LOCAL CONTENT POLICY/PLAN

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Local Content Policy/Plan

Statement of commitment

Connect Oil & Gas Limited is an indigenous 100% Ghanaian company with its current staff made up of only Ghanaians.

Connect Oil & Gas Limited is aware of the Legislative Instrument (LI) 2204, passed by the Parliament of the Republic of Ghana in 2013 to regulate local content and local participation in Ghana's petroleum industry. The legislation is to ensure that Ghanaians derive maximum benefits from Ghana's oil find. It is, therefore, within our purview to adhere to the local content regulations and contribute to achieving this objective.

Local content is an important component of our business strategy. We are of the view that developing local capacity will have a positive effect on the quality of service we will render to our clients. We are committed to maximize local content and local participation for Ghanaian contractors, suppliers, and citizens where feasible and economically viable.

Under our local content plan and policy, Connect will employ reasonable endeavors to optimize use of Ghanaian contractors, suppliers, goods and services. We are also committed to providing equal opportunity for capable Ghanaian companies to participate in the procurement of goods, equipment, and services to all projects we secure in the course of our work.

Purpose and Scope

Connect Oil & Gas Limited considers three thematic areas as the tool in enhancing local content and local participation in Ghana's oil and gas industry:

- **Workforce Recruitment and Development** – Employment and training of direct and indirect local workforce to increase access to and utilization of Ghanaian human resources and related services in oil and gas operations.
- **Supplier Industry Development** – To create value in the country through deliberate development and procurement of local materials and services to increase Ghanaian firms' participation in the oil and gas supply chain.
- **Partnership Development** – Enhancement of indigenous companies' participation in Connect's activities and investment to achieve an acceptable degree of local participation, control, and financing by citizens of Ghana.

Policy Alignment

The local content approach outlined in this policy is consistent with Connect's:

- Long-term sustainability objectives
- Petroleum (Local Content and Local Participation) Regulations
- Contracts and procurement procedure
- Health, Safety, Security and Environment (HSSE) commitments

Policy Objectives

The local content policy seeks to exert a positive influence on Ghana's oil and gas industry through the utilization and optimization of the indigenous resources of the country.

The specific objectives of our local content plan are;

- To engage local workforce, suppliers, and skilled contractors taking into consideration Quality, Health, Safety and Environment, technical capabilities and competence
- To include only Ghanaian suppliers and service providers in all tenders where practical to maintain local content and the commercial well-being of the country
- To ensure that local content terms and conditions are integrated into project planning and design
- To generally promote the indigenization of knowledge, expertise, and technology in Connect
- To provide financial empowerment to Connect's local contractors and suppliers
- To provide a reliable indicator of wealth retained and capacity developed in Ghana as a consequence of all projects we secure
- To stimulate the participation of Ghanaians in the value and supply chain of Connect's operations
- To address government and local expectations leading to a more stable and cohesive operating environment
- To ensure the transfer of technical know-how
- To develop and train Ghana's oil and gas industry workforce
- To support industrialization opportunities
- To support all research activities related to Ghana's oil and gas industry
- To empower Connect's vendors to develop capabilities to produce goods and services domestically to compete with international businesses

Supplier and Sub-Contractor Workforce Development Plan Obligations

- Organize timely training and qualification arrangements to meet the needs of skills development of employees
- Provide training and qualification systems to meet the requirements of the industry
- Abide by all local content regulations stated in the Legislative Instrument (LI) 2204
- Suppliers, sub-contractors, and service providers must submit reports on employment, training, and development, detailing the types of skills developed, number of courses delivered, and number of people trained.
- All contractors working on projects of Connect will indicate in their monthly progress reports:

  a. Employment achievement in terms of the number of Ghanaian and foreign workers and their status.

  b. Procurement achievement in terms of quantity, tonnage of locally-sourced materials, and materials of foreign origin.

- Prior to the award of contract to a sub-contractor or purchase order, the selected contractor shall submit to Connect;

  a. Hiring and training schedule of the contractor with the breakdown of the skills needed

  b. Anticipated skill shortages in the Ghanaian labor force

  c. Project-specific training requirements

  d. Projected expenditure against actual expenditure incurred during the period for implementing the employment and training plan/program

Application

This policy applies to all Connect's recruitment activities, procurement activities, suppliers' activities as well as activities of sub-contractors engaged directly or indirectly. As the majority of jobs are created indirectly with significant amounts of equipment and services supplied by sub-suppliers, control measures over suppliers are necessary to achieve local content policy objectives.

Accountability

- The Chief Executive Officer of Connect Oil & Gas Limited is responsible for the administration and interpretation of this Local Content Policy/Plan.
- Connect's management team is accountable for the implementation of this policy.
- Connect's managers, supervisors, and team leaders are responsible for the day-to-day management of this policy and all procedures arising from it including specific local content activities.