

# 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.

### **1.0 BOARD MEMBERSHIP AND OTHER APPOINTMENTS (see also Section 11 below)**

- 1.1 The appointment and removal of directors of the Company; recommendations to shareholders to elect/re-elect directors at the Annual General Meeting; selection of the Chair, Senior Independent Director and Chief Executive Officer; membership and chairmanship of board committees<sup>1</sup>.
- 1.2 Succession planning for the Board and senior management.
- 1.3 The appointment or removal of the Company Secretary.
- 1.4 The appointment, re-appointment or removal of the external auditor to be put to shareholders for approval, following the recommendation of the Audit and Risk Committee.

### **2.0 STRATEGY AND MANAGEMENT**

- 2.1 The determination of the purpose, overall direction, values and strategy of the business, including net zero strategy, and satisfying itself that these and the Group culture are aligned.
- 2.2 The determination of the appropriate level of risk exposure for the Company.
- 2.3 Approval of the Company's Corporate Investment Guidelines and any further amendments thereto<sup>2</sup>.
- 2.4 The oversight of the Group's operations and management and the review of performance, in the light of the Group's strategy, culture, objectives, business plans and budgets, together with the approval of any necessary corrective actions to be taken.
- 2.5 The approval of new country entry.
- 2.6 The approval of new business activity entry outside of the approved strategy.
- 2.7 The approval of the acquisition or disposal of interests which have values which are beyond the limit delegated to the CEO.
- 2.8 Any decision to cease to operate any material part of the Group's business.

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<sup>1</sup> Following a recommendation of the Nomination Committee.

<sup>2</sup> Quarterly changes to foreign exchange rates will not require Board approval.

### 3.0 EXPENDITURE

Approval of:

- 3.1 The annual budget<sup>3</sup> and beyond budget year expenditure<sup>4</sup>.
- 3.2 Commitments to expenditures not approved within the Group Annual Budget or beyond budget year expenditure<sup>5</sup> which would result in expenditure beyond the limits of the CEO<sup>6</sup>.

### 4.0 FINANCE

The approval of:

- 4.1 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.
- 4.2 Approval of the dividend policy and declaration of dividends.
- 4.3 Approval of significant changes in accounting policies or practices<sup>7</sup>.
- 4.4 Policy related to hedging and hedging instruments.
- 4.5 Non-ordinary course financial guarantees and indemnities, which have values in excess of those set out in the DOA.

### 5.0 STRUCTURE AND CAPITAL

- 5.1 Changes to the Group's capital structure.
- 5.2 Major changes to the Group's corporate structure, management and control structure.
- 5.3 Changes to the Company's listing or its status as a plc.
- 5.4 The allotment, issue and/or purchase of Harbour Energy plc shares.
- 5.5 Changes to the Company's name.
- 5.6 Recommendations to shareholders for changes to the Company's Articles of Association.

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<sup>3</sup> Including any subsequent amendments and any anticipated or actual overrun of expenditure to such budget which are beyond the limits delegated to the CEO.

<sup>4</sup> See CEO Delegated Authorities, Appendix 1, for definition of beyond budget year expenditure.

<sup>5</sup> See footnote 4.

<sup>6</sup> CEO Delegated Authorities are listed in Appendix 1.

<sup>7</sup> Following a recommendation of the Audit and Risk Committee.

## 6.0 RISK MANAGEMENT AND INTERNAL CONTROL

With respect to items 6.1 to 6.5 below, taking into account the recommendation of the Audit and Risk Committee as reported upon by the Chairman of that Committee:

- 6.1 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.
- 6.2 The approval of any recommendation from the Audit and Risk Committee with regard to any material change to the scope of the internal audit function.
- 6.3 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.
- 6.4 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.
- 6.5 The approval of the adoption by the Company of uncapped liabilities under major contracts.
- 6.6 The approval of the overall levels of insurance for the Group and Directors' and Officers' Insurance cover.

## 7.0 FINANCIAL REPORTING AND OTHER SHAREHOLDER COMMUNICATION

- 7.1 The approval of half-yearly and full year results announcements and, if deemed appropriate, trading updates.
- 7.2 The approval of the Annual Report and Accounts.
- 7.3 The approval of circulars and listing particulars, resolutions and corresponding documentation sent to shareholders.
- 7.4 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.
- 7.5 Ensuring effective engagement with shareholders and other stakeholders.

## 8.0 REMUNERATION

- 8.1 The approval and recommendation to shareholders of the remuneration policy for the executive directors and other members of Senior Management following a recommendation of the Remuneration Committee.
- 8.2 The determination of the remuneration of the non-executive directors subject to the limits contained in the Company's Articles of Association<sup>8</sup>.
- 8.3 The introduction of new share schemes, long-term incentive schemes or major changes to existing schemes, which require shareholders' approval.
- 8.4 The introduction of new pension schemes or major changes to existing pension schemes.
- 8.5 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.

## 9.0 LITIGATION

- 9.1 The approval to prosecute, defend or settle any litigation or dispute beyond the limits delegated to the CEO or being otherwise material to the interests of the Group.

## 10.0 CORPORATE GOVERNANCE

- 10.1 The approval of, including any amendments to, the corporate policies, procedures and documents listed below:
  - 10.1.1 Global Code of Conduct (including whistleblowing)<sup>9</sup>
  - 10.1.2 Group Wide Dealing Policy
  - 10.1.3 The Company's Modern Slavery statement<sup>10</sup>
  - 10.1.4 Board Committee terms of reference
  - 10.1.5 Relationship Agreement with EIG
- 10.2 The conduct of an annual evaluation of its own performance, that of its committees and the Chairman<sup>11</sup>.
- 10.3 Determining the independence of directors<sup>12</sup>.
- 10.4 Authorising potential conflicts of interest of directors<sup>13</sup> and monitoring any related party transactions.

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<sup>8</sup> The determination of the remuneration for the non-executive Chairman is exclusively a matter for the Remuneration Committee.

<sup>9</sup> The full Whistleblowing Procedure content and compliance is monitored by the Audit and Risk Committee.

<sup>10</sup> Following review by the Audit and Risk Committee.

<sup>11</sup> The process design and oversight of results will be overseen by the Nomination Committee.

<sup>12</sup> On the advice of the Nomination Committee.

<sup>13</sup> On the advice of the Nomination Committee.

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- 10.5 The division of responsibilities between the Chair and the CEO.
- 10.6 Approval of any changes to the levels of authority delegated to the CEO.
- 10.7 The approval of external appointments of all Directors.
- 10.8 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.

## 11.0 OTHER

- 11.1 The approval of all political donations made by the Company or any subsidiary.
- 11.2 The approval of charitable donations which are beyond the limits delegated to the CEO.
- 11.3 This schedule of Matters Reserved for the Board.

Amended by the Board	02 November 2023
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## APPENDIX 1 CEO DELEGATED AUTHORITIES

Approval Limit	Authority Type
Unlimited	All hedging (commodity and non-commodity) provided within Board approved strategy.
	Procurement process: PRs, POs, Invoices.
	Approval of inventory disposal.
	Insurance claim settlement.
	All operational spend; training, travel, expenses, charitable donations, industry associations.
\$200m	Indebtedness or financing out with Reserves Based Lending in any financial year.
\$100m	Approval of AFEs (operated and non-operated) provided: <ul style="list-style-type: none"> <li>• The projects meet the requirements of the Corporate Investment Standard</li> <li>• The overall expenditures will remain within the approved budget; and</li> <li>• The DoA substitution, unbudgeted and AFE overrun \$25m terms are adhered to</li> </ul>
	Aggregate approval limits for all unbudgeted spend under DoA General Authority Limits.
	Aggregate issue of new debt instruments (loans, facilities and bonds).
Beyond budget year expenditure	Future year expenditure associated with projects so long as the CEO is authorised to approve the AFE and the future year spend does not exceed that in the most recent Board-approved Long Range Plan Base case.