

STATEMENT OF CORPORATE GOVERNANCE ARRANGEMENTS



Waldorf Energy Partners Limited and its subsidiaries (the **Waldorf Group**) are committed to achieving a high standard of corporate governance and have adopted the Wates Corporate Governance Principles for Large Private Companies, published by the Financial Reporting Council in 2019 (**Wates Principles**). The following supporting statement explains how each principle has been applied in the context of the Waldorf Group's specific circumstances.

PRINCIPLE ONE

PURPOSE AND LEADERSHIP

“An effective board develops and promotes the purpose of a company, and ensures that its values, strategy, and culture align with that purpose.”

Purpose

The purpose of the Waldorf Group is to engage efficiently, responsibly and profitably in oil and gas businesses to meet the world's growing demand for energy. Our purpose is to achieve value driven growth and our shared values of safety first, dynamism, excellence and trust underpin all of the work we do and are the foundation of our business principles. All directors promote the success of the Waldorf Group and have a clear understanding of the Wates Principles and the views of its shareholders. The directors strive to act with integrity and maintain positive relationships with all stakeholders to ensure that the Waldorf Group operates with a clear sense of purpose.

Values and Culture

The directors and management team are committed to ensuring a healthy culture based on the Waldorf Group's core values. These values, expected behaviours and practices are clear to the workforce and employees are encouraged to apply these values across the organisation in order to ensure risk management and compliance. Waldorf insists on honesty and integrity in all aspects of our business and expects the same in our relationships with all those with whom we do business. We do as we

say and treat others as we expect to be treated. Our reputation as responsible and trusted corporate members of society is valued and sustained by everyone at Waldorf.

Strategy

The strategy and business model of the Waldorf Group is set by the directors and implemented by the management team, with consideration given to the organisation's values and appropriate behaviour and practices. The strategy and business model are implemented throughout the organisation by the adoption of appropriate policies and processes.

The Waldorf Group has a number of key policy and compliance documents, including a Code of Conduct, which have been adopted in line with UK legislation and industry practice. In setting the strategy, the directors also gave consideration to the North Sea Transition Authority Strategy.

PRINCIPLE TWO

BOARD COMPOSITION

“Effective board composition requires an effective chair and a balance of skills, backgrounds, experience, and knowledge, with individual directors having sufficient capacity to make a valuable contribution. The size of a board should be guided by the scale and complexity of the company.”

Board composition

Waldorf Energy Partners Limited's board of directors consists of Johan Nic Vold (Chairman), Erik Brodahl (CEO), Jon Skabo (Deputy Chairman), Einar Greve, Henrik Norstrud and Christer Tunold (the **Board**). Further members of the management team are Aaditya Chintalapati (CFO), Derek Neilson (COO), Paul Tanner (GC and CD) and Erlend Einum (CIO).

Balance and diversity

The experience of the Board and management team is extensive and diverse and its members

collectively demonstrate a high level of understanding relevant to the needs of the Waldorf Group and the interests of stakeholders. The Board works closely with the boards of directors of each of the group companies of the Waldorf Group to strive to achieve effective decision-making.

The Board and the management team is assisted by the Audit Committee which consists of members of the Board and the management team. The Audit Committee carries out governance functions with respect to audits, risk management and Waldorf Group's financial reporting.

We do not discriminate in our business and treat everyone equally regardless of a person's age, gender, disability, race, colour, nationality, ethnic or national origin, religion or belief, sexual orientation, gender reassignment, marriage or civil partnership status, pregnancy or the taking of maternity leave. We do not tolerate harassment or discriminatory slurs or jokes.

Effectiveness

The Waldorf Group is committed to the ongoing professional development of the Board and understands that regular evaluation of the board can help individual directors to contribute more effectively and highlight strengths and weaknesses of the Board.

PRINCIPLE THREE

DIRECTOR RESPONSIBILITIES

“The board and individual directors should have a clear understanding of their accountability and responsibilities. The board's policies and procedures should support effective decision-making and independent challenge.”

Accountability

The Board meets on a regular basis and members of the Board engage with members of the management team regularly. Each member of the Board and management team has a clear understanding of their responsibility to support

effective decision-making and the importance of clear accountability through the use and maintenance of effective corporate governance practices.

The Waldorf Group is committed to maintaining a set of policies and practices governing internal affairs of the organisation.

Audit Committee

The Board has delegated certain matters to the Audit Committee, including the oversight of audit processes, financial reporting and risk. The terms of the Audit Committee are set out in its terms of reference including the authorities delegated to it. The Board retains responsibility for any final decisions.

Integrity of information

The Waldorf Group is committed to ensuring systems and controls are operating effectively, and that the quality and integrity of information provided to it is reliable, enabling the Board and the management team to monitor and challenge the performance of the organisation, and make informed decisions.

PRINCIPLE FOUR

OPPORTUNITY AND RISK

“A board should promote the long-term sustainable success of the company by identifying opportunities to create and preserve value and establishing oversight for the identification and mitigation of risks.”

Opportunity

The Waldorf Group was founded by entrepreneurs and is determined to maintain a culture that is nimble, capable, robust and willing to take considered business risks to earn commensurate rewards. Long-term profitability is essential to achieving our business goals and to our continued growth. It is a measure both of efficiency and of the value that stakeholders place on Waldorf as a business. It supplies the necessary corporate resources for the continuing investment that is required to

maintain forward momentum. Without profits and a strong financial foundation, it would not be possible to fulfil our responsibilities. Criteria for investment decisions include sustainable development considerations (economic, social and environmental).

The Board considers and assesses how the Waldorf Group creates and maintains value including the consideration of sources of value, and any stakeholders' contribution. Material decisions and new business opportunities of a certain value are considered and approved by the Board.

Risk

The Board has responsibility for the Waldorf Group's overall approach to strategic decision-making and effective risk management with the assistance of the Audit Committee, and the organisation maintains a risk register.

Responsibilities

Internal controls are managed by the appropriate function heads with input by the Board and management team. The Waldorf Group is committed to developing appropriate risk management systems that identify emerging and established risks facing the organisation and its stakeholders.

PRINCIPLE FIVE REMUNERATION

“A board should promote executive remuneration structures aligned to the long-term sustainable success of a company, taking into account pay and conditions elsewhere in the company.”

Setting remuneration

The Board and management team are remunerated based on a structure which is dependent upon role and experience and is aligned with performance, behaviours, and the achievement of the organisation's values and strategy.

Policies

The Waldorf Group is committed to adopting clear policies on remuneration structures and practices to enable effective accountability to shareholders.

Remuneration Committee

A Remuneration Committee has been established in order to advise the board on appropriate remuneration structures and policies for the Waldorf Group. The terms of the Remuneration Committee are set out in its terms of reference. The Board retains responsibility for any final decisions.

PRINCIPLE SIX STAKEHOLDER RELATIONSHIPS AND ENGAGEMENT

“Directors should foster effective stakeholder relationships aligned to the company's purpose. The board is responsible for overseeing meaningful engagement with stakeholders, including the workforce, and having regard to their views when taking decisions.”

External impacts

The Waldorf Group is aware of its social, economic and environmental impact and is committed to creating and sustaining long-term value for their shareholders and stakeholders, including recognising that the organisation's activities may impact both current and future stakeholders.

Stakeholders

The Board is focussed on prioritising stakeholder relationships, including regulatory bodies, government authorities, environmental bodies, key customers and suppliers and the organisation's workforce. The Board is committed to presenting stakeholders with a fair, balanced and understandable assessment of the organisation's position and prospects and make this available on an annual basis.

Workforce

The Waldorf Group has cultivated a number of formal and informal channels to enable two-way dialogue with the organisation's workforce to share ideas and concerns with senior management. The Waldorf Group is committed to ensuring that the workforce is able to provide useful feedback about business practices and having clear procedures for raising concerns.

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