

PetroMaroc Corporation plc

Management Discussion and Analysis

This Management Discussion and Analysis (“MD&A”) of the financial condition and results of operations of PetroMaroc Corporation plc (“PetroMaroc” or the “Company”) is dated August 18, 2017 and should be read in conjunction with the audited consolidated financial statements of the Company for the year ended December 31, 2016, the related MD&A and the unaudited condensed interim consolidated financial statements of the Company for the three and six months ended June 30, 2017. These financial statements, including the comparative figures, were prepared in accordance with International Financial Reporting Standards (“IFRS”). Unless otherwise noted, all financial measures are expressed in United States dollars. This MD&A contains forward looking information based on the Company’s current expectations and projections.

Additional information relating to the Company is available on SEDAR at www.sedar.com or the Company’s website at www.petromaroc.co

Statements throughout this MD&A that are not historical facts may be considered “forward-looking statements” These forward-looking statements sometimes include words to the effect that management believes or expects a stated condition or result. All estimates and statements that describe the Company’s objectives, goals or future plans are forward-looking statements. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties and actual results could differ materially from those currently anticipated. These risks and uncertainties include, but are not limited to, changes in market conditions, law or government policy, operating conditions and costs, operating performance, demand for oil and gas and related products, price and exchange rate fluctuations, commercial negotiations or other technical and economic factors. Forward-looking statements are based on current expectations, estimates and projections of future production and capital spending as at the date of this MD&A and the Company assumes no obligation to update or revise forward-looking statements to reflect new events or circumstances, except as required by law or accounting standards.

Financial outlook information contained in this MD&A about prospective results of operations, financial position or cash flows is based on assumptions about future events, including economic conditions and proposed course of action, based on the assessment by management of the relevant information currently available. Readers are cautioned that such financial outlook information contained in this MD&A should not be used for purposes other than for which it is disclosed herein.

Sale and Purchase Agreement with Sound Energy

On March 8, 2016, the Company entered into a binding sale and purchase agreement with Sound Energy plc (“Sound”). The agreement, upon completion, would allow Sound to acquire the Company’s Sidi Moktar licences in consideration for issuance to the Company of 21,258,008 shares of Sound and the Company retaining a 10% net profit interest in any future cash flows from the Kechoula structure within the Sidi Moktar licences, and the Company retaining a 5% net profit interest in any future cash flows from structures within the Sidi Moktar licences other than the Kechoula structure. The binding sale and purchase agreement was subject to a number of conditions precedent, including ministerial approvals in Morocco, debenture holder approval and a final approval of the TSX Venture Exchange.

In September 2016, PetroMaroc and Sound entered into an amending agreement, pursuant to which any proceeds from a sale (in whole or in part) of the 21,258,008 Sound ordinary shares to be issued to PetroMaroc as consideration on completion of the acquisition will be shared between PetroMaroc and Sound Energy as follows: PetroMaroc will receive all proceeds from sale(s) up to 50 pence per consideration share and sale proceeds in excess of 50 pence per consideration share will be shared equally between PetroMaroc and Sound. The transaction closed on January 9, 2017 with the Sound shares closing at 75.75 pence as quoted on the Alternative Investment Market (“AIM”).

As a result of completing the transaction with Sound, the Company was able to restructure the Cdn \$11.09 million principal amount of the secured debentures. Accordingly, the Cdn \$11.09 million was rolled into a new class of secured redeemable, debentures, issuable in series, with all principal and interest due and payable in full on January 31, 2018 (the “New Debentures”). The Series 1 New Debentures bear interest at the rate of 10% per annum and are convertible, at the option of the holder, into ordinary shares of the Company at a conversion price equal to \$0.06 per share in the first 12 months of the term (January 1, 2017 to December 31, 2017) and \$0.10 per share in the last month of the term (January 1, 2018 to January 31, 2018). The Series 2 New Debentures bear interest at the rate of 15% per annum, with no right to convert into ordinary shares of the Company. The Series 1 New Debentures and the Series 2 New Debentures shall bear an effective issue date of December 31, 2016, being the maturity date of the original Debentures. The Series 1 New Debentures and the Series 2 New Debentures shall rank pari passu with each other. The Company issued Cdn \$6,327,600 Series 2 New Debentures, and Cdn \$4,762,400 Series 1 New Debentures.

In accordance with the terms of the New Debentures, Cdn \$4,407,056 being the outstanding accrued interest and fees owing under the Debentures as at December 31, 2016 was paid in February 2017, along with interest and fees totalling Cdn \$68,823 being the accrued interest and fees owing under the April 2014, November 2015 and June 2016 Cdn \$11.09 million Debentures for the period January 1, 2017 to February 7, 2017 (the “stub” period), which interest cost being accrued and payable in the first quarter of 2017. In order to provide capital for the interest and fees owing and have capital available for general working capital purposes, in February 2017, PetroMaroc disposed of 5,314,502 Sound Energy shares, the proceeds received (net

of transaction costs, and net of proceeds above 50 pence being allocated equally between the Company and Sound Energy) totaled \$4,072,050.

At June 30, 2017 and the date of this MD&A, the Company holds 15,943,506 Sound shares with a fair market value to PetroMaroc of \$13,168,452. As a result, the Company recorded a \$973,672 gain on the revaluation of the Sound shares.

Administrative Costs

Administrative	For the three months ended		For the six months ended	
	June 30,		June 30,	
	2017	2016	2017	2016
Wages	\$ 115,983	\$ 75,987	184,097	\$ 646,041
Professional fees	42,869	63,131	84,647	131,266
Consulting fees	54,130	36,489	94,365	134,393
Director fees	12,500	50,000	25,000	105,000
Stock Fees	33,465	23,152	46,340	36,227
Travel	7,255	3,472	9,872	17,204
Rent	6,156	(851)	44,891	32,210
Bank Charges	1,659	(10,826)	5,741	3,416
Morocco exit costs	-	18,676	(20,000)	98,676
Other	648	6,993	648	10,830
	\$ <u>274,665</u>	\$ <u>266,223</u>	<u>475,601</u>	\$ <u>1,215,263</u>

Administrative costs for the three month period ended June 30, 2017 were 3% or \$8,442 higher than the comparative 2016 period. The increase is primarily due to performance compensation as a result of the completing the Sound transaction and creditor settlements. Administrative costs for the six month period ended June 30, 2017 were 61% or \$739,662 lower than the comparative 2016 period. In March 2016, the Company accrued estimated costs associated with the aforementioned Sound transaction of approximately \$180,000, of which, \$100,000 related to Moroccan exit costs. The decrease in administrative costs in the six month period is due to the Sound transaction being completed, with ongoing costs being reduced as the Company is no longer actively pursuing the exploration activities. The Company is prudently monitoring its administrative expenditures in light of its financial situation whereby all non-essential costs are being eliminated.

Stock Compensation

This expense represents the fair value of the Company stock options at the grant date as options granted under the current plan vest at the date of the grant and are expensed using the graded vesting method. The options are non-transferable. The future expense will vary as it is dependent on the number and vesting provisions of future stock option grants.

Taxes

Presently the Company does not expect to pay corporation taxes in the foreseeable future. However, the current tax horizon will ultimately depend on several factors including equity markets for oil companies, future revenues future revenue from the net profits interest, corporate expenses, and both the type and amount of capital expenditures incurred in future reporting periods.

Liquidity and Capital Resources

At June 30, 2017, the Company had a working capital surplus of \$4.2 million, with the Sound consideration shares held at June 30, 2017 as an investment in securities, being valued at fair market value and excluding the derivative liability. The Company currently holds 15,943,506 Sound shares with a closing share value of 43.25 pence as of the date of this MD&A.

On February 15, 2017, the Company completed the restructuring of the Cdn \$11.09 principal amount of the secured debentures of the Company. Accordingly, the Cdn \$11.09 million secured Debentures were rolled into a new class of secured redeemable, debentures, issuable in series (with an issue date of December 31, 2016), with all principal and interest due and payable in full on January 31, 2018 (the "New Debentures"). The Series 1 New Debentures bear interest at the rate of 10% per annum and are convertible, at the option of the holder, into ordinary shares of the Company at a conversion price equal to \$0.06 per share in the first 12 months of the term (January 1, 2017 to December 31, 2017) and \$0.10 per share in the last month of the term (January 1, 2018 to January 31, 2018). The Series 2 New Debentures bear interest at the rate of 15% per annum, with no right to convert into ordinary shares of the Company. The Series 1 New Debentures and the Series 2 New Debentures shall bear an effective issue date of December 31, 2016, being the maturity date of the original Debentures. The Series 1 New Debentures and the Series 2 New Debentures shall rank *pari passu* with each other. The Company issued Cdn \$6,327,600 Series 2 New Debentures, and Cdn \$4,762,400 Series 1 New Debentures.

In accordance with the terms of the New Debentures, Cdn \$4,407,056 being the outstanding accrued interest and fees owing under the Debentures as at December 31, 2016 was paid in February 2017, along with interest and fees totalling Cdn \$68,823 being the accrued interest and fees owing under the April 2014, November 2015 and June 2016 Cdn \$11.09 million Debentures for the period January 1, 2017 to February 7, 2017 (the "stub" period).

In February 2017, the Company disposed of 5,314,502 Sound Energy shares, to provide capital to the Company to meet its obligations of the Cdn \$4,407,056 debentures interest, fees, and for general working capital purposes. The proceeds received (net of transaction costs, and net of proceeds above 50 pence being allocated equally between the Company and Sound Energy) totaled \$4,072,050.

In July 2017, a creditor of the Company agreed to settle \$325,000 of debt owed, in consideration for the issuance of one million ordinary shares of the Company. The issuance of shares was approved by the TSX Venture Exchange on August 8, 2017. The Company has resolved all of its outstanding debts with its trade creditors.

With respect to the Zag Licence, the Company committed to its percentage share of further geophysical studies and the drilling of one exploration well, subject to receiving and approving a satisfactory proposal from the Operator, as per the terms of the First Extension Period. Following the joint venture not completing the minimum work commitment of the First Extension Period, a twelve month extension to the First Extension Period was agreed by the joint venture, to May 2016. During the twelve

month extension the Company continued to seek a mutually agreed technical, commercial and financial proposal to reduce its financial exposure insofar as possible. In March 2017, ONHYM advised the Operator and the Company that the bank guarantee had been deemed forfeited, and in addition, that the joint venture should pay the residual penalty (\$0.6 million net to the Company), to ONHYM. The Company has accrued \$0.6 million based on its working interest in the joint venture but challenges its obligation to pay such amount and has notified ONHYM that a "force majeure" has occurred pursuant to the Zag Petroleum Agreement due to financial, commercial and operational challenges on the licence over a number of years. The Company will seek to work with ONHYM and the Operator to expedite a mutually agreed resolution, however reserves the right to preserve its rights, which may include legal arbitration.

The Company currently does not have any long-term lease agreements in place.

The Company has no off-balance sheet arrangements.

Financial Instruments

Risks associated with market, commodity prices, interest and exchange rates are generally beyond the control of the Company.

The Company operates on an international basis and therefore foreign exchange risk exposures arise from transactions denominated in currency other than the United States Dollar. The Company is exposed to foreign currency fluctuations as it holds cash and incurs expenditures in foreign currencies. The Corporation incurs expenditures in Pound Sterling, Euros, Dirham (Moroccan currency) and Canadian Dollars and is exposed to fluctuations in exchange rates in these currencies. There are no fixed exchange rate contracts in place as at or during the periods ended March 31, 2017 or December 31, 2016 or thereafter. Assuming all other variables remain constant, a 1% increase or decrease in foreign exchange rates on the foreign cash balances at June 30, 2017 would have impacted operational earnings of the Company during the period ended June 30, 2017 by approximately \$11,500. A 1% increase or decrease in foreign exchanges on the convertible debentures and other loans will impact the eventual repayment by approximately \$36,000.

As previously disclosed, the Series 1 New Debentures are convertible into common shares of the Company therefore a derivative financial liability exists. The derivative financial liability is measured at fair value through profit or loss, with changes to the fair value being recorded in the statement of operations. The Company incurred a \$4,133,358 charge as a result of the re-measurement of the derivative liability. The primarily cause of the charge is the Company's share price at June 30, 2017 was approximately \$0.12 (CAD).

Outstanding Share Data

The Company has authorised an unlimited number of Common shares, without par value. The Company currently has 108,830,864 common shares outstanding as of the date of this MD&A. The following details the share capital structure as of the date of this MD&A.

	Expiry Date	Exercise Price (CAD)	Number	Total Number
Common shares				108,830,864
Options	January 15, 2018	\$0.70	1,570,000	
	April 30, 2019	\$0.30	3,160,000	
	July 22, 2020	\$0.05	5,080,000	
	May 18, 2022	\$0.09	900,000	
				10,710,000

As previously discussed, the Company issued Cdn \$4,762,400 Series 1 New Debentures that are convertible, at the option of the holder, into ordinary shares of the Company at a conversion price equal to \$0.06 per share in the first 12 months of the term (January 1, 2017 to December 31, 2017) and \$0.10 per share in the last month of the term (January 1, 2018 to January 31, 2018). As of the date of this MD&A the Series 1 New Debentures would convert into 79,373,333 common shares.

Summary of Quarterly Results

	Three months ended June 30, 2017	Three months ended March 31, 2017	Three months ended December 31, 2016	Three months ended September 30, 2016
<i>(\$ thousands)</i>				
Net income (loss)	(4,540)	11,003	(449)	(638)
Loss per share (basic & diluted)	(0.04)	0.10	(0.00)	(0.00)
Capital expenditures	-	-	60	-
Fair value of securities	13,168	12,842	-	-
Working capital surplus (deficit)	4,207	4,073	(13,260)	(12,834)
Series 1 and 2 Debentures	8,546	8,172	-	-
Convertible debentures (Cdn \$)	-	-	9,700	9,700
Loans payable (Cdn \$)	-	-	1,790	1,790
Total assets	14,204	14,138	9,297	9,540
	Three months ended June 30, 2016	Three months ended March 31, 2016	Three months ended December 31, 2015	Three months ended September 30, 2015
<i>(\$ thousands)</i>				
Net income (loss)	(1,173)	(2,026)	(29,742)	(263)
Loss per share (basic & diluted)	(0.01)	(0.02)	(0.30)	(0.00)
Capital expenditures	3	21	42	41
Exploration and evaluation impairment	-	-	29,098	(40)
Working capital surplus (deficit)	(12,139)	(11,003)	(9,304)	(10,599)
Convertible debenture	-	9,700	9,700	9,700
Loans payable (Cdn \$)	9,700	1,400	1,400	400
Total assets	9,764	9,821	10,254	39,260

The net loss in the current quarter is primarily as a result of the revaluation of the derivative liability associated with the Series 1 Debentures, resulting in a \$4.13 million charge and a foreign exchange loss of \$0.33 million as a result of the strengthening of the Canadian dollar against the US dollar.

During the first quarter of 2017, the net income is primarily due to the Company completing the transaction with Sound resulting in a \$10.79 million gain on the disposal of the exploration and evaluation assets and certain debt settlements \$1.06 million. PetroMaroc also restructured the convertible debentures and loans payable by issuing Series 1 and 2 debentures.

The net loss in the fourth quarter of 2016 is primarily due to \$0.3 million of administrative expenditures, \$0.32 million of finance costs offset by a foreign exchange gain of \$0.21 million due to the weakening of the Canadian Dollar against the US Dollar.

The working capital deficit increased by approximately \$0.7 million in the third quarter of 2016, primarily attributed to finance costs accrued offset by the weakening of the Canadian dollar against the US dollar. General and administrative expenses have been significantly reduced due to the limited activity in the Company.

The increase in the working capital deficit of approximately \$1.14 million in the second quarter is primarily due to the continued strengthening of the Canadian dollar against the US dollar and \$0.49 million of extension fee accruals on the secured debentures and secured notes payable in the quarter.

The increase in the working capital deficit during the first quarter of 2016 is primarily due to a foreign exchange loss of \$541,091 as a result of the Canadian Dollar strengthening against the US Dollar, estimated accruals with respect to closure of the Moroccan operations, interest accruals on the debenture and notes payable, and Executive Management transaction compensation and Board transaction compensation.

As a result of the conclusion of the strategic alternatives process, in March 2016, PetroMaroc recorded a \$29,098,000 impairment provision on the Sidi Mokhtar licence in the 2015 fourth quarter. The decrease in the working capital deficit as compared to the third quarter is due to the devaluation of the Canadian Dollar resulting in the revaluation of Cdn\$9,700,000 of convertible debentures and Cdn\$1,400,000 of other loans payable.

The decrease in the loss in the 2015 third quarter is due to the devaluation of the Canadian Dollar against the US Dollar, resulting in the Company recording a \$572,060 foreign exchange gain in the quarter primarily due to the convertible debentures and loan which are repayable in Canadian Dollars.

Critical Accounting Estimates

A summary of the significant accounting policies is contained in Note 3 to the consolidated financial statements. These accounting policies are subject to estimates and key judgments about future events, many of which are beyond PetroMaroc's control. The following is a discussion of the accounting estimates that are critical to the financial statements.

Accruals and Provisions

The consolidated financial statements include accruals and provisions based on the interpretation by management of the terms of existing licences and commitments. Best available information is used to determine the accruals at each period end. The Company is at varying stages of negotiations with certain partners to settle differences in opinion of the obligations of each party under existing agreements. The accruals made by management in this regard may be significantly different from those determined by PetroMaroc's partners or amounts agreed to as a result of negotiations. The effect on the consolidated financial statements resulting from such adjustments, if any, may be material and will be reflected prospectively.

Share based payments

Stock options issued to employees and directors under the Company stock option plan are accounted for using the fair value method of accounting for stock-based compensation. The fair value of the option is recognised as a share based payment and contributed surplus over the vesting period of the option. Share based payment is determined on the date of an option grant using the Black-Scholes option pricing model. The Black-Scholes pricing model requires the estimation of several variables including estimated volatility of PetroMaroc's stock price over the life of the option, estimated option forfeitures, estimated life of the option, estimated risk-free rate and estimated dividend rate. A change to these estimates would alter the valuation of the option and would result in a different related share based payment.

Non-compensation based warrants

The Company non-compensation based warrants are treated as derivative financial liabilities. The estimated fair value of each is adjusted on a quarterly basis with gains or losses recognised in the statement of operations and comprehensive income. The Black-Scholes model is based on significant assumptions such as volatility, dividend yield and expected term.

Investment recoverability

The recoverability of investments are dependent on the liquidity of public or private investments shares, which is based in part on its performance. The Company will assess at each reporting period whether there is any objective evidence that a financial asset has been impaired. When the fair value of the investment cannot be derived from active markets, they are determined using recent transactions or a variety of valuation techniques that may include the use of mathematical models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. The judgments include considerations of liquidity and model inputs such as volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Income taxes

PetroMaroc follows the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Current tax is the expected Corporation tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the reporting year end, and any adjustment to tax payable in respect to previous periods. Tax interpretations and legislation in which the Company operates are subject to change. Thus income taxes are subject to measurement uncertainty and interpretations.

Future Accounting Pronouncements

IFRS 16 – Leases

In January 2016, the International Accounting Standards Board (“IASB”) issued IFRS 16, which will supersede IAS 17, Leases. Under IFRS 16, a lease will exist when a customer controls the right to use an identified asset as demonstrated by the customer having exclusive use of the asset for a period of time. IFRS 16 effectively removes the classification of leases as either finance or operating and treats all leases as finance leases for lessees with exemptions for short-term leases where the lease term is twelve months or less and for leases of low value items. The accounting treatment for lessors will remain largely the same as under IAS 17. The standard is effective for annual periods beginning on or after January 1, 2019 with early adoption permitted,

The Company is required to retrospectively apply IFRS 16 to all existing leases as of the date of transition and has the option to either: a) apply IFRS 16 with full retrospective effect; or b) recognise the cumulative effect of initially applying IFRS 16 as an adjustment to the opening equity at the date of initial application. The standard will be effective on January 1, 2019 for the Company. As the Company currently has no leases in place, the standard is not expected to have a material impact on the consolidated financial statements.

IFRS 9 – Financial Instruments

In July 2014, the IASB has amended IFRS 9 which amends its classification and measurement of financial assets and introduces a new expected loss impairment model. This standard is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted and shall be applied retrospectively. The Company is currently assessing the impact the adoption of this standard will have on the consolidated financial statements.

Risks and Uncertainties

Management defines risk as the evaluation of probability that an event might happen in the future that could negatively affect the financial condition and/or results of operations of PetroMaroc. The following section describes specific and general risks that could affect the Company. The following descriptions of risk do not include all possible risks as there may be other risks of which management is currently unaware. Moreover, the likelihood that a risk will occur or the nature and extent of its consequences if it does occur, are not possible to predict with certainty, and the actual

effect of any risk or its consequences on the business could be materially different from those described below.

Going Concern

The ongoing activities are dependent upon its ability to obtain sufficient financing to fund its current and future operations. The Company currently has a working capital surplus of \$4.2 million, with the Sound consideration shares held at June 30, 2017 being held as an investment in securities and excluding the derivative liability. At June 30, 2017, the Company has insufficient cash to fund its operations and repay current obligations (the secured debentures) for the next twelve months, based upon the Sound consideration shares held at fair value, and as a result there are material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern.

In assessing whether the going concern assumption was appropriate, management took into account all relevant information available about the future, which was at least, but not limited to, the twelve month period following March 31, 2017. The ability of the Company to meet its commitments and costs was dependent upon being able to liquidate the Sound shares and use the proceeds to settle the current obligations of the Company.

If the remaining Sound shares cannot be disposed at a sufficient price to satisfy the remaining obligations of the Company, the Company will be required to consider alternative financing sources including raising additional capital by issuing equity securities (which may include a rights offering or private placement), debt financing and assessing restructuring alternatives to the Company's debt and share capital. There can be no assurance, however, that these initiatives will lead to additional capital being secured, nor the timing of any transaction taking place, or at all. If the Company is unable to obtain financing in the amounts and on terms deemed acceptable, the business and future success may be adversely affected.

Concentration Risk

Concentration risk is the risk that any single or group of exposures will have the potential to produce losses large enough to threaten the ability of an entity to continue operating as a going concern. The Company's investment in Sound is currently its sole investment and is subject to changes in market prices and foreign exchange movements as the company's shares are traded in Sterling.

Sound is an international exploration and production ("E&P") company and is exposed to the risks typically associated with other international E&P companies. Some of the more significant risks include:

- a prolonged decline in crude oil, natural gas liquids and natural gas and the effect on credit liquidity and access to capital;
- volatility in oil and gas prices;
- uncertainties associated with drilling and well stimulation activities;
- access to adequate bank and equity capital for significant capital investment; and,
- actual reserves will vary from reserve estimates.

Operational risk

This category encompasses a number of risks. The Company follows prudent industry practices with respect to insurance where practicable and as guided by external experts, but cannot fully insure against all risks. With respect to non-insurable operating risks, management has designed business process controls and accountability to identify problems at the earliest possible occasion and implement solutions. However, investors must appreciate that operational risk is very much a characteristic of the individual businesses and industries and can never be entirely eliminated.

Staffing

The Company operates in a very competitive environment for professional staff and this staff is critical to the organization's ultimate success. Recognizing this, the Company has developed an industry competitive, compensation program including bonuses based on annual performance, benefits and a long-term incentive program to provide for long-term incentive and retention.

PetroMaroc common shares

The market price of the Company's common shares could fluctuate significantly as a result of many factors, including the following:

- economic and stock market conditions generally and specifically as they may impact participants in the investment fund industry;
- our earnings and results of operations and other developments affecting the business;
- changes in financial estimates and recommendations by securities analysts following PetroMaroc's common shares;
- earnings and other announcements by, and changes in market evaluations of, participants in the investment fund industry;
- changes in business or regulatory conditions affecting participants in the investment fund industry; and
- trading volume of PetroMaroc 's common shares.

In addition, the financial markets have experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of companies and that have often been unrelated to the operating performance of such companies. Accordingly, the market price of the Company's common shares may decline even if PetroMaroc 's operating results or prospects have not changed.

Confidentiality of Information

Confidentiality is essential to the success of the Company's business, and it strives to consistently maintain the highest standards of trust, integrity and professionalism. Information is kept under strict control in compliance with all applicable laws, and physical, procedural, and electronic safeguards are maintained in order to protect this information from access by unauthorized parties.

Conflicts of Interest

The Company has a number of policies with respect to employee personal trading. Employees may not trade any of the securities held or being considered for investment by the Company. In addition, employees must receive prior approval before they are permitted to buy or sell any securities. Speculative trading is strongly discouraged. All employees must comply with the Company's Code of Ethics. The code establishes strict rules for professional conduct including the management of conflicts of interest.

Dividends

The Company has neither declared nor paid any dividends on its ordinary shares since the date of its incorporation. Any payments of dividends on the ordinary shares of the Company will be dependent upon the financial requirements of the Company to finance future growth, the financial condition of the Company and other factors which the board of directors may consider appropriate in the circumstance. It is unlikely that the Company will pay dividends in the immediate or foreseeable future.