

CORPORATE GOVERNANCE STATEMENT

Introduction:

The Board of Directors of the Company fully endorses the importance of corporate governance and has adopted The Quoted Companies Alliance Corporate Governance Code (2018) (the “QCA Code”), which they believe is the most appropriate recognised governance code for a company of its size with shares admitted to trading on the AIM market of the London Stock Exchange. It is believed that the QCA Code provides the Company with the framework to help ensure that a strong level of governance is maintained, enabling the Company to embed the governance culture that exists within the organisation as part of building a successful and sustainable business for all its stakeholders.

The QCA Code has ten principles of corporate governance that the Company has committed to apply within the foundations of the business. These principles are:

1. Establish a strategy and business model which promote long-term value for shareholders;
2. Seek to understand and meet shareholder needs and expectations;
3. Take into account wider stakeholder and social responsibilities and their implications for long term success;
4. Embed effective risk management, considering both opportunities and threats, throughout the organisation;
5. Maintain the Board as a well-functioning balanced team led by the Chair;
6. Ensure that between them the Directors have the necessary up to date experience, skills and capabilities;
7. Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement;
8. Promote a corporate culture that is based on ethical values and behaviours;
9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board;
10. Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders.

Chairman’s Corporate Governance Statement:

Dear Shareholders

As Chairman of the Company, I firmly believe that strong corporate governance helps provide the building blocks that allow an organisation to be successful. The Board is committed to good governance across the business, at Executive level and throughout its operations.

The Company adopted the QCA Code, following the revisions to the AIM Rules for Companies in March 2018 which the Board believes is the most appropriate recognised corporate governance code for the Company.

The Board is supportive of embracing the highest levels of corporate governance possible given the size of the Company. As the Directors work together to grow and develop the business there is an overall commitment to ensure that good governance is ingrained within the organisation.

The Board not only sets expectations for the business but works towards ensuring that strong values are set and carried out by the Directors across the business.

The importance of engaging with our shareholders underpins the essence of the business, ensuring that there are numerous opportunities for investors to engage with both the Board and Executive team.

In early 2022 Fiona MacAulay stepped down from the Board and Stephen Birrell joined as an Independent Non-Executive Director. At the same time I transitioned to Executive Chairman in order to reinforce the Company's Executive capabilities in anticipation for the next phase of the Company's development. There were further Board changes when Andrew Dennan did not stand for re-election at the 2022 Annual General Meeting; Mark Hood stepped down from the Board in March 2023; Naheed Memon was appointed as an Independent Non-Executive Director on 14 April 2023; and Tom Richardson was appointed as an Independent Non-Executive Director on 20 July 2023. To transition to a structure more appropriate for the Group's current stage of development and focus, Stephen Birrell and Naheed Memon, both agreed to step down as Directors by mutual consent in February 2024.

In focusing on South East Asian developments and growth, during 2022 Michael Carrington, previously Coro's Chief Operating Officer, was appointed as Managing Director – Renewables, and has overall operational responsibility for the Company's renewable energy interests.

James Parsons

Executive Chairman

The QCA Code requires us to apply the ten principles and publish certain disclosures on our website.

Principle One - Explain the Company's business model and strategy, including key challenges in their execution (and how those will be addressed).

The Company's overall strategy is to establish a mid-tier South East Asian focused on E&P, renewables and other low carbon energy sources and related technologies. The Company recognises its key strengths of Network, People and Platform.

Network – well connected in the South East Asian region.

People – proven track record of creating exceptional shareholder value.

Platform – Access to capital and proven track record.

The Board monitors overall performance of the Group by reference to key performance indicators.

The risks and uncertainties of the Group's activities are considered by the Board, including:

External risks – such as: macroeconomic risks, market perception, gas pricing, changes to law, regulation and government policy.

Operating risks – such as: exploration, development and production, oil and gas risks, estimation of reserves, health and safety, licences and title, dependence on key executives and personnel.

Other risks – such as: internal control risk, funding risks, foreign subsidiaries, tax and insurance risks.

Principle Two - Seek to understand and meet shareholder needs and expectations.

Copies of our annual report (which includes the notice of AGM) are available to all shareholders and can be downloaded from the investors section of our website.

We engage with shareholders through updates to the market via regulatory news flow (“RNS”) on matters of a material substance and regulatory nature.

Our AGM is an annual opportunity for shareholders to meet with the Company and a full update of the business is provided by the executives. Shareholders are provided with an opportunity to ask questions and raise issues during the formal business and more informally following the meeting.

At the AGM, separate resolutions are proposed on each substantial issue. For each proposed resolution, proxy forms are issued which provided voting shareholders with an option to vote in advance of the AGM if they were unable to vote in person. Our registrars, Link Group count the proxy votes which are properly recorded, and the results of the AGM are announced through an RNS.

Since its initial public offering in 2017, the Board has sought authority from shareholders to allot a percentage of the Company’s issued share capital on a non-pre-emptive basis that is substantially higher than the recommended guidelines. The Directors are aware that this is not in line with the Pre-Emption Group’s Statement of Principles however, given the stage of development of the Company and importance of flexibility required to enable the Directors to take opportunities for further growth, a higher level of authority affords the Company with the ability to move quickly on transactions. The Board would not consider progressing any significant transactions without obtaining required shareholder approval. To date the levels of authority sought has been supported by shareholders.

The Board is keen to ensure that the voting decisions of shareholders are reviewed and monitored and that approvals sought at the Company’s AGM are as much as possible within the recommended guidelines of the QCA Code.

The Company, where appropriate, responds to shareholder queries directly (whilst complying with the UK Market Abuse Regulation restrictions and the requirements of the AIM Rules for Companies). Investor events have also been arranged with shareholders at suitable junctures which have presented opportunities for shareholders to engage with Directors. In addition, the Company hosts a forum ‘join the chorus’ at regular intervals which presents a further opportunity for shareholders or interested parties to further engage. By providing a variety of ways to communicate with investors the Company feels that it reaches out to engage with a wide range of its stakeholders.

Shareholders with queries should email info@coroenergyplc.com

Principle Three: Take into account wider stakeholder and social responsibilities and their implications for long term success

Explain how the business model identifies the key resources and relationships on which the business relies. Explain how the company obtains feedback from stakeholders.

Our business model and strategy are clear and is set out in our annual report. Building upon the expertise and connectivity of our new team, the Company has initiated its international growth strategy.

We value the feedback we receive from our stakeholders and we take every opportunity to ensure that where possible the wishes of stakeholders are considered. There is an open-door policy across the business, where employees are able to voice their opinions and make suggestions. The management team meet regularly and this line of communication filters down through the Company.

Principle Four: Describe how the Board has embedded effective risk management in order to execute and deliver strategy. This should include a description of what the Board does to identify, assess and manage risk and how it gets assurance that the risk management and related control systems in place are effective.

The main functions of the Audit Committee include reviewing and monitoring internal financial control systems and risk management systems on which the Company is reliant. The Committee recognises that an effective risk management framework is essential to safeguard the Group's assets and enable it to meet its strategic objectives. The Board has delegated the responsibility for reviewing and monitoring the internal control and risk management systems.

Principle Five:

Identify those Directors who are considered to be independent; where there are grounds to question the independence of a Director, through length of service or otherwise, this must be explained.

Tom Richardson was appointed as an Independent Non-Executive Director on 20 July 2023.

Describe the time commitment required from Directors (including Non-Executive Directors as well as part-time Executive Directors).

The Company's Executive Chairman, James Parsons, is the Company's sole Executive Director. The Company is aware that having an Executive Chairman is not in line with recommended corporate governance practices, however it is believed in the development of the Company it is currently the best support to reinforce the executive presence within the business. It is expected that each of the Non-Executive Directors, dedicate approximately twelve days a year to the Company.

Include the number of meetings of the Board (and any committees) during the year, together with the attendance record of each Director.

For the year ended 31 December 2022:

BOARD MEETING ATTENDANCE

Year ended 31 December 2022	Board (scheduled)	Board (ad hoc ¹)	Audit Committee	Remuneration Committee	HSE Committee	Nominations Committee
Number of meetings held	5	6	3	3	6	0
James Parsons	5	6	–	–	–	–
Mark Hood	5	6	–	–	–	–
Andrew Dennan ²	2	3	–	–	–	–
Marco Fumagalli	5	6	3	3	–	–
Fiona MacAulay ³	2	2	1	1	2	–
Stephen Birrell ⁴	3	4	2	2	4	–

1. Ad hoc meetings are called for specific matters, generally of a more administrative nature not requiring full Board attendance.
2. Resigned on 14 June 2022.
3. Resigned on 25 March 2022.
4. Appointed on 25 March 2022.

Principle Six:

Identify the Directors: Can be found under: ['The Team'](#)

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

The Board currently comprises the Executive Chairman, one Independent Non-Executive Director, and one Non-Executive Director. The Board considers that they have significant industry, financial, public markets and governance experience, possessing the necessary mix of experience, skills, personal qualities and capabilities to meet the present needs of the Company.

The Board includes two qualified accountants (James Parsons and Marco Fumagalli). Tom Richardson is an experienced Director of listed companies. The Non-Executive Directors will provide support to the Company's Executive team as and when required. In addition, the Company has an experienced management team, with Michael Carrington Managing Director – Renewables.

The Company embraces diversity and is dedicated to encouraging inclusion without compromising professionalism, experience and expertise.

The Board as a whole is kept abreast with changes relating to governance, the AIM Rules for Companies, the UK Market Abuse Regulation and other regulatory developments. The Company's Nomad provides an annual AIM Rules Briefing which is also provided to any new director prior to their appointment.

All Directors have access to the Company's Nomad, Company Secretary, lawyers and auditors and are able to obtain advice from other external bodies as and when required.

James Parsons, Executive Chairman, was appointed to the Board in December 2017. James is a qualified accountant and has a BA Hons in Business Administration. James is also the Chairman of Corcel plc, Ascent Resources plc and Echo Energy Plc. James, brings a wealth of knowledge and expertise. He is a specialist in restructuring, funding and

Tom Richardson, Independent Non-Executive Director, was appointed to the Board in July 2023 and is an experienced Director of listed companies. He is currently Chairman of Fenikso Limited and an independent director of Canadian Overseas Petroleum Limited. In addition, Tom was an Executive Director of Nostrum Oil & Gas Plc a UK FTSE 250 premium listed company.

Marco Fumagalli, Non-Executive Director, was appointed to the Board in December 2017. Marco is a qualified accountant and holds a degree in Business Administration. Marco, with his financial background provides the experience required as Chair of the Audit Committee to challenge the business internally and the Group auditors. Marco is also a member of the Nominations Committee.

Further details of the Director's careers and experience can be found on the website under ['The Team'](#).

Details of the Company's advisors can be found on the website: ['Our advisors'](#).

The Company Secretary helps keep the Board up to date on areas of new governance and liaises with the Nomad on AIM regulatory updates. The Company Secretary has frequent communication with the Chair, Chief Executive Officer and the Board as a whole.

Principle Seven: Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement

The Directors consider seriously the effectiveness of the Board, Committees, and individual performance.

The Board meets formally five times a year with ad hoc Board meetings as the business demands, and there is a strong flow of communication between the Directors. The Agenda is set with the consultation of the Chair, with consideration being given to both standing Agenda items and the strategic and operational needs of the business. Papers are circulated well in advance of the meetings, giving Directors ample time to review the documentation and enabling an effective meeting. Resulting actions are tracked for appropriate delivery and follow up.

The Directors have a wide knowledge of the business and requirements of Director's fiduciary duties and understand their responsibilities as directors of a company quoted on AIM. Given the early stages of the Board's formation there has not to date been any formal training, but this is something that will be considered in the future. The Directors have access to the Company's Nomad, auditors and lawyers as and when required. These advisors are able and willing to provide guidance to the Board from time to time as required. The Directors are also able, at the Company's expense to obtain advice from other external advisors if required.

The Board are continuously developing appropriate corporate governance procedures and last year looking forward to building further on the governance structure already in place. On-going review of the functioning of the Board and ensuring that appropriate levels of governance are maintained whilst being mindful of the size and stage of development of the Company.

The effectiveness of the Board, individual Directors and senior management is evaluated on an on-going basis as the Board forms a united forum for building the business.

Principle Eight: Promote a corporate culture that is based on ethical values and behaviours

How the Board ensures that the Company has the means to determine ethical values and behaviours

The Company is committed to ethical values and behaviours across the Board and the Company as a whole. The Board is mindful of the industry that the business operates in and takes all issues of ethical behaviours seriously. These behaviours are instilled throughout the organisation. The importance of delivering success in a safe environment is not undermined.

The Board takes the issues of bribery and corruption seriously, The Company has a zero-tolerance approach to bribery and corruption and has an anti-bribery policy in place to protect the Company, its employees and those third parties to which the business engages with. The policy is provided to staff upon joining the business and training is provided to ensure that all employees within the business are aware of the importance of preventing bribery and corruption. Each employee is required to sign agreement to confirm that they will comply with the policies. Annually staff will be provided with refresher courses to ensure that the issues of bribery and corruption remain at the forefront of people's mind. There are strong financial controls across the business to ensure on going monitoring and early detection.

Principle Nine – Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board

Roles and responsibilities of the Chair and other Directors with commitments. Describe the roles of the Committees

The Board retains ultimate accountability for good governance and is responsible for monitoring the activities of the Executive team. The Chair has the responsibility of ensuring that the Board discharges its responsibilities. No one individual has unfettered powers of decision.

The Chair is also responsible for facilitating full and constructive contributions from each member of the Board in determination of the Group's strategy and overall commercial objectives. As Chair, James Parsons engages with shareholders and other stakeholder groups to ensure a strong relationship between them and the Company.

Marco Fumagalli is Chair of the Audit Committee and Remuneration Committee, and Tom Richardson is a member of both Committees.

The Audit Committee meets at least twice a year and consists of two members, both Non-Executive Directors. The Committee assists with the Board's oversight of the integrity of the financial reporting and the independence and performance of the Company's Auditor.

The Remuneration Committee meets at least twice a year and consists of two members, both Non-Executive Directors. The Committee is responsible for making recommendations to the Board, on senior Executives Remuneration.

All Board Committees report back to the Board following a Committee meeting.

The Board retains full and effective control over the Company and holds regular Board meetings at which financial, operational and other reports are considered and where appropriate voted upon. The Board is responsible for the Group's strategy and key financial and compliance issues.

There are certain matters that are reserved for the Board which are reviewed on an annual basis, they include but are not limited to:

- **Strategy and Management** (approval of strategic aims and objectives; approval of the Group's annual operating and capital expenditure budgets and changes; decision to cease to operate all or any material part of the Group's business);
- **Structure and Capital** (major changes to the Group's corporate structure; any change to the Company's listing);
- **Financial Reporting and Controls** (approval of: financial results; annual reports and accounts; dividend policy and declaration of any dividend; significant changes in accounting policies/practice; treasury policies);
- **Internal Controls** (ensuring maintenance of a sound system of internal control and management);
- **Contracts** (major capital contracts; contracts which are material or strategic; major investments or any acquisitions/disposals);
- **Communications** (approval or resolutions and documentation put forward to shareholders);
- **Board membership and other appointments;**
- **Remuneration:** (determining the remuneration policy for Directors, senior Executives and Non-Executive Directors, introduction of new share incentive plans, changes to existing plans);
- **Corporate Governance Matters** (review of the Group's overall corporate governance arrangements);
- **Policies** (approval of Group policies, including the share dealing code);
- **Other** (litigation involving £5m and over or otherwise material to the Group; approval of the appointment of professional advisors; and approval of overall levels of insurance for the Group).

As the Company grows, the Directors will ensure that the governance framework remains in place to support the development of the business.

Principle Ten

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

Describe the work of any Board committees undertaken during the year:

The Audit Committee met three times during the 2022, to approve the full year and half year results. Meeting with the external auditors on both occasions.

The Remuneration Committee met three times during 2022 to consider the remuneration structure of the company.

The Nominations Committee, which was established in 2020 and meets as and when required.

HSE Committee met six times during year 2022 and an update is provided to the Board at its Meeting immediately after the HSE Committee Meeting.

The Audit Committee comprises of Marco Fumagalli (who holds the position of Chair of the Audit Committee) and Tom Richardson. Generally, the Audit Committee will meet to review the audit plan received from the auditor prior to their year-end audit, and then meetings to review the half year and full year results prior to Board approval. The main functions include:

- Monitoring the integrity of the financial statements of the Company and any formal announcements relating to the Company's financial performance and reviewing significant financial reporting judgements contained in them;
- Reviewing and monitoring internal financial control systems and risk management systems on which the Company is reliant,
- Considering annual and interim accounts and audit reports,
- Making recommendations to the Board in relation to the appointment and remuneration of the Company's auditors and monitoring and reviewing annually their independence, objectivity, effectiveness and qualifications.

The Remuneration Committee comprises of the Non-Executive Directors, Marco Fumagalli and Tom Richardson. The Committee is responsible for making recommendations to the Board of Directors, on Senior Executives' remuneration. Non-Executives Directors' remuneration and conditions of engagement were considered and agreed by the Board. Financial packages for Executive Directors are established by reference to prevailing market conditions.

Outcomes of votes cast by shareholders to be disclosed in a clear and transparent manner. If a significant number of votes were cast against a resolution put to a general meeting (20%) explain the reasons behind the votes cast.

If a significant proportion of votes (20%+) was ever cast against a resolution, the Company would provide, on a timely basis, an explanation of what actions it intends to take to understand the reasons behind that vote result, and, where appropriate, any different action it has taken, or will take, as a result of the vote.

Last updated: [March 2024](#)