

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**FORM 8-K**

**CURRENT REPORT  
Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934**

**Date of Report (Date of earliest reported): June 25, 2020**

**VAALCO Energy, Inc.**  
(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction  
of incorporation)

001-32167  
(Commission  
File Number)

76-0274813  
(IRS Employer  
Identification No.)

9800 Richmond Avenue, Suite 700  
Houston, Texas  
(Address of principal executive offices)

77042  
(Zip Code)

Registrant's telephone number, including area code: (713) 623-0801

Not Applicable  
(Former Name or former address if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.10	EGY	New York Stock Exchange
Common Stock, par value \$0.10	EGY	London Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

***Appointment of New Director***

On June 25, 2020, the Board of Directors (the “**Board**”) of VAALCO Energy, Inc. (the “**Company**”) appointed Bradley L. Radoff to serve on the Board. Mr. Radoff will serve as the designee of Group 42, Inc., Paul A. Bell, Michael Keane, BLR Partners LP, BLRPart, LP, BLRGP Inc., Fondren Management, LP, FMLP Inc., The Radoff Family Foundation and Bradley L. Radoff (collectively, the “**Group 42-BLR Group**”), in accordance with the terms of the Settlement Agreement dated December 22, 2015 between the Company and the Group 42-BLR Group (the “**Settlement Agreement**”). Pursuant to the Settlement Agreement, the Company agreed to nominate a Group 42-BLR Group designee to the Board at each stockholder meeting, or otherwise appoint a Group 42-BLR Group designee to the Board to replace a prior designee who ceased to be a director for any reason, until the Group 42-BLR Group ceases to own 5% or more of the issued and outstanding shares of Company common stock or until the Settlement Agreement is otherwise terminated.

Mr. Radoff will serve on the Audit Committee and the Strategic Committee. Mr. Radoff will be entitled to receive the standard compensation package for the Company’s non-employee directors, which is described in the Company’s Definitive Proxy Statement on Schedule 14A filed with the Securities and Exchange Commission on April 29, 2020 (the “**Proxy Statement**”). On June 25, 2020, the Compensation Committee awarded 65,041 restricted shares to Mr. Radoff under the 2020 LTIP (as defined below) and pursuant to the terms of the Director RSA Agreement (as defined below).

Mr. Radoff has served as Principal of Fondren Management LP, a private investment management company, since January 2005. Mr. Radoff previously served as a Portfolio Manager at Third Point LLC and as a Managing Director of Lonestar Capital Management LLC. Mr. Radoff currently serves as a director on the board of Support.com and previously served on the board of Pogo Producing Company from March 2007 to November 2007 prior to its sale to Plains Exploration. Mr. Radoff graduated summa cum laude with a B.S. in Economics from The Wharton School, University of Pennsylvania.

There are no transactions to which the Company or any of its subsidiaries is a party and in which Mr. Radoff has a direct or indirect material interest subject to disclosure under Item 404(a) of Regulation S-K.

***2020 Long Term Incentive Plan and Related Form Award Agreements***

As described in Item 5.07 of this Current Report on Form 8-K (this “**Current Report**”), on June 25, 2020, at the 2020 Annual Meeting of Stockholders of the Company (the “**Annual Meeting**”), the Company’s stockholders approved the VAALCO Energy, Inc. 2020 Long Term Incentive Plan (the “**2020 LTIP**”). A description of the material terms of the 2020 LTIP was included under the heading “Proposal No. 4—Approval of the VAALCO Energy, Inc. 2020 Long Term Incentive Plan” in the Proxy Statement. Such description is qualified in its entirety by reference to the full text of the 2020 LTIP, see Exhibit 10.1 to this Current Report for further information.

On June 25, 2020, the Company adopted (i) a form of Restricted Stock Award Agreement for directors of the Company (the “**Director RSA Agreement**”), (ii) a form of Restricted Stock Award Agreement for employees of the Company, including executive officers (the “**Employee RSA Agreement**”) and (iii) a form of Nonqualified Stock Option Agreement for the Company’s executive officers (the “**Stock Option Agreement**” and, collectively with the Director RSA Agreement and the Employee RSA Agreement, the “**Award Agreements**”), in each case under the 2020 LTIP.

Pursuant to the Director RSA Agreement, all restricted shares will become fully vested on the earlier of (i) the first anniversary of the date of grant and (ii) the first annual meeting of stockholders following the date of grant (but not less than fifty (50) weeks following the date of grant), provided that the

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director then is, and continuously from the date of grant has been, a director and there has not been a Termination of Service (as defined in the 2020 LTIP) before the applicable vesting date. The restricted shares will automatically become 100% vested as of the date of a Change in Control (as defined in the 2020 LTIP) or upon a Termination of Service due to the director's death or Total and Permanent Disability (as defined in the 2020 LTIP). If the director incurs a Termination of Service from the Board for any reason other than the director's death or Total and Permanent Disability, and prior to the earlier of (x) the completion of the director's current term and (y) the first anniversary of the date of grant, any unvested restricted shares will be forfeited.

Pursuant to the Employee RSA Agreement, restricted shares will vest in three equal tranches over a three-year period, with the first tranche vesting on the first anniversary of the date of grant and the remaining tranches vesting on subsequent anniversaries of such date, in each case provided that the employee then is, and continuously from the date of grant has been, an employee of the Company and there has not been a Termination of Service before the applicable vesting date. Notwithstanding the foregoing vesting schedule, all unvested restricted shares will automatically become 100% vested as of the date of a Change in Control or upon a Termination of Service that is due to (i) the employee's death or Total and Permanent Disability or (ii) the employee's Retirement (as defined in the 2020 LTIP) at or after attaining (A) age 65 and (B) at least 10 years of employment service to the Company ("**Qualified Retirement**"). Upon a Termination of Service due to the employee's Retirement at or after attaining age 65 but without 10 years of employment service to the Company ("**Unqualified Retirement**"), any unvested restricted shares will immediately terminate, and no further vesting will occur. If the employee incurs a Termination of Service for any reason other than Retirement, death or Total and Permanent Disability, any unvested restricted shares will be forfeited.

Pursuant to the Stock Option Agreement, options will vest according to the following schedule, provided that the employee remains employed by the Company on the applicable vesting date: (i) options for one-third of the shares covered by the applicable Stock Option Agreement will vest on the later of (A) the first anniversary of the date of grant and (B) the date on which the Company's stock price, determined using a 30-day average, has appreciated 15% from the stock price on the date of grant; (ii) options for one-third of the shares covered by the applicable Stock Option Agreement will vest on the later of (A) the second anniversary of the date of grant and (B) the date on which the Company's stock price, determined using a 30-day average, has appreciated 32.5% from the stock price on the date of grant; and (iii) options for the remaining one-third of the shares covered by the applicable Stock Option Agreement will vest on the later of (A) the third anniversary of the date of grant and (B) the date on which the Company's stock price, determined using a 30-day average, has appreciated 52.5% from the stock price on the date of grant. Notwithstanding the foregoing vesting schedule, pursuant to the Stock Option Agreement, all options will become 100% vested as of the date of (x) a Change in Control, (y) the employee's Termination of Service due to death or Total and Permanent Disability or (z) the employee's Termination of Service due to Qualified Retirement. Upon a Termination of Service due to Unqualified Retirement, any unvested options will immediately terminate, and no further vesting will occur. The entire option, including any vested portion thereof, will expire and terminate on the date of a Termination of Service for Cause (as defined in the Stock Option Agreement). In the case of a Termination of Service due to death or Total and Permanent Disability, any vested options will expire on the one-year anniversary of such Termination of Service. In the case of a Termination of Service due to Retirement, any vested options will expire six months after the date of such Termination of Service. If the employee incurs a Termination of Service for any reason other than Cause, Retirement, death or Total and Permanent Disability, then any unvested options will immediately expire on the date of such Termination of Service and any vested options will expire to the extent not exercised within 120 days after such Termination of Service.

In connection with the adoption of the Award Agreements, on June 25, 2020 the Compensation Committee awarded (i) restricted shares and stock options to the Company's executive officers under the 2020 LTIP and pursuant to the Employee RSA Agreement and the Stock Option Agreement, respectively, and (ii) restricted shares to the Company's directors under the 2020 LTIP and pursuant to the Director RSA Agreement.

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The foregoing descriptions of the Award Agreements are qualified in their entirety by reference to the full text of the Director RSA Agreement, the Employee RSA Agreement and the Stock Option Agreement, copies of which are attached as Exhibits 10.2, 10.3 and 10.4, respectively, to this Current Report and are incorporated herein by reference.

**Item 5.07 Submission of Matters to a Vote of Security Holders.**

The Company held the Annual Meeting on June 25, 2020. A total of 47,549,151 shares of the Company's common stock were present in person or represented by proxy at the Annual Meeting. The matters submitted for a vote and the related results are set forth below. A more detailed description of each proposal was included in the Proxy Statement.

**Proposal No. 1:** Election of four directors, each to serve for a one-year term

<u>Nominee</u>	<u>Votes Cast For</u>	<u>Votes Withheld</u>	<u>Broker Non-Votes</u>
Cary M. Bounds	26,316,977	3,616,000	17,616,174
Andrew L. Fawthrop	25,557,601	4,375,376	17,616,174
George Maxwell	26,128,131	3,804,846	17,616,174
Cathy Stubbs	26,140,552	3,792,425	17,616,174

**Proposal No. 2:** Ratification of the appointment of BDO USA, LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2020

<u>Votes Cast For</u>	<u>Votes Cast Against</u>	<u>Abstentions</u>
44,313,155	2,678,593	557,403

**Proposal No. 3:** Approval, on an advisory basis, of the compensation of the Company's named executive officers

<u>Votes Cast For</u>	<u>Votes Cast Against</u>	<u>Abstentions</u>	<u>Broker Non-Votes</u>
24,698,028	5,104,775	130,174	17,616,174

**Proposal No. 4:** Approval of the 2020 LTIP

<u>Votes Cast For</u>	<u>Votes Cast Against</u>	<u>Abstentions</u>	<u>Broker Non-Votes</u>
25,728,799	4,088,386	115,792	17,616,174

Each of the proposals acted upon by the Company's stockholders at the Annual Meeting was approved by the requisite vote.

**Item 7.01. Regulation FD Disclosure.**

On June 25, 2020, the Company issued a press release announcing the election of George Maxwell and Cathy Stubbs to the Board at the Annual Meeting, the respective committee and committee chairperson appointments for Ms. Stubbs and Mr. Maxwell, and the appointment of Mr. Radoff to the Board. A copy of the press release is furnished as Exhibit 99.1 to this Current Report and incorporated herein by reference.

The information in Item 7.01 of this Current Report (including Exhibit 99.1) is being furnished pursuant to Item 7.01 and shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "*Exchange Act*"), or otherwise be subject to the liabilities of that section, nor shall it be deemed to be incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such filing.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits

<b>Exhibit No.</b>	<b>Description of Exhibit</b>
<a href="#"><u>10.1</u></a>	VAALCO Energy, Inc. 2020 Long Term Incentive Plan (filed as Appendix B to the Company's Definitive Proxy Statement on Schedule 14A filed on April 29, 2020, and incorporated herein by reference).
<a href="#"><u>10.2</u></a>	Form of Restricted Stock Award Agreement (Director) under the VAALCO Energy, Inc. 2020 Long Term Incentive Plan.
<a href="#"><u>10.3</u></a>	Form of Restricted Stock Award Agreement (Employee) under the VAALCO Energy, Inc. 2020 Long Term Incentive Plan.
<a href="#"><u>10.4</u></a>	Form of Nonqualified Stock Option Agreement under the VAALCO Energy, Inc. 2020 Long Term Incentive Plan.
<a href="#"><u>99.1</u></a>	Press release, dated June 25, 2020, issued by VAALCO Energy, Inc.

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**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**VAALCO Energy, Inc.**  
(Registrant)

Date: June 30, 2020

By: /s/ Jason Doornik  
Name: Jason Doornik  
Title: Chief Accounting Officer and Controller

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**VAALCO ENERGY, INC.**  
**RESTRICTED STOCK AWARD AGREEMENT**

**THIS STOCK AWARD AGREEMENT** (the “**Agreement**”) is made and entered into by and between VAALCO Energy, Inc., a Delaware corporation (the “**Company**”) and \_\_\_\_\_, an individual and independent director of the Company (the “**Participant**”), on the 25 day of June, 2020 (the “**Date of Grant**”), subject to the VAALCO Energy, Inc. 2020 Long Term Incentive Plan (the “**Plan**”). This Agreement is subject to the terms and conditions of the Plan, which is incorporated herein in its entirety by reference. A copy of the Plan has been made available to the Participant. Capitalized terms not otherwise defined in this Agreement shall have the meaning given to such terms in the Plan.

**WHEREAS**, the Participant is an independent Outside Director of the Company, and in connection therewith, the Company desires to grant restricted shares of the Company’s Common Stock (the “**Common Stock**”) to the Participant, subject to the terms and conditions of this Agreement and the Plan, with a view to increasing the Participant’s interest in the Company’s success and growth; and

**WHEREAS**, the Participant desires to be the holder of shares of Common Stock subject to the terms and conditions of this Agreement;

**NOW, THEREFORE**, in consideration of the premises, mutual covenants and agreements contained herein, and such other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

**1. Grant of Common Stock.** Effective as of the Date of Grant, and subject to the terms and conditions set forth herein, (a) the Company hereby awards and grants to the Participant, \_\_\_\_\_ (\_\_\_\_\_) shares of the Common Stock (the “**Restricted Shares**”), and (b) the Participant shall have all rights and privileges of ownership of the Restricted Shares subject to this Agreement.

**2. Transfer Restrictions.**

(a) The Restricted Shares shall be registered in the Participant’s name as of the Date of Grant through a book entry credit in the records of the Company’s transfer agent.

(b) Subject to the conditions set forth in this Agreement, the Participant’s shall have all the rights of a stockholder with respect to the Restricted Shares as of the Date of Grant, including any applicable voting and dividend rights, provided, however, if, from time to time during the period prior to the date the Restricted Shares vest in accordance with this Agreement, there is any stock dividend, stock split, reorganization, recapitalization, merger, or other event described in the Plan, any and all new, substituted, additional, or other securities to which the Participant is entitled by reason of his ownership

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of the Restricted Shares shall be considered “*Restricted Shares*” for purposes of this Agreement and shall be subject to the restrictions described in this Agreement under the underlying Restricted Shares vest.

(c) The Participant shall not sell, assign, exchange, pledge, encumber, gift, devise, hypothecate or otherwise transfer (individually and collectively, “*Transfer*”) any Restricted Shares unless and until vested. The Transfer restrictions shall lapse and the Restricted Shares shall become fully vested on the earlier of the first anniversary of the Date of Grant or the first Annual Stockholders Meeting following the Date of Grant (but not less than fifty (50) weeks following the Date of Grant), provided that the Participant then is, and continuously from the Date of Grant has been, an Outside Director and there has not been a Termination of Service (as defined in the Plan) before the applicable vesting date (except as otherwise provided herein).

(d) If there is a Change in Control (as defined in the Plan), all the then-unvested Restricted Shares shall automatically become 100% vested as of the date of the Change in Control.

(e) If the Participant incurs a Termination of Service from the Board due to the Participant’s death or Total and Permanent Disability, the then-unvested Restricted Shares shall automatically become 100% vested as of the Participant’s Termination of Service on the Board.

(f) If the Participant incurs a Termination of Service from the Board for any reason other than the Participant’s death or Total and Permanent Disability, and prior to the earlier of (i) the completion of the Participant’s current term, or (ii) the first anniversary of the Date of Grant, any unvested Restricted Shares will be forfeited and revert back to the Plan. In the event of forfeiture of the Restricted Shares, the Participant shall have no further rights with respect to such Restricted Shares.

### **3. Issuance of Certificate.**

(a) It is voluntarily agreed by the Participant that he will hold the Restricted Shares, either individually or in street name through a brokerage firm, and the Restricted Shares will not be sold or otherwise transferred or disposed of to any other person or entity, except resulting from his death, until the date that is three (3) years from the Date of Grant. The Participant also agrees that he will not transfer the Restricted Shares in any manner that would constitute, in the opinion of counsel for the Company, a violation of any applicable federal or state securities or other laws or regulations, or any rules or regulations of any stock exchange on which the Common Stock is listed. The Company may cause to be issued a stock certificate, registered in the name of the Participant, evidencing the Restricted Shares.

(b) The certificate for the Restricted Shares shall be held by the Participant.

(c) The Company shall direct its transfer agent to deliver to the Participant certificates evidencing the Restricted Shares or deliver the shares to a brokerage account as instructed by the Participant. The Participant will enter into such written representations



and agreements as the Company may reasonably request to comply with any securities law or regulation.

**4. Participant's Representations.** The Participant acknowledges that the Participant has been provided a copy of the prospectus, dated June 25, 2020, relating to the issuance of the Restricted Shares. The rights and obligations of the Company and the Participant hereunder are subject to the terms of the Plan and all applicable laws and regulations.

**5. Interpretation.** The meaning assigned to each term defined herein shall be equally applicable to both the singular and the plural forms of such term and vice versa, and words denoting either gender shall include both genders as the context requires. Where a word or phrase is defined herein, each of its other grammatical forms shall have a corresponding meaning. The terms "hereof," "herein" and "herewith" and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement as a whole and not to any particular provision of this Agreement. When a reference is made in this Agreement to a Section, such reference is to a Section of this Agreement unless otherwise specified. The terms "include", "includes", and "including" when used in this Agreement shall be deemed to be followed by the words "without limitation", unless otherwise specified. A reference to any party to this Agreement or any other agreement or document shall include such party's predecessors, successors, and permitted assigns. Reference to any law means such law as amended, modified, codified, replaced, or reenacted, and all rules and regulations promulgated thereunder. All captions contained in this Agreement are for convenience of reference only, do not form a part of this Agreement, and shall not affect in any way the meaning or interpretation of this Agreement. The parties have participated jointly in the negotiation and drafting of this Agreement; therefore any rule of construction or interpretation otherwise requiring this Agreement to be construed or interpreted against any party by virtue of the authorship of this Agreement shall not apply to the construction and interpretation hereof.

**6. Participant Acknowledgment** The Participant acknowledges that (a) he is knowledgeable and sophisticated as to business matters, including the subject matter of this Agreement, (b) he has read this Agreement and understands its terms and conditions, (c) he has had ample opportunity to discuss this Agreement with his legal counsel and tax advisors prior to execution, and (d) no strict rules of construction shall apply for or against the drafter or any other party. It is the desire of the parties hereto that this Agreement be enforced to the maximum extent permitted by law, and should any provision contained herein be held invalid or otherwise unenforceable by a court of competent jurisdiction, the parties hereby agree and confirm that such provision shall be reformed to create a valid and enforceable provision to the maximum extent permitted by law.

**7. Compliance with Code Section 409A.** The Restricted Shares awarded under this Agreement are not intended to be subject to Section 409A of the U.S. Internal Revenue Code of 1986, as amended ("**Section 409A**"), including the authoritative guidance issued thereunder, and shall be interpreted and administered to be exempt from the application of Section 409A.

**8. Tax Requirements. The Participant is hereby advised to consult immediately with his or her own tax advisor regarding the tax consequences of this Agreement, the method and timing for filing an election to include this Agreement in income under Section 83(b) of the Code, and the tax consequences of such election.** By execution of this Agreement,

the Participant agrees that if the Participant makes such an election, the Participant shall provide the Company with written notice of such election in accordance with the regulations promulgated under Section 83(b) of the Code. The Participant acknowledges and understands that the Participant shall be solely responsible for paying any taxes due in connection with making such election under Section 83(b) of the Code.

**9. Miscellaneous.**

(a) Notices. Any notice, instruction, authorization, request or demand required hereunder shall be in writing, and shall be delivered either by personal in-hand delivery, by telecopy or similar facsimile means, by certified or registered mail, return receipt requested, or by courier or delivery service, addressed to the Company at its then current main corporate address, and to the Participant at his address indicated on the Company's records, or at such other address and number as a party has last previously designated by written notice given to the other party in the manner hereinabove set forth. Notices shall be deemed given when received, if sent by facsimile means (confirmation of such receipt by confirmed facsimile transmission being deemed receipt of communications sent by facsimile means); and when delivered and receipted for (or upon the date of attempted delivery where delivery is refused), if hand-delivered, sent by courier or delivery service, or sent by certified or registered mail, return receipt requested.

(b) Amendment, Termination and Waiver. This Agreement may be amended, modified, terminated or superseded only by written instrument executed by or on behalf of the Company and the Participant. Any waiver of the terms or conditions hereof shall be made only by a written instrument executed and delivered by the party waiving compliance. Any waiver granted by the Company shall be effective only if executed and delivered by a duly authorized executive officer of the Company. The failure of any party at any time or times to require performance of any provisions hereof shall in no manner affect the right to enforce the same. No waiver by any party of any term or condition herein, or the breach thereof, in one or more instances shall be deemed to be, or construed as, a further or continuing waiver of any such condition or breach or a waiver of any other condition or the breach of any other term or condition.

(c) No Guarantee of Tax Consequences. The Company makes no commitment or guarantee that any tax treatment will apply or be available to the Participant or any other person. The Participant has been advised, and provided with the opportunity, to obtain independent legal and tax advice regarding the grant and disposition of the Restricted Shares. Additionally, the Participant agrees to be responsible for and pay all taxes that result from the Participant's ownership and disposition of the Restricted Shares.

(d) Severability. Any provision of this Agreement which is ruled to be invalid or unenforceable in any applicable jurisdiction shall be ineffective, to the extent of such invalidity or unenforceability, without invalidating or rendering unenforceable the remaining provisions hereof; and any such invalidity or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

(e) Supersedes Prior Agreements. This Agreement, together with the Plan, shall supersede and replace any and all prior agreements and understandings, oral or written, between the Company and the Participant regarding the grant of the Restricted Shares covered hereby. All prior negotiations and agreements between the parties with respect to the subject matter hereof are merged into this Agreement. Each party to this Agreement acknowledges that no representations, inducements, promises, or agreements, orally or otherwise, have been made by any party or by anyone acting on behalf of any party, which are not embodied in this Agreement or the Plan and that any agreement, statement, or promise that is not contained in this Agreement or the Plan shall not be valid or binding or of any force or effect.

(f) Governing Law. The Agreement shall be construed in accordance with the laws of the State of Delaware, without regard to its conflict of law provisions, to the extent federal law does not supersede and preempt Delaware law.

(g) Successors and Assigns. This Agreement shall bind, be enforceable by, and inure to the benefit of, the Company and the Participant and their permitted successors and assigns under the Plan.

**10. Survival of Certain Provisions.** Wherever appropriate to the intention of the parties hereto, the respective rights and obligations of the parties hereunder shall survive any termination or expiration of this Agreement.

**11. Signature in Counterparts.** This Agreement may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. The parties agree that the delivery of this Agreement may be effected by means of an exchange of facsimile signatures which shall be deemed original signatures thereof.

*[Signature page follows.]*

**IN WITNESS WHEREOF**, this Stock Award Agreement is made and entered into as of the date first written above.

**VAALCO Energy, Inc.**

By: \_\_\_\_\_

Name:

Title:

*Address for Notices:*

VAALCO Energy, Inc.  
9800 Richmond Ave.  
Suite 700  
Houston, TX 77042  
Attn: General Counsel

**Participant Signature:**

\_\_\_\_\_

*Address for Notices:*



## VAALCO ENERGY, INC.

## RESTRICTED STOCK AWARD AGREEMENT

**Participant:**

**THIS RESTRICTED STOCK AGREEMENT** (the “**Agreement**”) is made and entered into by and between VAALCO Energy, Inc., a Delaware corporation (the “**Company**”) and \_\_\_\_\_, an individual and employee of the Company (the “**Participant**”), on the 25<sup>th</sup> day of June 2020 (the “**Date of Grant**”), subject to the VAALCO Energy, Inc. 2020 Long Term Incentive Plan (the “**Plan**”). This Agreement is subject to the terms and conditions of the Plan, which is incorporated herein in its entirety by reference. A copy of the Plan has been made available to the Participant. Capitalized terms not otherwise defined in this Agreement shall have the meaning given to such terms in the Plan.

**WHEREAS**, the Participant is an Employee of the Company, and in connection therewith, the Company desires to grant restricted shares of the Company’s Common Stock (the “**Common Stock**”) to the Participant, subject to the terms and conditions of this Agreement and the Plan, with a view to increasing the Participant’s interest in the Company’s success and growth; and

**WHEREAS**, the Participant desires to be the holder of shares of Common Stock subject to the terms and conditions of this Agreement;

**NOW, THEREFORE**, in consideration of the premises, mutual covenants and agreements contained herein, and such other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

**1. Grant of Common Stock.** Subject to the restrictions, vesting, forfeiture, and other terms and conditions set forth herein (a) the Company hereby grants to the Participant, \_\_\_\_\_ (\_\_\_\_\_) shares of the Common Stock (the “**Restricted Shares**”), and (b) the Participant shall have all rights and privileges of ownership of the Restricted Shares subject to this Agreement and the terms of the Plan.

**2. Transfer Restrictions.**

(a) *Generally.* The Participant shall not sell, assign, exchange, pledge, encumber, gift, devise, hypothecate or otherwise transfer (individually and collectively, “**Transfer**”) any Restricted Shares unless and until vested. The Transfer restrictions imposed by this Section 2 shall lapse in accordance with the vesting schedule set out below (the “**Vesting Schedule**”) when the Restricted Shares become vested, provided that the Participant then is, and continuously from the Date of Grant has been, an employee of the Company and there has not been Termination of Service (as defined in the Plan) before the applicable vesting date set out in the Vesting Schedule. The Restricted Shares as to which such restrictions have lapsed are referred to herein as “**Vested Shares.**”

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(b) The Restricted Shares shall be registered in the Participant's name as of the Date of Grant through a book entry credit in the records of the Company's transfer agent, but shall be restricted as described herein from the Date of Grant and during the period prior to the vesting of such shares in accordance with Section 2(d) (the "**Restriction Period**"). During the Restriction Period, any certificates representing the Restricted Shares shall carry a legend evidencing the restrictions of this Agreement.

(c) If, from time to time during the Restriction Period, there is any stock dividend, stock split, reorganization, recapitalization, merger, or other event described in the Plan, any and all new, substituted, additional, or other securities to which the Participant is entitled by reason of his ownership of the Restricted Shares shall be considered "Restricted Shares" for purposes of this Agreement and shall be subject to the restrictions described in this Agreement during the Restriction Period.

(d) Subject to the restrictions set forth in this Agreement, the Participant shall have all the rights of a stockholder with respect to the Restricted Shares, including any applicable voting and dividend rights.

In the event of forfeiture of the Restricted Shares, the Participant shall have no further rights with respect to such Restricted Shares. The forfeiture of any Restricted Shares shall not create any obligation to repay cash dividends received as to such Restricted Shares, nor shall such forfeiture invalidate any votes given by the Participant with respect to such Restricted Shares prior to forfeiture. The Restricted Shares shall become vested during the employment period if the Participant remains in continuous employment in accordance with the following Vesting Schedule:

<b>Date</b>	<b>Additional Vested Number of Shares</b>	<b>Total Percentage of Vested Shares</b>
1 <sup>st</sup> year 6/25/2021	1/3	(33%)
2 <sup>nd</sup> year 6/25/2022	1/3	(66%)
3 <sup>rd</sup> year 6/25/2023	1/3	(100%)

(e) If there is a Change in Control of the Company (as defined in the Plan), all the then-unvested Restricted Shares shall automatically become 100% vested as of the date of the Change in Control.

(f) During the Restriction Period, the Participant shall not sell, transfer, pledge, assign, alienate, hypothecate, or otherwise encumber or dispose of the Restricted Shares other than by will or the laws of descent and distribution. Any attempt to do so contrary to the foregoing shall be null and void.

(g) Any Restricted Shares forfeited hereunder shall be cancelled and automatically revert to the Plan. Any certificate(s) representing Restricted Shares which include forfeited shares shall only represent the number of Restricted Shares not forfeited hereunder. Upon the Company's request, the Participant agrees to tender to the Company any certificate(s) representing Restricted Shares which include forfeited shares for a new certificate representing only the unforfeited number of Restricted Shares.

**3. Termination of Service.** Voluntary or involuntary Termination of Service shall affect the Participant's rights under the Agreement as follows:

(a) Retirement. In the event of the Participant's Retirement at or after attaining (i) age 65 and (ii) at least ten (10) years of employment service, all of the non-vested Restricted Stock shall become 100% vested as of the date of Termination of Service. Upon a Termination of Service due to the Participant's Retirement at or after attaining age 65 but without ten (10) years of employment service, subject to the Vesting Schedule, any non-vested portion of the Restricted Stock shall immediately terminate and no further vesting shall occur.

(b) Death or Total and Permanent Disability. If the Participant's Termination of Service is due to death or Total and Permanent Disability (as defined in the Plan at the time of such termination), then (i) subject to the Vesting Schedule, any non-vested portion of the Restricted Stock shall become 100% vested on the Termination of Service date.

(c) Other Involuntary Termination or Voluntary Termination. If the Participant's incurs a Termination of Service for whatever reason, or the Participant resigns for any reason, either voluntarily or involuntarily, except for Retirement, death or Total and Permanent Disability as set out above, then subject to the Vesting Schedule, any non-vested portion of the Restricted Stock shall immediately expire on the date of such Termination of Service.

#### **4. Issuance of Certificate.**

(a) The Restricted Shares shall not be transferred until they become Vested Shares. Further, the Vested Shares may not be sold or otherwise disposed of in any manner that would constitute, in the opinion of counsel for the Company, a violation of any applicable federal or state securities or other laws or regulations, or any rules or regulations of any stock exchange on which the Common Stock is listed. The Company may cause to be issued a stock certificate, registered in the name of the Participant, evidencing the Restricted Shares upon receipt of a stock power duly endorsed in blank with respect to such shares. Each such stock certificate shall bear the following or a substantially similar legend:

*The transferability of this certificate and the shares of stock represented hereby are subject to the restrictions, terms and conditions (including forfeiture and restrictions against transfer) contained in the VAALCO Energy, Inc. 2020 Long Term Incentive Plan and a Restricted Stock Agreement entered into between the registered owner of such shares and VAALCO Energy, Inc. Copies of the Plan and Restricted Stock Agreement are on file in the main corporate offices of VAALCO Energy, Inc.*

(b) The certificate, together with the stock powers relating to the Restricted Shares evidenced by such certificate, shall be held by the Company. The Company shall issue to the Participant a receipt evidencing the certificates held by it which are registered in the name of the Participant.

(c) Upon the vesting of any Restricted Shares granted hereunder, the Company shall direct its transfer agent to record such shares as unrestricted or to deliver to the Participant certificates evidencing such shares. If certificates are delivered to the

Participant, such certificates shall not bear the legend referenced in [Section 3\(a\)](#). Nothing herein shall obligate the Company to register the shares pursuant to any applicable securities law or to take any other affirmative action in order to cause the issuance or transfer of the shares to comply with any law or regulation of any governmental authority. The Participant will enter into such written representations and agreements as the Company may reasonably request to comply with any securities law or regulation.

**5. Participant's Representations.** The Participant acknowledges that the Participant has been provided a copy of the prospectus, dated June 25, 2020 relating to the issuance of the Restricted Shares. Notwithstanding any provision hereof to the contrary, the Participant hereby agrees and covenants that the Participant will not acquire any Restricted Shares, and that the Company will not be obligated to issue any Restricted Shares or unrestricted shares to the Participant hereunder or under the Plan, if the issuance of such shares would constitute a violation by the Participant or the Company of any applicable federal or state securities or other laws or regulations, or any rules or regulations of any stock exchange on which the Common Stock is listed, as determined by legal counsel for the Company. The rights and obligations of the Company and the Participant hereunder are subject to all applicable laws and regulations.

**6. Tax Withholding.** **The Participant is hereby advised to consult immediately with his or her own tax advisor regarding the tax consequences of this Agreement, the method and timing for filing an election to include this Agreement in income under Section 83(b) of the Code, and the tax consequences of such election.** By execution of this Agreement, the Participant agrees that if the Participant makes such an election, the Participant shall provide the Company with written notice of such election in accordance with the regulations promulgated under Section 83(b) of the Code. To the extent that the receipt or vesting of Restricted Shares results in compensation income to the Participant for any tax purposes, the Participant shall deliver to Company at such time the sum that the Company requires to meet its tax withholding obligations under applicable law or regulation, and, if the Participant fails to do so, the Company is authorized to (a) withhold from any cash or stock remuneration then or thereafter payable to the Participant any federal, state, local or foreign tax that Company determines is required to be withheld, or (b) sell such number of Restricted Shares before their transfer to the Participant as is deemed appropriate to satisfy such tax withholding requirements, before transferring the resulting net number of shares to the Participant in full satisfaction of its obligations under this Agreement. The Company may, in its sole discretion, withhold any such taxes from any other cash remuneration otherwise paid by the Company to the Participant.

**7. Interpretation** The meaning assigned to each term defined herein shall be equally applicable to both the singular and the plural forms of such term and vice versa, and words denoting either gender shall include both genders as the context requires. Where a word or phrase is defined herein, each of its other grammatical forms shall have a corresponding meaning. The terms "hereof," "herein" and "herewith" and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement as a whole and not to any particular provision of this Agreement. When a reference is made in this Agreement to a Section, such reference is to a Section of this Agreement unless otherwise specified. The terms "include", "includes", and "including" when used in this Agreement shall be deemed to be followed by the words "without limitation", unless otherwise specified. A reference to any party to this Agreement or any other agreement or document shall include such party's predecessors, successors, and permitted assigns. Reference to any law means such law as amended, modified, codified, replaced, or reenacted, and



all rules and regulations promulgated thereunder. All captions contained in this Agreement are for convenience of reference only, do not form a part of this Agreement, and shall not affect in any way the meaning or interpretation of this Agreement. The parties have participated jointly in the negotiation and drafting of this Agreement; therefore any rule of construction or interpretation otherwise requiring this Agreement to be construed or interpreted against any party by virtue of the authorship of this Agreement shall not apply to the construction and interpretation hereof.

**8. Participant Acknowledgment.** The Participant acknowledges that (a) he is knowledgeable and sophisticated as to business matters, including the subject matter of this Agreement, (b) he has read this Agreement and understands its terms and conditions, (c) he has had ample opportunity to discuss this Agreement with his legal counsel and tax advisors prior to execution, and (d) no strict rules of construction shall apply for or against the drafter or any other party. It is the desire of the parties hereto that this Agreement be enforced to the maximum extent permitted by law, and should any provision contained herein be held invalid or otherwise unenforceable by a court of competent jurisdiction, the parties hereby agree and confirm that such provision shall be reformed to create a valid and enforceable provision to the maximum extent permitted by law.

**9. Compliance with Code Section 409A.** The Restricted Shares awarded under this Agreement are not intended to be subject to Section 409A of the U.S. Internal Revenue Code of 1986, as amended (“**Section 409A**”), including the authoritative guidance issued thereunder, and shall be interpreted and administered to be exempt from the application of Section 409A to the full extent possible under Section 409A.

**10. Miscellaneous.**

a. *Certain Transfers Void.* Any purported transfer of shares of Common Stock in breach of any provision of this Agreement shall be void and ineffective, and shall not operate to transfer any interest or title in the purported transferee.

b. *No Fractional Shares.* All provisions of this Agreement concern whole shares of Common Stock. If the application of any provision hereunder would yield a fractional share, such fractional share shall be rounded down to the next whole share if it is less than 0.5 and rounded up to the next whole share if it is 0.5 or more.

c. *Not an Employment Agreement.* This Agreement is not an employment agreement, and no provision of this Agreement shall be construed or interpreted to create any employment relationship between the Participant and the Company for any guaranteed time period. The employment of the Participant shall be subject to termination to the same extent as if this Agreement had not been executed.

d. *Notices.* Any notice, instruction, authorization, request or demand required hereunder shall be in writing, and shall be delivered either by personal in-hand delivery, by telecopy or similar facsimile means, by certified or registered mail, return receipt requested, or by courier or delivery service, addressed to the Company at its then current main corporate address, and to the Participant at his address indicated on the Company’s records, or at such other address and number as a party has last previously designated by written notice given to the other party in the manner hereinabove set forth. Notices shall be deemed given when received, if sent by facsimile means (confirmation of such receipt

by confirmed facsimile transmission being deemed receipt of communications sent by facsimile means); and when delivered and receipted for (or upon the date of attempted delivery where delivery is refused), if hand-delivered, sent by courier or delivery service, or sent by certified or registered mail, return receipt requested.

e. Shares Reserved. The Company shall, at all times during the period that any Restricted Shares remain subject to this Agreement, reserve under the Plan such number of shares of Common Stock as shall be sufficient to satisfy the requirements of this Agreement.

f. Amendment, Termination and Waiver. This Agreement may be amended, modified, terminated or superseded only by written instrument executed by or on behalf of the Company and the Participant. Any waiver of the terms or conditions hereof shall be made only by a written instrument executed and delivered by the party waiving compliance. Any waiver granted by the Company shall be effective only if executed and delivered by a duly authorized executive officer of the Company other than the Participant. The failure of any party at any time or times to require performance of any provisions hereof shall in no manner affect the right to enforce the same. No waiver by any party of any term or condition herein, or the breach thereof, in one or more instances shall be deemed to be, or construed as, a further or continuing waiver of any such condition or breach or a waiver of any other condition or the breach of any other term or condition.

g. No Guarantee of Tax Consequences. The Company makes no commitment or guarantee that any tax treatment will apply or be available to the Participant or any other person. The Participant has been advised, and provided with the opportunity, to obtain independent legal and tax advice regarding the grant, vesting, Transfer and the disposition of any Restricted Shares.

h. Severability. Any provision of this Agreement which is ruled to be invalid or unenforceable in any applicable jurisdiction shall be ineffective to the extent of such invalidity or unenforceability without invalidating or rendering unenforceable the remaining provisions hereof, and any such invalidity or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

i. Supersedes Prior Agreements. This Agreement, together with the Plan, shall supersede and replace any and all prior agreements and understandings, oral or written, between the Company and the Participant regarding the grant of the Restricted Shares covered hereby. All prior negotiations and agreements between the parties with respect to the subject matter hereof are merged into this Agreement. Each party to this Agreement acknowledges that no representations, inducements, promises, or agreements, orally or otherwise, have been made by any party or by anyone acting on behalf of any party, which are not embodied in this Agreement or the Plan and that any agreement, statement, or promise that is not contained in this Agreement or the Plan shall not be valid or binding or of any force or effect.

j. Recoupment. The Participant acknowledges, understands and agrees, with respect to any Restricted Shares delivered to the Participant (or registered in the Participant's name) pursuant to this Agreement, that such Shares shall be subject to recovery by the Company, and the Participant shall be required to repay such compensation

or shares of Common Stock, in accordance with the Company's clawback policy, as in effect from time to time. The Participant further acknowledges, understands, and agrees that the Board retains the right to modify the Company's clawback policy at any time.

k. Governing Law. The Agreement shall be construed in accordance with the laws of the State of Delaware, without regard to its conflict of law provisions, to the extent federal law does not supersede and preempt Delaware law.

l. Successors and Assigns. This Agreement shall bind, be enforceable by, and inure to the benefit of, the Company and the Participant and any permitted successors and assigns under the Plan.

11 **Survival of Certain Provisions.** Wherever appropriate to the intention of the parties hereto, the respective rights and obligations of the parties hereunder shall survive any termination or expiration of this Agreement.

12 **Signature in Counterparts.** This Agreement may be signed in counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. The parties agree that the delivery of this Agreement may be effected by means of an exchange of facsimile signatures which shall be deemed original signatures thereof.

*[Signature page follows.]*

**IN WITNESS WHEREOF**, this Restricted Stock Agreement is made and entered into as of the date first written above.

**VAALCO Energy, Inc.**

By: \_\_\_\_\_

Name: Cary Bounds  
Title: Chief Executive Officer

*Address for Notices:*

VAALCO Energy, Inc.  
9800 Richmond Ave.  
Suite 700  
Houston, TX 77042  
Attn:

**Participant:**

\_\_\_\_\_

Signature

*Address for Notices:*



**VAALCO ENERGY, INC.**  
**2020 LONG TERM INCENTIVE PLAN**  
**NONQUALIFIED STOCK OPTION AGREEMENT**  
**FOR EMPLOYEE**

*Participant:* \_\_\_\_\_

**1. Grant of Stock Option.** As of the **Date of Grant** (identified in Section 19 below), VAALCO Energy, Inc., a Delaware corporation (the “**Company**”) hereby grants a Nonqualified Stock Option (the “**Option**”) to the **Participant** (identified above), an Employee of the Company, to purchase the number of shares of the Company’s common stock, \$0.10 par value per share (the “**Common Stock**”), as identified in Section 19 below (the “**Shares**”), subject to the terms and conditions of this agreement (the “**Agreement**”) and the VAALCO Energy, Inc. 2020 Long Term Incentive Plan (the “**Plan**”). The Plan is hereby incorporated herein in its entirety by reference. The Shares, when issued to the Participant upon exercise of the Option, shall be fully paid and nonassessable. The Option is not an “incentive stock option” as defined in Section 422 of the Code. The Option is a Nonqualified Stock Option that is intended to comply with the provisions governing nonqualified stock options under the final Treasury Regulations issued on April 17, 2007, in order to exempt this Option from application of Section 409A of the Code.

**2. Definitions.** All capitalized terms used herein shall have the meanings set forth in the Plan unless otherwise provided herein. Section 19 sets forth definitions for certain of the capitalized terms used in this Agreement.

**3. Option Term.** The Option shall commence on the Date of Grant (identified in Section 19 below) and terminate on the 10<sup>th</sup> anniversary of the Date of Grant as specified in Section 19. The period during which the Option is in effect and may be exercised is referred to herein as the “Option Period”.

**4. Option Price.** The Option Price per Share is identified in Section 19.

**5. Vesting.** The total number of Shares subject to this Option shall vest in accordance with the vesting schedule described in Section 19 (the “**Vesting Schedule**”). The Shares may be purchased at any time after they become vested, in whole or in part, during the Option Period; provided, however, the Option may only be exercisable to acquire whole Shares. The right of exercise provided herein shall be cumulative so that if the Option is not exercised to the maximum extent permissible after vesting, the vested portion of the Option shall be exercisable, in whole or in part, at any time during the Option Period.

**6. Method of Exercise.**

(a) Stock Option Exercise Agreement. To exercise this Option, the Participant (or in the case of exercise after the Participant’s death or incapacity, the Participant’s executor, administrator, heir or legatee, as the case may be) must deliver to the Company an executed stock option exercise agreement in the form provided by the Company (the “**Exercise Agreement**”), which shall set forth, *inter alia*, (a) the Participant’s election to exercise the Option, (b) the number of Shares being purchased, (c) any restrictions imposed

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on the Shares, and (d) any representations, warranties or agreements regarding the Participant's investment intent and access to information as may be required by the Company to comply with applicable securities laws. If someone other than the Participant exercises the Option, then such person must submit documentation reasonably acceptable to the Company verifying that such person has the legal right to exercise the Option. The Participant may withdraw notice of exercise of the Option, in writing, at any time prior to the close of business on the business day that immediately precedes the proposed exercise date.

(b) **Limitations on Exercise.** The Option may not be exercised unless such exercise is in compliance with all applicable federal, state and foreign securities laws, as in effect on the date of exercise. The Option may not be exercised for fewer than one Share or for a fractional Share.

7. **Method of Payment.** Subject to applicable provisions of the Plan, the Option Price upon exercise of the Option shall be payable to the Company in full either: (i) in cash or its equivalent; (ii) subject to prior approval by the Committee in its discretion, by tendering previously acquired, unrestricted Shares having an aggregate Fair Market Value (as defined in the Plan) at the time of exercise equal to the total Option Price, other than unrestricted shares acquired from the Company within six months prior to the date of exercise; (iii) subject to prior approval by the Committee in its discretion, by withholding Shares which otherwise would be acquired on exercise having an aggregate Fair Market Value at the time of exercise equal to the total Option Price; or (iv) any other permitted method pursuant to the applicable terms and conditions of the Plan and applicable law that is acceptable to the Committee.

As soon as practicable after receipt of a written notification of exercise and full payment, the Company shall register for or on behalf of the Participant, in the name of the Participant or other appropriate recipient, the Shares, but shall not deliver certificates or other evidence of ownership for the number of Shares purchased under the Option unless requested by the Participant in accordance with Section 8.3(c) of the Plan.

Payment of the Option Price by a Participant who is an officer, director or other "insider" subject to Section 16(b) of the 1934 Act in the form of a stock for stock exercise is subject to pre-approval by the Committee, in its discretion, in a manner that complies with the specificity requirements of SEC Rule 16b-3.

Notwithstanding the foregoing, if there is a stated par value of the Shares and applicable law so requires, then the par value of the Shares, if newly issued, shall be paid in cash or cash equivalents.

8. **Restrictions on Exercise.** The Option may not be exercised if the issuance of such Shares or the method of payment of the consideration for such Shares would constitute a violation of any applicable federal or state securities or other laws or regulations, or any rules or regulations of any stock exchange on which the Common Stock may be listed, as determined by legal counsel for the Company. In addition, the Participant understands and agrees that the Option cannot be exercised if the Company determines that such exercise, at the time of such exercise, would be in violation of the Company's insider trading policy.

9. **Termination of Service.** Voluntary or involuntary Termination of Service shall affect the Participant's rights under the Option as follows:

(a) **Termination for Cause.** The entire Option, including any vested portion thereof, shall expire and terminate on the date of the Participant's Termination of Service and shall not be exercisable to any extent if the Participant's Termination of Service is for Cause (as defined in subsection (e) below) effective as of 12:01 a.m. (CST) on the date of such Termination of Service.

(b) **Retirement.** In the event of the Participant's Retirement at or after attaining (i) age 65 and (ii) at least ten (10) years of employment service, all of the Options shall become 100% vested as of the date of Termination of Service. Upon the Termination of Service due to the Participant's Retirement at or after attaining age 65 but without ten (10) years of employment service, subject to the Vesting Schedule, any non-vested portion of the Option shall immediately terminate, and no further vesting shall occur. Any vested Option shall expire on the expiration of six (6) months after the date of Termination of Service due to Retirement; provided, however, in no event may the Option be exercised by anyone after expiration of the Option Period.

(c) **Death or Total and Permanent Disability.** If the Participant's Termination of Service is due to death or Total and Permanent Disability (as defined in the Plan at the time of such termination), then (i) subject to the Vesting Schedule, any non-vested portion of the Option shall become 100% vested on the Termination of Service date and (ii) any vested portion of the Option shall expire on the one-year anniversary date of the Termination of Service (to the extent not previously exercised by the Participant) or, in the case of death, by the person or persons to whom the Participant's rights under the Option have passed by will or by the laws of descent and distribution or, in the case of Total and Permanent Disability, by the Participant or the Participant's legal representative; provided, however, in no event may the Option be exercised by anyone after expiration of the Option Period.

(d) **Other Involuntary Termination or Voluntary Termination.** If the Participant's incurs a Termination of Service for whatever reason, or the Participant resigns for any reason, either voluntarily or involuntarily, except for Cause, Retirement, death or Total and Permanent Disability as set out above, then (i) subject to the Vesting Schedule, any non-vested portion of the Option shall immediately expire on the Termination of Service date and (ii) any vested portion of the Option shall expire to the extent not exercised within one hundred twenty (120) days after such Termination of Service; provided, however, in no event may the Option be exercised by anyone after expiration of the Option Period.

(e) For purposes hereof, "**Cause**" means (i) "**Cause**" as defined in any employment or other written agreement by and between the Participant and the Company or a Subsidiary or (ii) in the absence of such an agreement or such a definition in any such agreement, "**Cause**" shall mean the termination of the Participant's employment by the Company or any Subsidiary by reason of (A) the conviction of the Participant by a court of competent jurisdiction as to which no further appeal can be taken of a crime involving moral turpitude or a felony; (B) the commission by the Participant of a material act of fraud upon the Company or any Subsidiary, or any customer or supplier thereof; (C) the

misappropriation of any funds or property of the Company or any Subsidiary, or any customer or supplier thereof; (D) the willful and continued failure by the Participant to perform the material duties assigned to him that is not cured to the reasonable satisfaction of the Company within 30 days after written notice of such failure is provided to the Participant by the Board or the Company's Chief Executive Officer ("CEO") (or by another officer of the Company or an Subsidiary who has been designated by the Board or CEO for such purpose); (E) the engagement by the Participant in any direct and material conflict of interest with the Company or any Subsidiary without compliance with the Company's or a Subsidiary's conflict of interest policy, if any, then in effect; or (F) the engagement by the Participant, without the written approval of the Board or CEO, in any material activity which competes with the business of the Company or any Subsidiary or which would result in a material injury to the business, reputation or goodwill of the Company or any Subsidiary.

**10. Independent Legal and Tax Advice.** The Participant acknowledges that the Company has advised the Participant to obtain independent legal and tax advice regarding the grant and exercise of the Option and the disposition of any Shares acquired thereby.

**11. Reorganization of Company.** The existence of the Option shall not affect in any way the right or power of the Company or its stockholders to make or authorize any or all adjustments, recapitalizations, reorganizations or other changes in Company's capital structure or its business, or any merger or consolidation of the Company, or any issue of bonds, debentures, preferred or prior preference stock ahead of or affecting the Shares or the rights thereof, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

**12. Adjustment of Shares.** In the event of stock dividends, spin-offs of assets or other extraordinary dividends, stock splits, combinations of shares, recapitalizations, mergers, consolidations, reorganizations, liquidations, issuances of rights or warrants and similar transactions or events involving Company, appropriate adjustments may be made to the terms and provisions of the Option as provided in Articles 11-14 of the Plan.

**13. No Rights in Shares.** The Participant shall have no rights as a stockholder in respect of the Shares until the Participant becomes the record holder of such Shares.

**14. Investment Representation.** The Participant will enter into such written representations, warranties and agreements as Company may reasonably request in order to comply with any federal or state securities law. Moreover, any stock certificate for any Shares issued to the Participant hereunder may contain a legend restricting their transferability as determined by the Company in its discretion. The Participant agrees that Company shall not be obligated to take any affirmative action in order to cause the issuance or transfer of Shares hereunder to comply with any law, rule or regulation that applies to the Shares subject to the Option.

**15. No Guarantee of Employment.** The Option shall not confer upon the Participant any right to continued employment (or any other relationship) with the Company or any affiliate thereof.

**16. Participant Confidentiality Obligations.** In accepting the Option, the Participant acknowledges that the Participant is obligated under Company's policy and applicable law to



protect and safeguard the confidentiality of trade secrets and other proprietary and confidential information belonging to the Company and its affiliates, and that such obligations continue beyond Termination of Service.

**17. Withholding of Taxes.** The Company (or if applicable, any Subsidiary, and for purposes of this Section 17, the term “Company” shall be deemed to include any applicable Subsidiary) shall have the right to (a) make deductions from the number of Shares otherwise deliverable upon exercise of the Option in an amount sufficient to satisfy withholding of any federal, state or local taxes required by law, or (b) take such other action as may be necessary or appropriate to satisfy any such tax withholding obligations, including, without limitation, requiring the Participant to pay the Company the amount of any taxes that the Company is required to withhold. Such payments shall be required to be made when requested by the Company and may be required to be made prior to the delivery of any certificate or the registration of such shares in the Participant’s name for such Shares. The Company may, in its sole discretion, withhold any such taxes from any other cash remuneration otherwise paid by the Company to the Participant.

**18. General.**

(a) Notices. All notices under this Agreement shall be mailed or delivered by hand to the parties at their respective addresses set forth beneath their signatures below or at such other address as may be designated in writing by either of the parties to one another, or to their permitted transferees if applicable. Notices shall be effective upon receipt.

(b) Shares Reserved. The Company shall at all times during the Option Period reserve and keep available under the Plan such number of Shares as shall be sufficient to satisfy the requirements of this Option.

(c) Transferability of Option. The Option is transferable only to the extent permitted under the Plan at the time of transfer (i) by will or by the laws of descent and distribution, (ii) by a qualified domestic relations order (as defined in Section 414(p) of the Code), or (iii) to the Participant’s immediate family or entities established for the benefit of, or solely owned by, the Participant’s immediate family, but only if, and to the extent, permitted under the Plan. No right or benefit hereunder shall in any manner be liable for or subject to any debts, contracts, liabilities, obligations or torts of the Participant or any permitted transferee thereof.

(d) Amendment and Termination. No amendment, modification or termination of this Agreement shall be made at any time without the written consent of the Participant and Company.

(e) No Guarantee of Tax Consequences. The Company makes no commitment or guarantee that any tax treatment will apply or be available to the Participant or any other person. The Participant has been advised, and provided with the opportunity, to obtain independent legal and tax advice regarding the grant and exercise of the Option and the disposition of any Shares acquired thereby.

(f) Severability. In the event that any provision of this Agreement shall be held illegal, invalid, or unenforceable for any reason, such provision shall be fully severable, but shall not affect the remaining provisions of the Agreement, and the Agreement shall be

construed and enforced as if the illegal, invalid, or unenforceable provision had not been included herein.

(g) Supersedes Prior Agreements. This Agreement, together with the Plan, shall supersede and replace any and all prior agreements and understandings, oral or written, between the Company and the Participant regarding the grant of the Options covered hereby. All prior negotiations and agreements between the parties with respect to the subject matter hereof are merged into this Agreement. Each party to this Agreement acknowledges that no representations, inducements, promises, or agreements, orally or otherwise, have been made by any party or by anyone acting on behalf of any party, which are not embodied in this Agreement or the Plan and that any agreement, statement, or promise that is not contained in this Agreement or the Plan shall not be valid or binding or of any force or effect.

(h) Recoupment. The Participant acknowledges, understands and agrees, with respect to any Shares delivered to the Participant (or registered in the Participant's name) pursuant to this Agreement, that such Shares shall be subject to recovery by the Company, and the Participant shall be required to repay such compensation or shares of Common Stock, in accordance with the Company's clawback policy, as in effect from time to time. The Participant further acknowledges, understands, and agrees that the Board retains the right to modify the Company's clawback policy at any time.

(i) Governing Law. This Agreement shall be construed in accordance with the laws of the State of Delaware, without regard to its conflict of law provisions, to the extent federal law does not supersede and preempt Delaware law.

**19. Definitions and Other Terms.** The following capitalized terms shall have those meanings set forth opposite them:

- (a) Participant: \_\_\_\_\_
- (b) Date of Grant: \_\_\_\_\_
- (c) Shares: \_\_\_\_\_ (\_\_\_\_)
- (d) Option Price: [Closing price on \_\_\_\_\_]
- (e) Option Period: Date of Grant through the tenth annual anniversary of the Date of Grant (until 5:00 p.m. CST).
- (f) Vesting Schedule: Provided that the Participant remains in employment, Options for 33.33% of the Shares covered by this Agreement (rounded down to the next whole number of Shares) shall vest on the first anniversary of the Date of Grant and upon achievement of the 1<sup>st</sup> Stock Price Performance Hurdle, 15% stock price appreciation as determined using a 30 day average stock price from the Date of Grant Option Price; Options for 33.33% of the Shares covered by this Agreement (rounded up to the next whole number of

Shares) shall vest on the second anniversary of the Date of Grant and upon achievement of the 2<sup>nd</sup> Stock Price Performance Hurdle, 32.5% stock price appreciation as determined using a 30 day average stock price from the Date of Grant Option Price ; and the remaining Shares covered by this Agreement shall vest on the third anniversary of the Date of Grant and upon achievement of the 3<sup>rd</sup> Stock Price Performance Hurdle, 52.5% stock price appreciation as determined using a 30 day average stock price from the Date of Grant Option Price.

Notwithstanding the foregoing vesting schedule, in the event of a Change in Control (as defined in the Plan), all of the Options shall become 100% vested as of the date of the Change in Control.

*[Signature page follows.]*

**IN WITNESS WHEREOF**, the Company, as of the Date of Grant, has caused this Agreement to be executed on its behalf by its duly authorized officer and the Participant has hereunto executed this Agreement as of the same date.

**VAALCO ENERGY, INC.**

By: \_\_\_\_\_

*Address for Notices:*

VAALCO Energy, Inc.  
9800 Richmond Ave., Suite 700  
Houston, Texas 77042  
Attn: Legal Department

**OPTIONEE**

\_\_\_\_\_  
Signature

*Address for Notices:*



## VAALCO ANNOUNCES CHANGES TO ITS BOARD OF DIRECTORS

**HOUSTON – June 25, 2020** – VAALCO Energy, Inc. (NYSE: EGY; LSE: EGY) (“VAALCO” or “the Company”) today announced that Catherine Stubbs and George Maxwell were elected as new independent directors to the Company’s Board of Directors at VAALCO’s 2020 Annual Meeting of Stockholders. Ms. Stubbs and Mr. Maxwell will serve on the Audit, Compensation, and Nominating and Corporate Governance Committees. Ms. Stubbs will serve as Chair of the Audit Committee. Mr. Maxwell will serve as Chair of the Compensation Committee. These two new directors replace John Knapp and Steve Pully who did not stand for re-election.

In addition, Bradley Radoff has been appointed to the Company’s Board of Directors, effective June 25, 2020. Mr. Radoff will serve on the Audit Committee. Following this appointment, VAALCO’s Board will be comprised of five members of which four are considered independent.

Andrew Fawthrop, VAALCO’s Chairman of the Board commented, “We believe that Catherine, George and Brad will bring significant experience in the offshore and international energy sector that will help support VAALCO in achieving our strategic goals. In addition, the two new members will refresh the Board of Directors and bring in diverse perspectives. We also want to recognize our outgoing Board members, John Knapp and Steve Pully. They have both served on our Board for several years and I would like to thank them for their insight, leadership and dedication.”

Catherine Stubbs has over 30 years of experience in the energy industry. She currently serves as a director of Aspire Holdings, LLC (formerly Endeavour International Corporation), an independent oil and gas exploration and production company in Houston, Texas. Ms. Stubbs has been with Aspire Holdings, LLC since 2004 and has served in numerous roles, including Director Accounting and Financial Controls, Director Treasury and Corporate Development, Vice President and Senior Vice President – Finance. In October 2015, Ms. Stubbs was promoted to the position of President and Chief Financial Officer.

Prior to joining Aspire Holdings, LLC she served as Assistant Controller, Financial Reporting and Corporate Accounting at Devon Energy, Inc. (formerly Ocean Energy, Inc.) from 1997 to 2004. Ms. Stubbs began her career in public accounting with KPMG, an international audit and business strategy consulting firm, where she rose to the title of Audit Manager. Ms. Stubbs is a Certified Public Accountant in the State of Texas and she currently serves on the board of directors of various charity and educational institutions. Ms. Stubbs holds a Bachelor of Business Administration and Master in Professional Accounting from the University of Texas at Austin.

George Maxwell has over 25 years of experience in the oil and gas industry, including in both the producing and service/manufacturing arenas. Mr. Maxwell founded Eland Oil & Gas Plc. in 2009 and

served as the company's Chief Executive Officer from September 2014 to December 2019, Chief Financial Officer from 2010 to 2014, and as a member of the board of directors from 2009 to 2019. Eland Oil & Gas Plc was floated on the London Stock Exchange in 2012 and remained admitted to trading there until it was acquired by Seplat Petroleum Development Company Plc. on December 17, 2019. Prior to founding Eland Oil & Gas Plc., Mr. Maxwell served as the business development manager for Addax Petroleum and as commercial manager in Geneva. Mr. Maxwell joined Addax Petroleum in 2004 and held the general manager position in Nigeria, where he was responsible for finance, and fiscal and commercial activities. Prior to this, Mr. Maxwell worked with ABB Oil & Gas as Vice President of Finance based in the UK with responsibilities for Europe and Africa and in a similar role in Houston, from where the organization ran its operations in ten countries. Mr. Maxwell has strong ties to the London investment community.

Mr. Maxwell graduated from Robert Gordon University in Aberdeen with a Masters in Business Administration. He is a Fellow of the Energy Institute in the UK and has formerly served on the Boards of Directors of Elcrest Exploration and Production Nigeria Ltd. as well as at Westport Oil Limited.

Bradley Radoff has served as Principal of Fondren Management LP, a private investment management company, since January 2005. Mr. Radoff previously served as a Portfolio Manager at Third Point LLC and as a Managing Director of Lonestar Capital Management LLC. Mr. Radoff currently serves as a director on the Board of Support.com and previously served on the Board of Pogo Producing Company from March 2007 to November 2007 prior to its sale to Plains Exploration. Mr. Radoff graduated summa cum laude with a B.S. in Economics from The Wharton School, University of Pennsylvania. As of June 25, 2020, Mr. Radoff beneficially owns 3,906,000 shares of VAALCO common stock, consisting of 1,350,000 shares owned directly, 2,471,000 shares owned through BLR Partners LP and 85,000 shares owned through the Radoff Family Foundation.

### **About VAALCO**

VAALCO, founded in 1985, is a Houston, USA based, independent energy company with production, development and exploration assets in the West African region.

The Company is an established operator within the region, holding a 31.1% working interest in the Etame Marin Block, located offshore Gabon, which to date has produced over 116 million barrels of crude oil and of which the Company is the operator.

### **For Further Information**

#### **VAALCO Energy, Inc. (General and Investor Enquiries)**

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