

2. SCHEDULE OF MATTERS RESERVED FOR THE BOARD

In general, the board of directors (the “**Board**”) of the Company considers all important management and policy matters in relation to the Company which includes, amongst other things, setting the Company’s strategic aims, ensuring that the necessary financial and human resources are in place for the Company to meet its objectives and reviewing management performance. The Board has adopted and published, in accordance with the UK Corporate Governance Code, a formal schedule of matters specifically reserved for its decision and includes in the annual report a high-level statement of which types of decisions are to be taken by the Board and which are to be delegated to management. The Board also sets the Company’s values and standards and ensures that its obligations to the Company’s shareholders and others are understood and met. The Board as a whole is responsible for the management of the Company. Without prejudice to that general rule, the Board has specifically resolved that (subject to any applicable provisions of the Company’s articles of association that provide for certain matters to be determined or approved by the Company’s shareholders in general meeting) the matters listed in this schedule should be reserved for decision by it.

Various matters listed in this schedule refer to “material” matters. Unless a lower monetary threshold is referenced for any particular matter, a reference to a “material” matter in this schedule is deemed to refer to any matter having a value in any currency above USD 10 million. There is an exception for term sales contracts, which will only be deemed to be material if they have a value in excess of USD 40 million or if any amendment or extension thereto would increase the total contract value over USD 40 million.

2.1 Strategy and Management

- 2.1.1 Responsibility for the overall management of the Company and its subsidiaries (the “**Group**”) and setting the Group’s values and standards.
- 2.1.2 Approval of the Group’s strategic aims, objectives and commercial strategy.
- 2.1.3 Approval of the annual operating and capital expenditure budgets and any material changes to them.
- 2.1.4 Oversight of the Group’s operations ensuring:
 - (a) competent and prudent management;
 - (b) sound planning;
 - (c) maintenance of sound management and internal control systems;
 - i. adequate accounting and other records; and
 - ii. compliance with statutory and regulatory obligations.
- 2.1.5 Review of performance in the light of the Group’s strategic aims, objectives, business plans and budgets and ensuring that any necessary corrective action is taken.
- 2.1.6 Extension of the Group’s activities into new business or geographic areas.

- 2.1.7 Any decision to cease to operate all or any material part of the Group's business.

2.2 Structure and Capital

- 2.2.1 Changes relating to the Group's capital structure including reduction of capital, share issues (except under employee share plans), or share buy backs including the use of treasury shares.
- 2.2.2 Material changes to the Group's corporate structure, including, but not limited to acquisitions and disposals of shares (taking into account initial and deferred consideration).
- 2.2.3 Changes to the Group's Senior Management Team.
- 2.2.4 Any changes to the Company's listing or its status as a public limited company.
- 2.2.5 Recommendations to shareholders in relation to: (a) approval of an employees' share scheme or long-term incentive scheme or any alteration to an existing scheme, and (b) approval of any grant by a Group member of an option, warrant or other similar right, in each case as required by Rule 9 of the United Kingdom Listing Authority's Listing Rules (the "**Listing Rules**").

2.3 Financial Reporting and Controls

- 2.3.1 Approval of the half-yearly report, interim management statements and any preliminary announcement of the final results.
- 2.3.2 Approval of the annual report and accounts, including the corporate governance statement and directors' remuneration report.
- 2.3.3 Approval of the dividend policy.
- 2.3.4 Declaration of any interim dividend and recommendation of any final dividend.
- 2.3.5 Approval of any significant changes in accounting policies or practices following recommendations concerning the same received from the Audit Committee.
- 2.3.6 Approval of treasury policies including foreign currency exposure and the use of financial derivatives.
- 2.3.7 Approval of bank borrowing and inter-company borrowing limits for Group companies and any changes thereto.
- 2.3.8 Recommendations to shareholders in relation to the appointment, re-appointment or removal of the Company's external auditor, following the recommendations of the Audit Committee.
- 2.3.9 Consideration of, at least once a year, proposals for the Group's short term and long term financing plans.

- 2.3.10 Review of the Group's balance sheet foreign exchange exposure.
- 2.3.11 Approval of valuations of the Company's assets, including any statement regarding the reserves of any Group company.
- 2.3.12 Determination of the remuneration of the external auditor based on the recommendations made to the Board by the Audit Committee.
- 2.3.13 Approval of material unbudgeted capital or operating expenditures (outside pre-determined tolerances approved in annual budgets).

2.4 Internal Controls

- 2.4.1 Ensuring maintenance of a sound system of internal control and risk management including:
 - (a) Approving the Company/Group's risk appetite statements;
 - (b) receiving reports on, and reviewing on a regular basis the effectiveness of, the Group's risk and control processes to support its strategy and objectives;
 - (c) approving procedures for the detection of fraud and the prevention of bribery;
 - (d) undertaking an annual assessment of these processes; and
 - (e) approving an appropriate statement for inclusion in the annual report.
- 2.4.2 Assess and monitor the Group's culture and address and take corrective action in relation to any concerns that may be raised.
- 2.4.3 Approval of the overall levels of insurance for the Group including, but not limited to, the levels of directors' and officers' liability insurance for Group companies and indemnification of the directors of the Company ("**Directors**").

2.5 Contracts and Expenditure

- 2.5.1 Approval of all material capital projects or investments.¹
- 2.5.2 Approval of contracts which are material strategically or by reason of size, entered into by the Company or any subsidiary, for example bank borrowings above USD 10 million and acquisitions or disposals of fixed assets (including intangible assets such as intellectual property) above USD 5 million.²
- 2.5.3 Approval of material contracts of any member of the Group not in the ordinary course of business, for example material loans and repayments; material foreign currency transactions; material acquisitions or disposals.

¹ Approval may be obtained for a specific item in an approved budget or separately.

² As noted above, term sales contracts will only be deemed material if they have a value over USD 40 million or an extension or amendment thereto would increase the contract value over USD 40 million.

- 2.5.4 Approval of, and notification and recommendation to shareholders in relation to, transactions by any Group member as required under Rule 10 of the Listing Rules (Significant Transactions) and Rule 11 of the Listing Rules (Related Party Transactions).
- 2.5.5 Approval of all strategic or material alliances, joint ventures and partnership agreements.
- 2.5.6 Approval of the acquisition or disposal of any interests in the voting shares of any publicly-listed company or the making of any takeover offer.
- 2.5.7 Approval of the annual sales plan.
- 2.5.8 Approval of all submissions of field development plans or amendments to such plans to governmental authorities.
- 2.5.9 Approval of the making of any commitments to governmental authorities regarding work programmes or related budgets.

2.6 Communication

- 2.6.1 Presenting a balanced and understandable assessment of the Company's position and prospects. This duty extends to interim and price sensitive public reports and reports to regulators as well as to information required to be presented by any statutory requirements.
- 2.6.2 Ensuring a satisfactory dialogue with shareholders based on the mutual understanding of objectives.
- 2.6.3 Approval of resolutions and corresponding documentation to be put forward to shareholders at a general meeting.
- 2.6.4 Approval of all circulars to the holders of listed securities, prospectuses and listing particulars. Approval of routine documents such as periodic circulars about scrip dividend procedures or exercise of conversion rights can be delegated to a committee.
- 2.6.5 Approval of press releases concerning matters decided by the Board.
- 2.6.6 Engaging in an effective dialogue with the Group's workforce.

2.7 Board Membership and Other Appointments

- 2.7.1 Changes to the structure, size and composition of the Board, following recommendations from the Nomination Committee, including approving the appointment or removal of Directors or the Company Secretary of the Company and arrangements in connection with those appointments and removals.

- 2.7.2 Ensuring adequate succession planning for the Board and senior management so as to maintain an appropriate balance of skills and experience within the Company and on the Board.
- 2.7.3 Appointments to the Board, following recommendations by the Nomination Committee.
- 2.7.4 Selection of the Chairman of the Board and the Chief Executive Officer.
- 2.7.5 Establishment of committees of the Board, appointment of members and chairmen and approval of terms of reference following recommendations from the Nomination Committee.
- 2.7.6 Appointment of the Senior Independent Director to provide a sounding board for the Chairman and to serve as intermediary for the other Directors when necessary.
- 2.7.7 Continuation in office of Directors at the end of their term of office, when they are due to be re-elected by shareholders at the AGM and otherwise as appropriate.
- 2.7.8 Continuation in office of any Director at any time, including the suspension or termination of service of an executive Director as an employee of the Company, subject to the law and their service contract.
- 2.7.9 Appointment or removal of the Company Secretary.
- 2.7.10 Appointment, reappointment or removal of the external auditor to be put to shareholders for approval in general meeting, following the recommendation of the Audit Committee.

2.8 Remuneration

- 2.8.1 Determining the remuneration policy for the Directors, Company Secretary and other senior executives following recommendations from the Remuneration Committee. Any employee or consultant working (as an individual or through a service company) wholly or primarily for a Group Company where such person's total annualised remuneration would be in excess of the equivalent of USD 200,000, regardless of the duration of such engagement, should be considered a "senior executive" such that the Remuneration Committee and the Board should be consulted prior to entry into an employment or service agreement with such person.
- 2.8.2 Approving the overall annual bonus pool available for distribution and overall policy on wage increases.
- 2.8.3 Determining the remuneration of the non-executive Directors, subject to the articles of association and shareholder approval as appropriate.
- 2.8.4 The introduction of new share incentive plans or major changes to existing plans, to be put to shareholders for approval.
- 2.8.5 Reporting each year to shareholders on the Company's policy on remuneration, specifying, if necessary or deemed desirable, the information

required by any listing rule, corporate governance code applicable to or adopted by the Company or any other relevant guidance.

- 2.8.6 Use of the remuneration report as the main vehicle through which the Company reports to shareholders on Directors' remuneration and to ensure that the report forms part of, or is annexed to, the annual report and accounts.

2.9 Delegation of Authority

- 2.9.1 The division of responsibilities between the Chairman, the Chief Executive Officer and other executive Directors, which should be clearly established, set out in writing and agreed by the Board.
- 2.9.2 Approval of the delegated levels of authority, including the Chief Executive Officer's authority limits (which must be in writing).
- 2.9.3 Receiving reports from Board committees on their activities.

2.10 Corporate Governance Matters

- 2.10.1 Undertaking a formal and rigorous review annually of its own performance, that of its committees and individual Directors, and the division of responsibilities.
- 2.10.2 Determining the independence of non-executive Directors in light of their character, judgment and relationships.
- 2.10.3 Promoting the long-term success of the Company for the benefit of its shareholders as a whole, having regard (amongst other matters) to the balance of interests between shareholders, employees, the community and the environment.
- 2.10.4 Review of the Group's overall corporate governance arrangements.
- 2.10.5 Receipt and review of reports on the views of the Company's shareholders to ensure they are communicated to the Board as a whole.
- 2.10.6 Approval of any applications by executive Directors for permission to accept outside appointments.
- 2.10.7 Authorising conflicts of interest where permitted by the Company's articles of association.

2.11 Policies

- 2.11.1 Approval of policies, including:
- (a) Group Code of Conduct;
 - (b) Dealing Code;
 - (c) Whistle-blowing policy;

- (d) Anti-corruption and Bribery policy;
- (e) Financial reporting procedure policy;
- (f) Inside Information and Disclosure policy;
- (g) Communications policy;
- (h) Related Party Transactions policy;
- (i) Corporate social responsibility policy;
- (j) Health and safety policy;
- (k) Environment and sustainability policy; and
- (l) Anti-facilitation of tax evasion policy.

2.12 Other

2.12.1 The making of political donations.

2.12.2 Prosecution, commencement, defence or settlement of material litigation or an alternative dispute resolution mechanism.

2.12.3 The adoption of, or major changes to the rules of, a pension scheme by the Group or, when this is subject to the approval of the Company, changes in the fund management arrangements.

2.12.4 This schedule of matters reserved for Board decisions.

Matters which the Board considers suitable for delegation are contained in the terms of reference of its committees.

In addition, the Board will receive reports and recommendations from time to time on any matter which it considers significant to the Group.

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