

## Harbour Energy plc

### Matters Reserved for the Board

The Board has delegated to the Chief Executive Officer the authority to carry out the activities of the business, except for Matters Reserved for the Board.

#### **Decisions on Matters Reserved for the Board**

All decisions on what constitutes the List of Matters Reserved for the Board require Board approval.

All decisions on Matters Reserved for the Board shall be made in accordance with the Articles of Association and any necessary shareholder approvals.

#### **List of Matters Reserved for the Board**

##### **1) Board and Board Committees** (see also section 11 below):

- a) The appointment and removal of directors of the Company, following a recommendation of the Nomination Committee.
- b) The re-appointment of any non-executive director at the conclusion of his or her specified term of office, following a recommendation of the Nomination Committee.
- c) The appointment of any director to executive or other office, including Chairman, Senior Independent Director and Chief Executive Officer, following a recommendation of the Nomination Committee for all positions except that of (i) Chairman, which is exclusively a matter for the Board; and (ii) Chief Executive, the recommendation for which is a matter reserved for a committee of all non-executive directors.
- d) The approval of recommendations to shareholders to elect/re-elect directors at the Company's Annual General Meeting, following a recommendation of the Nomination Committee.
- e) The approval of changes to the structure, size and composition of the Board, with due regard to the skills, knowledge, experience, independence and diversity of the Board, following a recommendation from the Nomination Committee subject to shareholder approval where applicable.
- f) The establishment of Committees of the Board and the approval of terms of reference and delegation of authority of specific tasks to all Committees of the Board.
- g) The appointment of chairmen and members of all Committees of the Board of Directors, following recommendations of the Nomination Committee where appropriate.
- h) The appointment or removal of the Company Secretary.
- i) The approval of succession plans for the Board and senior management.

##### **2) External Advisers:**

- a) The recommendation to shareholders to appoint, reappoint or remove external auditors following the recommendation of the Audit and Risk Committee.
- b) The appointment or removal of the Company's financial advisers in respect of a public offer for the Company's shares or a public offer by the Company for a third party's shares or any other transaction involving a financial adviser which requires shareholder approval including Class 1 acquisitions and disposals.

### **3) Corporate Strategy and Management:**

- a) The determination of the purpose, overall direction, long term objectives and strategy of the business.
- b) Review and monitor the Group's culture, core values and ethics to ensure continued alignment with the Group's strategy and approval of any major changes in organisation structure or management/control structure.
- c) The determination of the appropriate level of risk exposure for the Company.
- d) Approval of the Company's Corporate Investment Guidelines and any further amendments thereto.<sup>1</sup>
- e) The oversight of the Group's operations and management and the review of performance against the Group's strategy, objectives, business plans and budgets, together with the approval of any necessary corrective actions to be taken.
- f) The approval of new country entry.
- g) The approval of new business activity entry outside of the approved strategy.
- h) The approval of the acquisition or disposal of interests which have values which are beyond the limit delegated to the CEO. Acquisitions or disposals within this category must be supported by an Investment Paper.
- i) The approval of any decisions to cease to operate any material part of the Group's business.

### **4) Expenditure:**

The approval of:

- a) The annual budget including any subsequent amendments and any anticipated or actual overrun of expenditure to such budget which are beyond the limits delegated to the CEO.
- b) Commitments to expenditures not explicitly approved within the Group Annual Budget or which would result in expenditure outside the budget period and which are beyond the limits of the CEO.

### **5) Finance:**

The approval of:

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<sup>1</sup> Note - quarterly changes to foreign exchange rates will not require Board approval.

- a) the issue of new debt instruments (loans, facilities and bonds) where the aggregate value is in excess of US\$100 million or the revision of material terms to existing debt instruments;
- b) Recommendations in respect of payment of dividends.
- c) Significant changes in accounting policies or practices relating to the company or group accounts, following a recommendation of the audit and risk committee.
- d) Policy related to hedging and hedging instruments.
- e) Financial guarantees and non-ordinary course indemnities, which have values in excess of those set out in the DOA.
- f) The company's policy on the engagement of the external auditor for non-audit services, following a recommendation of the audit and risk committee.

## **6) Structure and Capital**

The approval of:

- a) The allotment, issue and/or purchase of Premier Oil shares.
- b) Changes to the Group's capital structure.
- c) Changes to the Company's listing or its status as a plc; and
- d) Recommendations to shareholders for changes to the Company's Articles of Association.

## **7) Risk Management and Internal Control:**

With respect to items (a) to (e) below, taking into account the recommendation of the Audit and Risk Committee as reported upon by the Chairman of that Committee:

- a. The review and regular monitoring of the effectiveness of the Group's systems of internal control (including financial, operational and compliance controls) and risk management to support its strategy and objectives.
- b. The approval of any recommendation from the Audit and Risk Committee with regard to the establishment of, or material change to the scope of the internal audit function.
- c. Undertaking an assessment of the effectiveness of the Group's systems of internal control and risk management, including a robust assessment of the principal risks facing the Company (including those that would threaten the business model, future performance, solvency or liquidity) and how these are being managed and mitigated.
- d. Undertaking an annual assessment of the Group's prospects, and its ability to continue in operation and meet its liabilities as they fall due over the appropriate assessment period, both in respect of the Company as a going concern and its longer term viability, taking into account the Group's position and principal risks, assisted by the Audit and Risk Committee as appropriate.
- e. The approval of appropriate disclosures and statements regarding the above for inclusion in the Company's Annual Report and Accounts.
- f. The approval of the adoption by the Company of uncapped liabilities under major contracts.

- g. The approval of the overall levels of insurance for the Group and Directors' and Officers' insurance cover.

## **8) Shareholder Communication**

- a) The approval of half-yearly and full year results announcements and, if deemed appropriate, trading updates.
- b) Having received a recommendation from the Audit and Risk Committee, undertaking an assessment of whether the Annual Report and Accounts taken as a whole is fair, balanced and understandable and provides the necessary information for shareholders to assess the Company's position and performance, business model and strategy and approval of the annual statement thereon to be made in the Annual Report and Accounts.
- c) The approval of the Annual Report and Accounts, including the Strategic Report, Financial Statements, Statement of Directors' Responsibility and other required reports, statements and disclosures, upon advice received from and the recommendation of the Audit & Risk, Remuneration and Nomination Committees, as appropriate.
- d) The approval of circulars and listing particulars, resolutions and corresponding documentation sent to shareholders.
- e) Such other documents as are required by law or regulation or of a material nature to be approved by the Board following the recommendation of relevant Committees.
- f) Ensuring effective engagement with shareholders and other stakeholders.

## **9) Remuneration:**

- a) The approval of the remuneration policy for the executive directors and other members of the Purview Group (i.e. senior management) following a recommendation of the Remuneration Committee.
- b) The determination of the remuneration of the non-executive directors subject to the limits contained in the Company's Articles of Association. For the avoidance of doubt, the determination of the remuneration for the non-executive Chairman is exclusively a matter for the Remuneration Committee.
- c) The approval of the introduction of new share schemes, long-term incentive schemes or major changes to existing schemes, which require shareholders' approval, following a recommendation of the Remuneration Committee.
- d) The approval of the introduction of new pension schemes or major changes to existing pension schemes, following a recommendation of the Remuneration Committee.
- e) The consideration of the effectiveness of the Company's remuneration and related policies in addressing pay gaps and pay ratios between the genders and between the different quartiles of the workforce, following review by the Remuneration Committee.

## **10) Litigation:**

- a) The approval to prosecute, defend or settle any litigation or dispute beyond the limits delegated to the CEO.

**11) Corporate Governance:**

- a) The annual review of the Company's overall governance structure and compliance with the UK Corporate Governance Code with input and advice from the Nomination Committee as appropriate.
- b) The approval of, including any amendments to, the corporate policies and procedures listed below<sup>2</sup>:
  - i. Global Code of Conduct (including whistleblowing)<sup>3</sup>.
  - ii. Group Wide Dealing Policy.<sup>4</sup>
- c) The approval of the Company's Modern Slavery statement (following review by the Audit and Risk Committee).
- d) The conduct of an annual evaluation of its own performance, that of its committees and the Chairman.
- e) The determination of the independence of directors with due regard to the provisions of the UK Corporate Governance Code on the advice of the Nomination Committee.
- f) The authorisation of potential conflicts of interest of directors and the monitoring of any related party transactions.
- g) The approval of the written statement of the division of responsibilities between the roles of the Chairman and the Chief Executive Officer.
- h) Approval of any changes to the levels of authority delegated to the CEO.
- i) The approval of external appointments of all Directors, taking account of other demands on the Directors' time and of the need to explain the reasons for approving significant external appointments in the Annual Report. (*UK Corporate Governance Code 2018, Provision 15*)
- j) Ensuring effective engagement between the Board and the Company's workforce (with discretion to delegate this task to the Nomination Committee), and in particular enabling the workforce to raise matters of concern with the Board.

**12) Other:**

- a) The approval of all political donations made by the Company or any subsidiary.
- b) The approval of charitable donations which are beyond the limits delegated to the CEO.

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<sup>2</sup> Once per annum, the Board Corporate Governance manual content shall be submitted to the Board for review with a status update regarding each of the policy documents sitting at Board or Board Committee level.

<sup>3</sup> The full Whistleblowing Procedure content and compliance is monitored by the Audit and Risk Committee.

<sup>4</sup> It is proposed that from completion of the merger of Premier Oil plc and Chrysaor Limited the policies and procedures listed in Appendix One will be subject to Committee approval only without the need to revert to the Board.

- c) The review and approval of this schedule of Matters Reserved for the Board.

Amended by the Board	10 December 2020
Approved by the Premier Oil plc Board on the recommendation of Harbour Energy CEO, Senior Independent Director and Steering Committee to take effect from completion of the merger with Chrysaor Limited.	22 March 2021



*For the avoidance of doubt, the following policies and statements and any changes thereto will require the approval of the Board Committees listed below, with effect from completion of the merger of Premier Oil plc and Chrysaor Limited.*

***Health, Safety, Environment and Security Committee:***

- i. Health, Safety, Environment and Security Policy
- ii. Corporate Major Accident Prevention Policy
- iii. Climate Change Policy
- iv. Sustainability Policy, which includes by reference:
  - Human Rights statement
  - Business Ethics Policy
  - Community Investment statement

***Audit and Risk Committee:***

- v. Risk Management Policy
- vi. Tax Policy
- vii. Supply Chain Policy

***Nomination Committee***

- viii. People Policy (including Equal Opportunities and Diversity and inclusion)