

# Corporate Governance Statement

The Directors recognise the importance of sound corporate governance. The Company has adopted the Quoted Companies Alliance Corporate Governance Code 2018 (“Code”) to the extent considered appropriate for a company of its size. The ten ‘Principles of the Code’ are set out below with details as to how the Company complies with each principle and explanations of why if it does not.

## DELIVER GROWTH

### 1. Establish a strategy and business model which promote long-term value for shareholders

#### Business Strategy

IOG’s strategy is to be a Net Zero UK gas and infrastructure operator focused on high-return projects. The Company deploys a focused infrastructure-led gas hub strategy intended to be a cost-effective path to value creation, leveraging its co-ownership of the Saturn Banks Pipeline System gas export route and associated onshore reception facilities. These midstream assets are key pieces of infrastructure providing direct access to the UK gas market via the Bacton Gas Terminal. Along with operatorship of a gas portfolio in the UK Southern North Sea, this can provide both direct economic benefits and competitive advantage for further business development in the area.

Incremental opportunities in the Saturn Banks catchment area can benefit from existing operated infrastructure. These opportunities include: discoveries within IOG acreage; low-cost addition of further discovered gas assets via Licensing Rounds; acquisitions from third-parties of nearby undeveloped assets; third-party gas tariffing opportunities; and finally re-development of nearby shut-in or previously developed fields where commercial potential remains.

The strategy focuses on prioritising the highest return opportunities and delivering them in successive phases, whilst maximising operating synergies. The emphasis is on optimising risk-adjusted overall returns rather than particular reserves or production targets. This approach is designed to be able to commercialise relatively small, gas assets that would otherwise be stranded, marginal or sub-economic on a standalone basis. In addition, the Company seeks wherever possible to maintain operatorship of its assets, drawing on in-house technical and operational expertise and appropriately utilising duty holders and contractors. The Company also aims to continually invest in subsurface understanding to ensure the best technical interpretation of all opportunities across our Saturn Banks catchment area.

The Company has a strategic focus on gas, the cleanest hydrocarbon which remains fundamental to UK energy security as it has progressively replaced coal-fired power generation in recent decades. With typically around half of UK gas consumption being imported, stable domestic gas supply is essential for the country’s power generation, industrial and domestic heating requirements. Given its relatively low production and transportation costs, IOG’s domestic gas production also has economic and environmental advantages over pipeline and LNG imports. As such, the Company’s strategy supports the UK government policy of maximising economic returns from domestic resources while transitioning to a Net Zero economy by 2050.

This Business Strategy is communicated and updated annually in the Annual Report and Accounts.

### 2. Seek to understand and meet shareholder needs and expectations

The Company remains committed to listening and to communicating openly with its shareholders to ensure that its strategy, business model and performance are clearly understood. Understanding what analysts and investors think about the Company and in turn, helping these audiences understand our

business, is a key part of driving the business forward and Company representatives maintain active dialogue with market participants in line with expectations of a listed company. This is done via investor roadshows and meetings, attending investor conferences, delivering presentations, updating the website, regular financial reporting as well as corporate and project update announcements.

The AGM is the main forum for dialogue with shareholders and the Board. The Notice of Meeting is sent to shareholders at least 21 days before the meeting. The Directors routinely attend the AGM and are available to answer questions raised by shareholders in the form of a question-and-answer session after an update presentation. For each vote, the number of proxy votes received for, against and withheld is announced at the meeting. The outcome of the resolutions proposed at the AGM are subsequently published on the Company's corporate website.

The Company actively upholds its relationships with institutional shareholders as well as ensuring that private shareholders are also attended to as far as reasonably possible. Shareholder relations are managed primarily by the Head of Capital Markets & ESG supported by the Chief Executive Officer, Chief Financial Officer and others in the Executive Committee, as appropriate. The Chief Executive Officer and Chief Financial Officer make presentations to analysts throughout each year and immediately following the release of the full-year and half-year results. The Board is kept informed of the views and concerns of major shareholders by briefings from the Executive Committee. Any significant investment reports from analysts are also circulated to the Board. The Non-Executive Directors can meet with major shareholders if required to discuss issues of importance to them.

The Company makes regular updates to the market on its commercial, technical and operational progress at all stages of executing on its strategy.

Besides its shareholders, the Company has a separate class of financial investors, which are the institutional holders of the €100 million senior secured Bond, who are effectively lenders to the Company. While there is less transparency in this market as to which institutions hold the bonds, the Company does maintain an active dialogue with those who do identify themselves and also maintains relationships with the Nordic investment banks who are active in this market. The Board is kept informed of the views and concerns of major shareholders by briefings from the Executive Team. Any significant investment reports from analysts are also circulated to the Board.

A form to contact the Company is available on the Company website. To request any information or meetings the contact email address is: [info@iog.co.uk](mailto:info@iog.co.uk)

### **3. Take into account wider stakeholder and social responsibilities and their implications for long-term success**

#### Interests of Employees

The Company has upgraded its employee processes and personnel. A new Employee Handbook has been developed to reflect the expansion of employee numbers over the past two years and covers employment matters including maternity and paternity leave arrangements, equal opportunities and dignity at work, anti-harassment and bullying, IT and communication systems, social media, flexible working, disciplinary procedure, grievance procedure, code of conduct/ anti-corruption and bribery, whistleblowing, data protection and HSE. This is intended to improve the communication of the Company's principles and policies with our staff and contractors. It encapsulates the Company's Code of Conduct with which all staff and contractors are expected to comply.

The Board believes that it is important that employees (including executive directors) are appropriately incentivised, given that the Group's success is highly dependent on their performance. Accordingly, it has in place a Company Share Option Plan (CSOP) which allows the Company to grant options over ordinary shares to all employees.

The Company's position with regard to the interests of its employees is also covered in the IOG Social Policy, which was reviewed and updated in 202 and is laid out in full on the website. It includes the following principles and commitments which the Company expects all its personnel to uphold:

- Act with the highest ethical standards at all times and hold each other to these standards;
- Foster an open, inclusive and equal opportunity culture;
- Value our diversity as people and respect unique characteristics;
- Promote an ethos of constructive collaboration, effective communication and knowledge sharing;
- Promote critical thinking and a problem-solving mindset to overcome challenges and capitalise upon opportunities;
- Take a dynamic and agile approach to decisions and activities, and consider their external impacts;
- Encourage our colleagues to further their professional ambitions by contributing to our shared progress, supported through training and development where appropriate;
- Listen to our colleagues and support their wellbeing wherever possible; and,
- Look for opportunities to positively impact the communities in which we operate.

Foster business relationships with suppliers, customers and others

Engaging with all stakeholders, whether the joint venture partner, investors (both equity and bond), regulators or contractors, strengthens the Company's relationships and enables better business decisions to deliver on corporate commitments. The Board is regularly updated on wider stakeholder management to stay abreast of insights into the issues that matter most to these various stakeholders and our business, to enable the Board to understand and consider these issues in decision-making.

Potential suppliers are considered in light of their relevant experience and commercial attractiveness, but also their suitability to comply with the Company's HSE and other policies. The Company aims to

work with contractors with deep experience in their field, a strong value proposition, and who share our ethos of safe, efficient and responsible operatorship. Through the competitive process of selecting contractors to deliver respective parts of the Phase 1 project over the course of 2020 and through the initiation and progress of work under the resulting contracts, the Company has deepened its relationships with key contractors. As part of fulfilling its regulatory expectations, the Company has also developed a Supply Chain Action Plan.

The relationship with the joint venture partner, CER, is a fundamentally important one for the Company given the shared ownership of licences and assets. The farm-out transaction with CER in 2019 established the basis of this relationship and the Company's funding strategy. The Company maintains a very close and active relationship with CER at all levels, from board/principal level down through the various layers of management, administered by Operating Committee and Technical Committee meeting, down to daily operational interactions. Given the farm-out arrangements including the Area of Mutual Interest agreement in respect of joint business development efforts, and notwithstanding that IOG is Operator of the relevant licences, there is a fundamental conjunction of interests and activities between IOG and CER, reflected in active collaboration across technical, financial, commercial and operational domains. The Company makes all due effort to understand the strategic and financial objectives of its partner and take these into account as far as reasonably possible in progressing all portfolio activities.

The Company expends significant time and resources developing and maintaining its relationships with all relevant regulatory bodies, notably the NSTA, OPRED and UK HSE Executive.

#### HSE and Technical Committee

The Company's corporate governance standards continue to be enhanced. The Board HSE and Technical Committee met throughout 2022 and provided oversight and direction for strategy and conduct across the broad spectrum of environmental, safety and health considerations for the business.

## Risk

Management and our HSE Manager conducted a detailed HSE risk review of operations as a key part of management's review of overall corporate risk to ensure that leadership, culture and management systems are in place to consider HSE in its broadest sense. The results were considered by the Board as part of the year end process and are kept under ongoing review.

### **MAINTAIN A DYNAMIC MANAGEMENT FRAMEWORK**

#### **4. Embed effective risk management, considering both opportunities and threats, throughout the organisation**

##### Audit, risk and internal control

The Board of Directors are aware of their responsibility for establishing and communicating a system to manage risk and implement internal controls.

Operational risks are identified and assessed by management and any significant risks are reported to the Board. Financial and commercial risks are reviewed by the Board.

The Board have reviewed the work of the executive management, which synthesised the key risks from a far broader assessment of all operational and corporate risks considered as part of the day to day operational and commercial management of the Company.

The Board, Audit Committee and HSE and Technical Committee Chair were circulated with summaries of the risk analysis and discussed these informally before formal review at Board meetings.

The Company's internal control systems are designed to provide the directors with reasonable assurance that any problems are identified on a timely basis and dealt with appropriately. The Board considers the internal controls to be effective, but no system of internal control can provide absolute assurance against material misstatement or loss.

The Company will effectively review the risks faced by the business, considering both opportunities and threats and identify these in its annual report.

Further disclosures on risk and internal controls are set out below.

##### Financial Controls

The Company has an established framework of internal financial controls, the effectiveness of which is regularly reviewed by the Executive Management, the Audit Committee and the Board in light of an ongoing assessment of significant risks facing the Company.

- The Company's Financial Operating Policy (FOP) is the framework which regulates the financial processes of the Group, from the concept of Group financial strategy through to the payment of invoices. The key objectives of the FOP are to:
  - provide a clear framework for internal financial control;
  - define the levels of financial authority for Staff, Contractors, Directors and the Board; and
  - set out the processes for budgeting and financial reporting.

- The Board is responsible for reviewing and approving overall Company strategy, approving revenue and capital budgets and plans, and for determining the financial structure of the Company including treasury and tax.
- The Audit Committee assists the Board in discharging its duties regarding the financial statements, accounting policies and the maintenance of proper internal business and operational and financial controls, including the review of results of work performed by the Group controls function.
- There are comprehensive procedures for budgeting and planning, for monitoring and reporting to the Board business performance against those budgets and plans and for forecasting expected performance over the remainder of the financial period. These cover profits, cash flows, capital expenditure and net asset statements.
- The Company has a consistent system of prior appraisal for investments, overseen by the Chief Financial Officer and Chief Executive Officer, with defined financial controls and procedures with which each business area is required to comply in order to be granted investment funds for development.

#### Non-financial Controls

The Board recognises that maintaining sound controls and discipline is critical to managing the downside risks to our plan.

The Board has ultimate responsibility for the Group's system of internal control and for reviewing its effectiveness. However, any such system of internal control can provide only reasonable, but not absolute, assurance against material misstatement or loss. The Board considers that the internal controls in place are appropriate for the size, complexity and risk profile of the Group. The principal elements of the Group's internal control system include:

- Close management of the day-to-day activities of the Group by the Executive Directors.
- An organisational structure with defined levels of responsibility, which promotes entrepreneurial decision-making and rapid implementation while minimising risks.
- A comprehensive annual budgeting process.
- Detailed monthly reporting of performance against budget.
- Central control over key areas such as capital expenditure authorisation and banking facilities.

The Group continues to review its system of internal control to ensure compliance with best practice, while also having regard to its size and the resources available. As part of the Group's review a number of non-financial controls covering areas such as regulatory compliance, business integrity, health and safety, risk management, business continuity and corporate social responsibility have been assessed. The key elements of those non-financial controls are set out below.

#### Standards and Policies

The Board is committed to maintaining appropriate standards for all the Company's business activities and ensuring that these standards are set out in written policies and kept under review.

#### Approval Process

Contracts are required to be reviewed and signed off functionally by the CFO and General Counsel and signed by a Director of the Company. Major contracts require the internal sign off from two or more directors according to the Financial Operating Policy of the Company.

#### Re-assessment

The Company has a Business Risk Register with business continuity plans to address key risks that have an immediate impact. Risks facing the business are re-assessed and potential mitigating actions are considered and implemented to help protect against those risks.

#### Principal Risks and Uncertainties

The Group operates in the oil and gas industry, an environment subject to a range of inherent risks and uncertainties. Key risks and associated mitigation are set out below.

Risk	Mitigation
Poor strategic decisions	<ul style="list-style-type: none"> <li>• Annual review of business plan &amp; objectives</li> <li>• Regular review of progress against objectives</li> <li>• Regular lessons learned reviews</li> <li>• Match Corporate Scorecard to business plan</li> <li>• Regular review of organic investments and assumptions</li> <li>• Regular review of M&amp;A criteria &amp; targets within strategic boundaries</li> </ul>
Corporate governance deficiency	<ul style="list-style-type: none"> <li>• Regular review of legislation and gap analysis with internal compliance policies</li> <li>• Annual training on corporate policies &amp; procedures, covering Financial Operations, Anti-Bribery &amp; Corruption, Travel &amp; Expenses, Sustainability, and Insider Trading</li> <li>• Tender Committee meetings to ensure policy compliance on contracting</li> </ul>
Undervalued market capitalisation	<ul style="list-style-type: none"> <li>• Ensure company strategy and progress presented as effectively as possible in public materials</li> <li>• Continually engage with and present to existing and prospective investors where possible</li> <li>• Maintain defence planning with appropriate advisors</li> </ul>
Negative cash flow	<ul style="list-style-type: none"> <li>• Develop multiple business scenarios to determine cash flow restrictions</li> <li>• Develop cost reduction action plans</li> <li>• Develop additional funding options</li> </ul>
Inability to repay or refinance bond and/or comply with covenants	<ul style="list-style-type: none"> <li>• Close monitoring of liquidity position and cash flow projections to manage exposures</li> <li>• Tight cost control and working capital management</li> <li>• Regular review of potential financing options to ensure state of preparedness</li> <li>• Regular engagement with the Company's debt providers and advisors</li> <li>• Maintain access to equity markets via AIM listing</li> </ul>
Reduction or loss of reserves	<ul style="list-style-type: none"> <li>• Implement rigorous reserve and resource range assessment process</li> <li>• Use third-party technical verification &amp; peer reviews</li> <li>• Use full reserves &amp; profile range for project economics</li> <li>• Accurate history matching to understand reservoir performance &amp; improve forecasts</li> <li>• Ensure highly competent technical team</li> <li>• Develop active lessons learned data base</li> </ul>
Reduction or loss of production	<ul style="list-style-type: none"> <li>• Monthly reviews of all key topics (HSE, maintenance, integrity, costs)</li> <li>• Production loss and improvement process</li> <li>• Robust oversight of duty holder via assurance plans for production operations &amp; pipeline management</li> <li>• Deliver incremental production plans (e.g. Blythe H2)</li> <li>• Add support for Production Asset Manager</li> <li>• Detailed reviews of fixed opex and G&amp;A</li> </ul>
Underperformance of projects	<ul style="list-style-type: none"> <li>• Ensure project has clear business objectives</li> </ul>

	<ul style="list-style-type: none"> <li>• Ensure project gate process is followed</li> <li>• Regularly review economics, subsurface, engineering and designs</li> <li>• Ensure project risks &amp; mitigations, cost estimates &amp; schedule are fully understood</li> <li>• Regular peer reviews and economic stress tests</li> <li>• Maintain strong development team competencies and ensure clear project ownership</li> </ul>
Saturn Banks Pipeline System failure	<ul style="list-style-type: none"> <li>• Duty holder monthly reviews and surveillance on key topics (HSE, reliability, maintenance and integrity)</li> <li>• Robust oversight of duty holder through assurance plans for production operations and pipeline management</li> </ul>
Inability to attract and retain personnel with the right skills and experience	<ul style="list-style-type: none"> <li>• Maintain a clear, credible strategy to build a sustainable, profitable and attractive business</li> <li>• Identify key individuals required to deliver the strategy effectively</li> <li>• Ensure competitive remuneration packages and professional development plans are in place</li> </ul>
Loss of licences and/or regulatory licence to operate	<ul style="list-style-type: none"> <li>• Robust oversight of all areas of project delivery</li> <li>• Maintain resources, processes, competencies to deliver licence obligations</li> <li>• Regular interaction with NSTA, BEIS/OPRED &amp; HSE at all levels</li> <li>• Set realistic expectations with regulators</li> <li>• Follow all NSTA guidance</li> <li>• Compelling case &amp; timely application for any license extensions or variations</li> <li>• Timely licence fee/levy payments</li> <li>• Maintain robust licence commitments register</li> </ul>
Government energy, licensing or fiscal policy changes	<ul style="list-style-type: none"> <li>• Maintain a low-cost business model</li> <li>• Maintain a low-carbon intensity business and continue to offset as necessary for Scope 1 &amp; 2 Net Zero status</li> <li>• Engage with government and industry bodies to demonstrate company's contribution to UK energy</li> </ul>
Gas price volatility	<ul style="list-style-type: none"> <li>• Short term price fixing with offtaker</li> <li>• Maintain a low-cost business model</li> <li>• Continue to track gas market trends and analysis</li> <li>• Continue to take advice from gas market analysts</li> </ul>

## 5. Maintaining the Board as a well-functioning, balanced team led by the Chair

The Board currently comprises the Non-Executive Chair, two Executive Directors and two further Non-Executive Directors.

The Board considers that Fiona MacAulay (Chair), Esa Ikaheimonen (Senior Independent Director) and Neil Hawkings its current three Non-Executive Directors, bring independent judgement to bear. Fiona MacAulay was previously the Company's Senior Independent Director.

Non-Executive Directors are expected to devote such time as necessary for proper performance of their duties. This includes regular attendance at Board, AGM, shareholder and committee meetings.

The Board is satisfied that it has a suitable balance between independence on the one hand and knowledge of the Company on the other to enable it to discharge its duties and responsibilities effectively.

All Directors are encouraged to use their independent judgement and to challenge all matters, whether strategic or operational. During the year at least six scheduled Board meetings take place and a number of additional meetings as may be required. These are held at IOG's head office in London.



Key Board activities include:

- Considering our financial and non-financial policies.
- Discussing strategic priorities.
- Discussing the Group’s capital structure and financial strategy, including capital investments and shareholder returns.
- Discussing internal governance processes.

#### Directors’ Conflict of Interest

The Company has effective procedures in place to monitor and deal with conflicts of interest. The Board is aware of the other commitments and interests of its Directors and changes to these commitments interests are reported, minuted and where appropriate, agreed with the rest of the Board.

Directors’ Attendance:

Director	Board	Audit Committee	Remuneration and Nominations Committee	HSE and Technical Committee <sup>3</sup>
<b>Meetings</b>	<b>9</b>	<b>4</b>	<b>1</b>	<b>4</b>
Fiona MacAulay	Chair 9	4	Chair 1	-
Andrew Hockey <sup>1</sup>	7	-	-	3
Rupert Newall	9	-	-	-
Dougie Scott <sup>2</sup>	2	-	-	-
Esa Ikaheimonen	8	Chair 4	1	-
Neil Hawkings	9	-	-	Chair 4

1. Andrew Hockey announced his retirement and resigned as a Director on 19 October 2022. He attended 7 out of the 7 Board meetings he was eligible to attend.
2. Dougie Scott was appointed a Director on 11 November 2022 and attended the two Board Meetings he was eligible to attend.
3. Dougie Scott attends the Committee. Mark Yates, in his capacity as HSE Manager, attends and acts as Secretary to the Committee. David Gibson, who was COO, but not a director, attended HSE and Technical Committees until 19 October 2022.

## 6. Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities

The Board is satisfied that, between the Directors, it has an effective and appropriate balance of skills and experience, including in the areas of technical Oil and Gas subsurface, project management, drilling and facilities experience and in the areas of banking, financial and commercial skills and experience. All Directors receive regular and timely information on the Group’s operational and financial performance. Relevant information is circulated to the Directors by the Company Secretary in advance of meetings. The business reports monthly on its headline performance against its agreed budget and the Board reviews the monthly update on performance and any significant variances are reviewed at each meeting. Relevant updates are provided by the General Counsel, external counsel, NOMAD and Brokers as required.

Two Non-Executive Directors are active in other companies in Executive and Non-Executive capacities.

All Directors retire by rotation at regular intervals in accordance with the Company’s Articles of Association.

#### Appointment, removal and re-election of Directors

The Board makes decisions regarding the appointment and removal of Directors and there is a formal, rigorous and transparent procedure for appointments. The Company’s Articles of Association require that one-third of the Directors must stand for re-election by shareholders annually in rotation; that all

Directors must stand for re-election at least once every three years; and that any new Directors appointed during the year must stand for election at the AGM immediately following their appointment.

The Board of Directors has a mix of experience, skills and personal qualities that help deliver the strategy of the Company. The Company will ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities to deliver the Company strategy and targets. Each Director is listed on the website and in the annual report along with a clear description of their role and experience.

The Board also evaluates the balance of skills, knowledge and experience on the Board and considers all new Board appointments and re-appointments against this evaluation.

#### Independent Advice

All Directors are able to take independent professional advice in the furtherance of their duties, if necessary, at the Company's expense. In addition, the Directors have direct access to the advice and services of the General Counsel and Company Secretary, the Chief Executive Officer and the Chief Financial Officer.

#### Experience, Skills and Capabilities

Biographical details of the Directors and their relevant experience can be found on the Company website at the following link [www.iog.co.uk/about-us/board-and-management/](http://www.iog.co.uk/about-us/board-and-management/).

Evaluate Board performance based on clear and relevant objectives, seeking continuousThe Chair will continue to informally assess the individual contributions of each of the members of the team to ensure that Company strategy is effectively implemented, and that:

- Their contribution is relevant and effective
- That they are committed
- Where relevant, they have maintained their independence

Each year the board team completes an internal review of individual and collective effectiveness and identifies a number of actions to ensure that the members of the Board collectively function in an efficient and productive manner as possible. This takes the form of an adapted standard form questionnaire that is circulated by the Company Secretary, the results of which were summarised and discussed with the Chair. The results were collated under a traffic light system, together with suggested actions, which were circulated to the Board and then discussed in a full Board meeting, with agreed actions being minuted. These actions have included the introduction of strategic sessions to compliment the usual format of board meetings, adjusting board meetings into longer and also some shorter update sessions, updated processes to manage risk registers between the Board and Committees, improved employee communication through town hall and virtual town hall meetings.

## **8. Promote a culture that is based on ethical values and behaviours**

The Board aims to lead by example and do what is in the best interests of the Company.

The Company operates a corporate culture that is based on ethical values and behaviours. It maintains policies and processes that are appropriate to do this for a Company of its size. The Executive Directors communicate regularly with staff through town hall meetings, both in person and through digital communications where necessary.

The Board has implemented a robust governance framework including a Code of Conduct, which includes the Company's compliance with Anti-bribery and Corruption Policy that is incorporated in an updated Employee Handbook and is communicated to all employees. The Code provides clear guidance on how the members of staff are expected to behave towards other colleagues, suppliers, customers, shareholders and on our wider responsibility to the communities within which we operate. All employees

are expected to comply with the Code and any violations of it may be reported to local management or Group HR.

#### Anti-bribery and Corruption Policy

Company policy is to conduct all its business in an honest and ethical manner. The Company and Group apply a zero-tolerance approach to bribery and corruption and is committed to acting professionally, fairly and with integrity in all its business dealings and relationships wherever it operates by implementing and enforcing effective systems to counter bribery.

## **9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board**

### Board programme

The Board meets at least six times each year in accordance with its scheduled meeting calendar.

The Board sets direction for the Company through a formal schedule of matters reserved for its decision. Prior to the start of each financial year, a schedule of dates for that year's Board meetings is compiled to align as far as reasonably practicable with the Company's financial calendar while also ensuring an appropriate spread of meetings across the financial year. This may be supplemented by additional meetings as and when required.

During 2022 the Board met for its six scheduled meetings and a further three ad-hoc meetings, giving a total of nine meetings. The Board and its subcommittees receive appropriate and timely information prior to each meeting; a formal agenda is produced for each meeting and Board and Committee papers are distributed several days before meetings take place. Any Director may challenge Company proposals and decisions are taken democratically after discussion. Any Director who feels that any concern remains unresolved after discussion may ask for that concern to be noted in the minutes of the meeting, which are then circulated to all Directors by the Company Secretary. Any specific actions arising from such meetings are agreed by the Board or relevant Committee and then followed up by the Company's executive management.

### Roles of the Board, Chair and Chief Executive Officer.

The Board is responsible for the long-term success of the Company. There is a formal schedule of matters reserved to the Board. It is responsible for overall Group strategy; approval of major investments (whether Capex or Opex); approval of the annual and interim results; annual budgets and Board structure. It monitors the exposure to key business risks and reviews the strategic direction of all trading subsidiaries, their annual budgets and their performance in relation to those budgets. There is a clear division of responsibility at the head of the Company as the roles of Chair and Chief Executive Officer are split. The Chair is responsible for running the business of the Board and for ensuring appropriate strategic focus and direction. The Chair leads a Board of Non-Executive Directors with significant industry experience, in order to provide an effective challenge to the Executive Directors and to foster high quality debate and effective business decisions in an open and ethical culture. The Chair considers the Code principles of Company strategy, shareholder, stakeholder, societal, environmental and risk management responsibilities. The Chair, together with the Company Secretary ensures that all Directors are aware and updated on their duties. The Chair assesses the Board's effectiveness on an annual basis and identifies actions to improve the functioning of the Board. The Chief Executive Officer is responsible for proposing the strategic focus to the Board, implementing it once it has been approved and overseeing the management of the Company through the Executive Team.

All Directors receive regular and timely information on the Group's operational and financial performance. Relevant information is circulated to the Directors in advance of meetings. The business reports monthly on its headline performance against its agreed budget and the Board reviews the monthly update on performance and any significant variances are reviewed at each meeting. Senior executives below Board level attend Board meetings where appropriate to present business updates. Board meetings throughout the year are held at the Company's head office or virtually.

### Executive Team

The Executive Team comprises Rupert Newall the Chief Executive Officer, Dougie Scott, the Chief Operating Officer, John Arthur, the Chief Financial Officer, James Chance, the Head of Capital Markets & ESG and Robin Storey, General Counsel and Company Secretary. They are responsible for formulation of the proposed strategic focus for submission to the Board, the day-to-day management of the Group's businesses and its overall trading, operational and financial performance in fulfilment of that strategy, as well as plans and budgets approved by the Board of Directors. The Executive Team also manages and oversees key risks, management development and corporate responsibility programmes. The Chief Executive Officer reports to the Board on issues, progress and recommendations for change. The controls

applied by the Executive Team to financial and non-financial matters are set out earlier in this document and the effectiveness of these controls is regularly reported to the Audit Committee and the Board.

#### Board Committees

The Board is supported by the Audit Committee, Remuneration and Nomination Committee and the HSE and Technical Committee. Each subcommittee has access to such resources, information and advice as it deems necessary, at the cost of the Company, to enable the committee to discharge its duties. The terms of reference of each committee are as follows:

##### Audit Committee

The Audit Committee comprises Esa Ikaheimonen (Chair) and Fiona MacAulay. The Audit Committee has primary responsibility for monitoring the quality of internal controls and ensuring that the financial performance of the Group is properly measured and reported on. In addition, it receives, and reviews reports from the Company's management and auditors. The Audit Committee met four times during the year. It has unrestricted access to the Company's Auditors.

##### Remuneration and Nominations Committee

The Remuneration and Nominations Committee comprises Fiona MacAulay (Chair) and Esa Ikaheimonen. The Remuneration Committee determines the remuneration of the Executive Directors and grants share options and any other equity incentives pursuant to any share option scheme or LTIP in operation from time to time. The Committee leads the process for Board appointments and makes recommendations for maintaining an appropriate balance of skills on the Board. The Remuneration & Nominations Committee met once during the year as planned.

Other Directors, including the Chief Executive, are invited to attend as appropriate and only if they do not have a conflict of interest. The Committee was also assisted by executive and industry remuneration consultants during the year.

##### HSE and Technical Committee

The HSE and Technical Committee comprises Neil Hawkings (Chair), Rupert Newall and Dougie Scott, who was appointed on 20 October 2022. Mark Yates, the Company's Head of HSE, acts as Secretary to the Committee. The HSE and Technical Committee determines the Company's Environmental Management Policy, its Health and Safety Management Policy and directs the overall governance of the Company's Subsurface and Technical Management policies. The HSE and Technical Committee met four times during the year.

## **BUILD TRUST**

### **10. Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders**

The Company communicates with shareholders through the appropriate channels including regulatory releases (RNS), Annual Report and Accounts, full-year and half-year interim announcements, the Annual General Meeting ('AGM'), General Meetings ('GMs') and one-to-one meetings with large existing or potential new shareholders. Investor Relations are managed by the Executive Team and email queries from private individual shareholders are handled with responses limited to clarifying information that is already in the public domain.

In regard to a general meeting of the Company, once the meeting has concluded the results of the meeting are released through a regulatory news service and a copy of the announcement is posted on the Company's website. If it became relevant an explanation of actions where a significant proportion of votes (e.g. 20% of votes received) is cast against a resolution would be provided.

A range of corporate information (including all Company announcements, third party reports, summaries of key assets and presentations) is also available to shareholders, investors and the public on the Company's corporate website, <https://www.iog.co.uk>.

The Board receives regular updates on the views of shareholders from the Executive team. The Company's PR consultants Vigo Consulting provides updates on public coverage of the Company and the Company's Nominated Advisor finnCap and Broker Peel Hunt both provide weekly reports on share price performance and comparisons with the peer group. The Company communicates with institutional investors at appropriate intervals through briefings with management. In addition, analysts' notes and brokers' briefings are reviewed to ensure they have properly understood Company guidance. Annual reports and interim statements are available on the Company's website at <https://www.iog.co.uk/investors/results-reports-and-presentations/>.

Website AIM Rule 26 Page

The AIM Rule 26 page of the website includes this Corporate Governance Statement and information or links to the statutory information regarding:

- Description of the business
- Details and biographies of the Board of Directors
- Description of main Board committees and their responsibilities
- Details of any restrictions on the transfer of AIM securities
- Number of securities in issue
- Identity and percentage holding of significant shareholders, including Directors' shareholdings and shareholders with more than 3% of the stock
- Current Annual Report & Accounts
- Current constitutional documents
- Admission Document

The Company website is updated regularly.

On behalf of the Board

**Robin Storey**  
**General Counsel and Company Secretary**

15 March 2023

