2014.

This information was established on the basis of specific consolidated reporting which listed, per project, payments made to each government authority in countries where extractive activities were carried out.

"Projects" mean operating activities governed by a set of agreements that are significantly linked to one another (i.e. permits governed by the same exploration and production sharing contract) and constitute the basis of payment obligations.

"Authorities of each government" mean any national, regional or local authority of a government or territory, or any administration, agency or controlled undertaking.

"Payments" mean disbursements and payments in kind made in respect of each of the following payment categories:

A: Royalties, contributions or taxes levied on income (excluding taxes or levies on consumption, such as value added tax, personal income tax or sales tax).

B: Signature, discovery or production premiums; licence rights, rental fees, entry rights or other licence and/or concession considerations.

C: Payments for infrastructure improvements.

D: Production rights and taxes levied on company benefits.

The other categories provided for in the directive are not included as they have no purpose here. In the case of Gabon, payments are related mainly to the Ezanga permit.

These different categories correspond to the level of information required by law. In cases where the payment amounts per project or category are not material, a grouping was made.

7.9.2 Breakdown of sums paid in 2019

Sums paid in fiscal year 2019 to governments of countries in which the Maurel & Prom Group operates are presented below:

(In US$ thousands)	Taxes and contributions (A)	Premiums and rights (B)	Subsidies (C)	Production rights (D)	Total payments to governments
Gabon	72, 565		21,453	61,141	155,159
Tanzania (Mnazy Bay)	9,262	0	22	6,411	15,695
Colombia	209				209
TOTAL	**82,036**	**0**	**21,475**	**67,552**	**171,063**

Eligible payments are paid in full by M&P as an operator on behalf of its partners. The amounts reported in this declaration are presented on the basis of operator data and not proportionally.

7.10 DOCUMENTS AVAILABLE TO THE PUBLIC

In compliance with the recommendations of the French Financial Markets Authority, the Company's Bylaws and internal regulations are available on the Company website, www.maureletprom.fr. In addition, like the minutes of general shareholders' meetings, Statutory Auditors' reports and other corporate documents related to Maurel & Prom, they may be consulted at the Company's registered office: 51, rue d'Anjou – 75008 Paris, France.

The nature of these documents and the conditions for delivering or making them available are established by the applicable laws and regulations.

Information about the Company is also available on the Company's website, www. maureletprom.fr, which allows shareholders, employees and the general public to access an overview of the Group and its key financial information, such as results, press releases on sales, results of operations, and other important events in the life of the Company or of the Group, annual reports (including the Company and the Group's historical financial information) filed with the French Financial Markets Authority, as well as their updates where applicable, interim reports, presentations to analysts, share prices, key figures, information on shareholders and corporate governance and all other significant events concerning the Company and the Group. A copy of these documents and information can also be obtained from the Company's registered office.

In compliance with Article 221-3 of the French Financial Markets Authority's General Regulations, the regulated information (defined in Article 221-1 of the AMF's General Regulations) is made available on the Company's website. It remains there for at least five years, with the exception of Annual Reports and interim financial reports, which remain there for at least 10 years.

Lastly, the statements of declaration of ownership disclosure thresholds are published on the French Financial Markets Authority's website: www.amf-france.org.

For information:
Press, shareholder and investor relations
Tel: +33 (0)1 53 83 16 45
Email: ir@maureletprom.fr

7.11 STATUTORY AUDITORS

	Date of first appointment	Term of current appointment	Expiry of appointment
Statutory Auditors			
International Audit Company 46, rue du Général Foy 75008 Paris, France	General Shareholders' Meeting of 14 June 20002	6 years from 12 June 2014	At the close of the General Shareholders' Meeting called to approve the annual financial statements as at 31 December 2019
KPMG S.A. Tour EQHO 2, avenue Gambetta 92066 Paris-La Défense Cedex, France	General Shareholders' Meeting of 12 June 2014	6 years from 12 June 2014	At the close of the General Shareholders' Meeting called to approve the annual financial statements as at 31 December 2019
Alternate Statutory Auditors			
Fabienne Hontarrede 459, avenue de Circourt 78170 La Celle-Saint-Cloud, France	General Shareholders' Meeting of 12 June 2014	6 years from 12 June 2014	At the close of the General Shareholders' Meeting called to approve the annual financial statements as at 31 December 2019
Salustro Reydel Tour EQHO 2 avenue Gambetta 92066 Paris-La Défense Cedex, France	General Shareholders' Meeting of 12 June 2014	6 years from 12 June 2014	At the close of the General Shareholders' Meeting called to approve the annual financial statements as at 31 December 2019

7.12 INCORPORATION BY REFERENCE

In accordance with the Commission Delegated Regulation (UE) 2019/980 dated March 14,2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and the Council, the following information is incorporated by reference in this Annual Report:

1 – for fiscal year ended 31 December 2018: the consolidated financial statements, parent company financial statements, Statutory Auditors' Reports relating thereto, the review of the financial position and other matters relating to the Company's financial statements that were included in the 2017 Annual Report filed with the French Financial Markets Authority on 30 April 2019 under number D.19-0440;

2 – for fiscal year ended 31 December 2017: the consolidated financial statements, parent company financial statements, Statutory Auditors' Reports relating thereto, the review of the financial position and other matters relating to the Company's financial statements that were included in the 2016 Annual Report filed with the French Financial Markets Authority on 27 April 2018 under number No. D.18-0428.

7.13 STATEMENT BY THE PERSON RESPONSIBLE FOR THE ANNUAL REPORT AND ITS UPDATING

Olivier de Langavant, the Company's Chief Executive Officer, is responsible for the financial information and the Annual Report.

His contact details are as follows:

Olivier de Langavant, Chief Executive Officer Établissements Maurel & Prom
51 rue d'Anjou, 75008 Paris, France
Tel.: +33 (0)1 53 83 16 00, Fax: +33 (0)1 53 83 16 04

Olivier de Langavant, Chief Executive Officer of Établissements Maurel & Prom,

"I hereby certify, after having taken every reasonable measure to this effect, that the information contained in this Annual Report is, to my knowledge, accurate and does not contain any omission that could affect its scope.

I also hereby certify, to my knowledge, that the financial statements have been prepared in compliance with applicable standards in France and accurately represent the assets, financial position and earnings of the Company and all companies included in the consolidation, and that the management report included in this Annual Report presents a true and fair view of the progress of the business, earnings and financial position of the Company and of all companies included in the consolidation and that it describes the main risks and uncertainties they face.

I have obtained a completion of work letter from the Statutory Auditors in which they indicate that they have verified the financial data and the financial statements contained in this Annual Report and have read the Annual Report in its entirety."

7.14 GLOSSARY

$
US dollar(s)

€
Euro(s)

AEDE
Exclusive Development and Production Authorisation.

AEE
Exclusive Development Authorisation.

ANH
National Hydrocarbons Agency.

bbl
Barrel.

bbl (barrel)
Unit of volumetric measurement of crude oil, which is 159 litres (42 US gallons). One tonne of oil contains approximately 7.5 barrels.

bopd
Barrels of oil per day.

boe
Barrels of oil equivalent.

boepd
Barrels of oil equivalent per day.

boepd
Barrels of oil per day.

Brent
Class of North Sea oil.

EPSC
Exploration and production sharing contract.

Block Sale
Sale of 47,916,026 shares held by Pacifico S.A., representing 24.53% of Maurel & Prom's capital, to PT Pertamina (Persero) or to one of its subsidiaries.

PSC Production Sharing Contract
Contract signed by the government and the company operating under the permit. This contract determines all the rights and obligations of the operator, in particular the percentage of cost oil (so that the operator can be reimbursed for exploration and development costs borne by the operating company) and the share of the profit oil (remuneration).

EBITDA (Earnings before interest, taxes, depreciation and amortisation)
This Intermediate Management Balance corresponds to sales net of purchases of consumables and services, taxes and personnel expenses.

EBITDAX
EBITDAX is equal to earnings before interest, tax, amortisation and depreciation and before the impact of exchange gains and losses.

Drilling
Drilling consists of creating a passage through the surface of the earth in order to take samples from the subsoil or extract fluids. Originally, drilling was always performed vertically. Today, however, when drilling cannot be done vertically, it is done at an angle, whether directed or not towards specific objectives, as in downhill deviated drilling.

Bcf
Billion cubic feet.

HSE
Health, Safety and Environment.

Mbbl
Thousands of barrels.

Mbbl
Thousands of barrels.

Mboe
Thousand barrels of oil equivalent.

Mcf
Thousand cubic feet.

M
Million(s).

MMbbl
Million barrels.

mmboe
Million barrels of oil equivalent.

mmcf
Million cubic feet.

MN/m³
Meganewton per cubic metre.

mmcfd
Million cubic feet per day.

MPI
Public limited company with its registered office at 51, rue d'Anjou, 75008 Paris, and listed in the Paris Trade and Companies Register (RCS) under number 517 518 247, merged with Établissements Maurel & Prom S.A.

MW
Megalliwatt.

Oil pipeline
Pipeline for transporting fluids.

OML
Oil Mining Licence.

Takeover bid
Takeover bid initiated by PIEP, a wholly owned subsidiary of the Indonesian company PT Pertamina (Persero), on Maurel & Prom shares, which opened on 15 December 2016 and was completed on 9 February 2017.

Operator
Company responsible for the operations on an oil field.

ORNANEs
Bonds redeemable in cash and/or in new shares and/or existing shares.

cf
Cubic feet.

cfpd
Cubic feet per day.

PIEP
PT Pertamina Internasional Eksplorasi dan Produksi, an Indonesian company with its registered office at Patra Jasa Office Tower 3A Fl., Jalan Gatot Subroto, Kav. 32-34, Jakarta South 12950, Indonesia.

Annual production
Production available for sale (after oil taxes).

Production available for sale after oil taxes (entitlements)
Maurel & Prom's net share of production after royalties and oil taxes. This is the production sold.

Maurel & Prom production share net of royalties
Maurel & Prom production share minus royalties.

Maurel & Prom production share/working interest
Operated production less the partners' share.

Operated production
The total production of a field, before production sharing.

RCF
Revolving Credit Facility of $650 million, based on an initial tranche of $400 million and a $250-million accordion feature until 31 December 2016, which may be drawn down on two occasions under certain conditions, agreed on 18 December 2014 by the Company with a consortium of four international banks (Natixis, BNP Paribas, Crédit Agricole Corporate & Investment Bank, and Standard Chartered Bank).

Royalties
Oil taxes paid in kind, corresponding to a percentage of a field's production.

Internal regulations
Internal regulations of the Company's Board of Directors and its special committees.

Assessed reserves
Maurel & Prom's share of reserves, as assessed by an independent appraiser, after deducting royalties in kind, and before the taxes applicable to each type of contract (production sharing, concession).

Net reserves
The proportion of total reserves from fields reverting to the Company (according to its interest share), taking into consideration the stipulations of the production sharing contract for the cost oil and profit oil.

Reserves net of royalties
The total reserves of a field after deducting royalties.

1P reserves (proved)
Gas and oil reserves "reasonably certain" to be recovered using current technology, at current prices, with current commercial terms and government consent. In the industry, these are known as 1P reserves and designated "P90" because they have at least a 90% probability of being recovered.

2P reserves (probable)
Gas and oil reserves "reasonably probable" of being recovered using current technology, at current prices, with current commercial terms and government consent. In the industry, these are known as 2P reserves and designated "P50" because they have at least a 50% probability of being recovered.

3P reserves (possible)
Gas and oil reserves defined as "having a chance of being developed under favourable circumstances". In the industry, these are also known as 3P reserves and designated as "P10" because they have at least a 10% probability of being recovered.

2D/3D seismic survey
Geophysical surveying method consisting of sending sound waves into the subsoil and recording their propagation, thus making it possible to obtain information on the structure of the subsoil. They may be in 2 or 3 dimensions.

tCO_2e
Tonne of carbon dioxide equivalent.

PET
Positron emission tomography.

7.15 CROSS-REFERENCE TABLES

7.15.1 Appendix 1 of the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129

Title	Corresponding sections of the Annual Report
1. Persons responsible, third-party information, reports by experts and approval by the competent authority	
1.1 Persons responsible	7.13
1.2 Statement by the persons responsible	7.13
1.3 Statements by experts and declarations of any interest	7.7
1.4 Certification of third-party information	4.4
1.5 Filing of the universal registration document with the AMF	p1
2. Statutory Auditors	
2.1 Name and address of the Statutory Auditors	7.11
2.2 Information on the resignation of the Statutory Auditors	N/A
3 Risk factors	
3.1 Description of the issuer's main risks	2
4 Information about the issuer	**6**
4.1 Corporate and trade name of the issuer	6
4.2 Place and number of registration, Legal Entity Identifier (LEI)	6
4.3 Date of incorporation and term	6
4.4 Registered office, legal form, applicable legislation, country of origin, address and telephone number of registered office, website	6
5. Business overview	1.2
5.1 Main activities	1.2
5.1.1 Nature of the transactions carried out and main activities	1.2
5.1.2 New products and/or main services launched on the market	1.2
5.2 Main markets	1
5.3 Significant events in the development of activities	1.1.2;1.2;1.4
5.4 Strategy and objectives	1.4
5.5 Dependence on certain patents, licences, industrial, commercial or financial contracts or new manufacturing processes	2.1.5
5.6 Competitive position	1.1.4
5.7 Investments	
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5.7.2 Significant investments either under way or for which firm commitments have been made	1.3.5
5.7.3 Information regarding joint ventures and undertakings in which the issuer holds an equity interest that may have a material impact on the valuation of its assets and liabilities, financial position or profits and losses	5.1 (Note 2.4)
5.7.4 Description of environmental issues that may affect the use by the issuer of its property, plant and equipment	2.4.3; 4.2

Title			Corresponding sections of the Annual Report
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6.2	List of main subsidiaries		5.1 (Note 2.3); 7.1.2
7.	**Review of the financial position and results**		
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	7.1.2	Probable future development of the issuer's activities and research and development activities	1.3.1; 7.6
7.2	Operating income (loss)		
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	7.2.2	Explanation of changes in net sales or net income during the last three financial years	1.3.1; 5.1
8.	**Cash and capital**		
8.1	Information concerning capital resources		5.1
8.2	Cash flows		5.1.4
8.3	Borrowing requirements and funding structure		1.3.3; 5.1.4 (Note4)
8.4	Restrictions on the use of capital resources that have materially affected or could materially affect activities		7.4
8.5	Significant investments or investments for which firm commitments have been made		5.1
9.	**Regulatory environment**		**7.2**
10.	**Information about trends**		
10.1	Main trends having affected production, sales and inventories, costs and sale prices since the close of the last fiscal year		1.2.;1.3.; 1.4
10.2	Known trends, uncertainties, demands, commitments or events likely to materially affect the outlook for the current fiscal year		1.4
11.	**Forecasts and estimates of sales and investment budgets**		**N/A**
12.	**Administrative, management and supervisory bodies and executive management**		
12.1	Information regarding members of the administrative and management bodies		3.2.1.; 3.2.5
12.2	Conflicts of interest, commitments relative to appointments, restrictions on disposals of interests in the issuer's share capital		3.2.2.5 A
13.	**Remuneration and benefits**		
13.1	Remuneration paid and benefits in kind granted by the issuer and its subsidiaries		3.2.3; 5.1 (Note 6.7); 5.3 (Note 5.4)
13.2	Sums provisioned or recognised for pensions, retirement or other benefits		3.2.3; 5.1 (Note 3.10)
14.	**Operations of administrative and management bodies**		
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14.2	Contracts with the issuer or its subsidiaries granting benefits under the terms of such contracts		3.2.2.4D
14.3	Information about the issuer's Audit Committee and remuneration committee		3.2.2.2
14.4	Compliance with the applicable corporate governance regime		3.1
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Title		Corresponding sections of the Annual Report
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15.1	Number of employees at the close of the last three fiscal years, if material; breakdown by main category of activity and geographic location	4.1.1.1
15.2	Employee shareholding and stock options	4.1.4; 6.31
15.3	Agreements stipulating an employee shareholding in the capital of the issuer	4.1.4
16. Major shareholders		
16.1	Ownership interests exceeding the disclosure thresholds (known ownership interests) at the date of the Annual Report or an appropriate statement attesting to the lack thereof	6.3.1.2
16.2	Voting rights of the main shareholders exceeding their share of capital	6.3.1.4
16.3	Control of the issuer exercised by one or more shareholders	6.3.3.1
16.4	Agreement known to the issuer, the implementation of which could subsequently result in a change in its control	6.3.3.2
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	18.1.1 Audited historical financial information	7.12
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	18.1.3 Accounting standards	5.1 (Note 1.2)
	18.1.4 Change in accounting standards	N/A
	18.1.5 Audited financial information in accordance with domestic accounting standards	5.2
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	18.1.7 Date of the latest financial information	31 December 2019
18.2	Interim and other financial information	N/A
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	18.3.2 Sources of the financial information appearing in the universal registration document and not taken from the issuer's certified financial statements	N/A
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18.6	Legal and arbitration proceedings	7.8
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Title		Corresponding sections of the Annual Report
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19.2.3	Provisions of the issuer's Articles of Association, charter or Bylaws which could delay, defer or prevent a change in its control	3.2.1; 3.2.2
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7.15.2 Annual financial report

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3. Management report (French Monetary and Financial Code)	
3.1 Article L. 225-100-1 of the French Commercial Code:	
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3.1.2 Analysis of results	1.3
3.1.3 Analysis of financial position	1.3
3.1.4 Key performance indicators of a financial and non-financial nature relating to the Company's specific business, including information on environmental and personnel matters	1.3; 4; 5
3.1.5 Main risks and uncertainties	2
3.1.6 Financial risks related to the effects of climate change and measures taken by the Company to reduce them by implementing a low-carbon strategy in all areas of its business	2.4.3
3.1.7 Internal control and risk management procedures	2.6
3.1.8 Hedging objectives and policy; the Company's exposure to price, credit, liquidity and cash flow risks	2.1; 5.1.4 (Note 5)
3.2 Article L. 225-211 of the French Commercial Code:	
3.2.1 Buyback and resale by the Company of its own shares	6.1.2
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5. Statutory Auditors' Report on the parent company financial statements	**5.4**
6. Statutory Auditors' Report on the consolidated financial statements	**5.2**
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8. Board of Directors' Report prepared in accordance with Article L. 225-37 of the French Commercial Code	**7.15.4**
9. Statutory Auditors' Report on the Corporate Governance Report	**5.4**

7.15.3 Management report

Items required by the French Commercial Code, Monetary and Financial Code, General Tax Code and General Regulations of the French Financial Markets Authority (AMF)		Corresponding sections of the Annual Report
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1.4	Key performance indicators of a financial and non-financial nature	1.3; 4; 5
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1.6	Foreseeable changes in the Company and Group	1.4
1.7	Research and development activities	7.6
1.8	Significant shareholdings or takeovers during the fiscal year in companies having their registered offices in France	N/A
2.	**Shareholder structure and capital**	
2.1	Shareholder structure and changes during the fiscal year	6.3.1
2.2	Employee share ownership	6.3.1.1
2.3	Buyback and resale by the Company of its own shares	6.1.2
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2.5	Transfer or disposal of shares to reduce cross-shareholdings	N/A
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2.7	Adjustments in the event of issues of transferable securities conferring access to capital	N/A
2.8	Adjustments in the event of the existence of stock options	N/A
2.9	Information about stock option plans granted to corporate officers and employees	N/A
2.10	Prohibition on the exercise of stock options or obligation to hold shares resulting from the exercise of options by executive corporate officers	N/A
2.11	Information about the allocation of bonus shares to corporate officers and employees	3.2.3.1 B); 6.1.5
2.12	Obligations on the part of executive corporate officers to retain shares allocated free of charge	3.2.3.1 B
3.	**Risk factors and internal control**	
3.1	Description of the main risks and uncertainties	2
3.2	Financial risks related to the effects of climate change and measures taken by the Company to reduce them through the introduction of a low-carbon strategy	2.4.3.4; 4.2.2
3.3	Hedging objectives and policy; the Company's exposure to price, credit, liquidity and cash flow risks	2.3; 5.1.5 (Note 5)
3.4	Internal control and risk management procedures relating to the preparation and processing of financial and accounting information	2.6
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4.3	Information about facilities classified as Seveso high threshold	N/A

Items required by the French Commercial Code, Monetary and Financial Code, General Tax Code and General Regulations of the French Financial Markets Authority (AMF)		Corresponding sections of the Annual Report
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5.2	Changes in the presentation of the parent company financial statements and assessment methods	5.1
5.3	Reference to existing branches	N/A
5.4	Sumptuary expenditure	N/A
5.5	Reinstatement of excessive overhead costs	N/A
5.6	Injunctions or financial sanctions for anti-trust practices	N/A
5.7	Transactions carried out on Company shares by senior managers or persons with close links with those managers	3.2.2.3 C)
5.8	Inter-company loans	N/A
5.9	Payments made to the authorities of each state or territory in which extractive activities are carried out	7.9
6. Appendices to the management report		
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6.3	Opinion of the independent third-party body responsible for verifying the information provided in the statement of non-financial performance	4.4
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7.15.4 Report on Corporate Governance

Items required by the French Commercial Code		Corresponding sections of the Annual Report
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1.1	Description of the remuneration policy for executive corporate officers and draft resolutions pertaining thereto	3.2.3.1 C)
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1.4	Suspension, if applicable, of directors' fees for failure to comply with gender parity rules	N/A
1.5	Reference to resolutions adopted during an ex-ante vote	3.2.3.1 A)
2. Governance		
2.1	List of all terms of office and duties carried out in any company by each corporate officer during the fiscal year	3.2.1.1 A)
2.2	Agreements between a corporate officer or shareholder holding more than 10% of the voting rights and a Company subsidiary	3.3
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2.4	General management organisational procedures	3.2.1
2.5	Composition, preparation conditions and organisation of the work of the Board of Directors	3.2.1; 3.2.2
2.6	Diversity policy applied to members of the Board of Directors, gender balance on the operating committee and results in terms of gender balance in 10% of the most senior positions	3.2.1.1 A)
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2.8	Reference to a Corporate Governance Code, application of the "comply or explain" principle and location where the Code may be consulted	3.1
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7.15.5 Statement of Non-financial Performance

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2.	**Main information categories**	
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3.2	Environmental consequences of business activities	4.2; 4.3.3
3.3	Impact of business activities with regard to respect for human rights	4.1
3.4	Impact of business activities with regard to anti-corruption efforts and tax avoidance	4.3.1
3.	**Other regulatory issues**	
3.5	Consequences on climate change of the Group's business and the use of the goods and services it produces	4.2.5
3.6	Corporate commitments to promote sustainable development	4.1; 4.2
3.7	Circular economy	4.2
3.8	Combating food waste	N/A
3.9	Combating food insecurity	N/A
3.10	Respect for animal welfare and for responsible, fair and sustainable food	N/A
3.11	Collective bargaining agreements entered into by the Company and their impact on the Company's economic performance and employee working conditions	4.1.7.4
3.12	Action taken to combat discrimination and promote diversity and measures to support people with disabilities	4.1.1.3

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