

## SECTION 172 STATEMENT

The Board of Directors of Dana consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of Dana for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172(1)(a-f) of the Companies Act 2006) in the decisions taken throughout the year ended 31 December 2021.

Engagement with all of our stakeholders is an important priority for Dana. We aim to work collaboratively with our people, both our Joint Venture (JV) and supply chain partners, governmental and regulatory authorities, lending banks and the wider communities in which we operate. During 2021 we liaised closely with our JV partners on a variety of projects and development projects including Tolmount and Platypus in the UK, Unity in the Netherlands and Robin Hood in Denmark.

Dana engages with its owner the Korea National Oil Corporation regularly on both a formal and working level basis. Much of this engagement takes place via informal discussion and dialogue with KNOC secondees based in our offices and more formally using our Performance Review system. The Dana Board of Directors, that includes local senior management and executives from KNOC, also considers issues and approvals on a formal basis.

Dana recognises the importance of good corporate governance and maintaining the highest ethical standards in all our activities.

Good corporate governance is not just about legal and regulatory compliance – it's about putting transparency, accountability, fairness and honesty at the heart of our business.

As a company we are also committed to playing our role in supporting Energy Transition and a lower carbon future.

### *GOVERNANCE FRAMEWORK*

The Board of Directors of Dana consists of a mix of Non-Executive Directors (appointed by the shareholder), Executive Directors and an Independent Non-Executive Director.

In accordance with the company's Articles of Association, two formal sub-committees have been formed;

- Remuneration Committee – primary purpose is to assist the Dana Board fulfil its responsibilities in relation to senior level remuneration and annual bonus awards.
- Audit Committee – primary purpose is to assist the Dana Board to fulfil its responsibilities in relation to financial reporting, internal controls and risk management, integrity reporting and internal & external audit.

The Audit Committee is also supported by an Ethics & Compliance sub-committee which meets quarterly with an annual report to the Audit Committee.

The Executive Committee (ExCo) acts as the primary link to the Dana Board. ExCo is the leadership team appointed by the Dana Board to manage the Dana Group across the UK, Netherlands, Egypt and Denmark. ExCo meets weekly with additional sessions as required to deal with issues of the day.

Directors Duties training continued as required during 2021 to all Directors and various Senior Managers to reinforce Dana's commitment from the top of the Group to governance and also the importance of active stakeholder management.

### *DELEGATION OF AUTHORITY (DOA)*

To allow Dana to run efficiently the Board have delegated certain financial and non-financial authority to the Dana Chief Executive Officer (CEO) via the DOA. The CEO DOA is cascaded down within the Dana Group.

The DOA is reviewed and updated as required on a regular basis and applied consistently across the Dana Group.

The DOA does not take precedence over applicable laws and the Dana Directors continue to owe duties of care in accordance with the respective company law and the relevant Articles of Association in the UK, Netherlands (including Works Council), Denmark and Egypt. Decisions or commitments beyond the scope of the DOA require Board approval (subject to the CEO power to approve emergency or urgent items).

During 2021, the Board approved over 50 individual items including approval of Business Plans, appointment of new Directors, approval of an increased project budget for the Tolmount development, restructuring of gas hedges, sanction of the Tolmount East development, exit from licences in the UK (Hudson and Johnston) and Egypt (East Zeit and non-operated portfolio).

### *EMPLOYEES & WELFARE*

Our employees and contractors are vital to our success and our relationship with them is shaped by our values.

The Board acknowledged the increased risks to the health and safety of its employees and contractors during the COVID-19 pandemic. Along with other industry operators, the company quickly introduced measures to reduce the risk of infection at facilities operated by the Group. This included rigorous testing of crews before deployment offshore, the reduction in numbers of people on offshore facilities and the introduction of new protocols to evacuate anyone falling ill.

Dana also recognised the onshore challenges where the workforce had to work from home for most of 2020. The Board supported investment in significant information technology equipment to assist employees with remote working. Dana sought to ensure that employees remained safe in the home environment acknowledging both the physical and mental health challenges that the pandemic has presented.

It is important that our workforce is engaged not only in driving operational performance but also our health, safety and environmental performance. The Directors play an important role in this process and communicate with the workforce on a regular basis via both written, digital and face-to-face channels.

Dana aims to provide an environment where our people have easy access to the information they need in order to do an excellent job, collaborate effectively, identify business improvements and shape their own development.

We do this by holding regular staff meetings, conducting surveys, sending regular email communications and providing a purpose-built 'state of the art' intranet to keep everyone informed about the company's operational performance as well as its priorities and longer-term strategy.

Dana has a comprehensive range of support benefits for our people including helplines covering areas such as mental health and general wellbeing. We also have a subsidised cycle to work scheme in the UK.

### *GOVERNMENT & REGULATORY*

Dana must have a strong working relationship with the governmental and regulatory authorities in all of our operating jurisdictions. The company aims to maintain a constructive and cooperative relationship with all the bodies that regulate our business and its processes.

We have regular contact at a working level for day-to-day operational activities including the Health and Safety Executive and Oil and Gas Authority (now NSTA) (UK), Energie Beheer Nederland (EBN) in the Netherlands,

the Egyptian General Petroleum Company (EGPC) and South Valley Egyptian Petroleum Holding Company (GANOUPE) and the Danish Energy Agency. Dana's senior management also attends meetings on matters of mutual interest including current and future projects, investment programmes and decommissioning as well as environmental issues.

#### *BUSINESS PARTNERS & SUPPLY CHAIN*

Collaborative working with JV partners and our supply chain is vital in achieving success. In recent years, Dana has sent its managers on collaboration training and made significant efforts to improve its performance in this area.

At the working-level, we hold operating and technical committee meetings in order to create open dialogue with our partners. These relationships are further enhanced by regular senior management meetings.

As an Operator we aim to involve our partners on a close working basis. Our primary objective is the safe and reliable operation of our shared assets to deliver value.

Dana recognizes the importance of managing supply chain activities to enhance safe efficient operations and deliver business critical projects. We have adopted a partnership model working with suppliers in long-term relationships that creates mutual advantage.

The company is an active member of Oil and Gas UK (now OEUK), taking part in senior and working-level committees and meetings, responding to industry consultations and providing feedback and support as a responsible operator. We are also members of the East of England Energy Group (EEEGR) and the Netherlands Oil and Gas Exploration and Production Association (NOGEPa).

#### *ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG)*

Dana has appointed a dedicated ESG lead to strengthen the economic, environmental and social impacts of our business activities. This will help inform a strategic plan in 2022.

#### *COMMUNITY*

Dana aims to build and maintain positive relationships with its local communities. We also support and encourage our people to contribute to charity and community activities. The company continued to support Mental Health Aberdeen in 2021 and has appointed a new charity committee to proactively take activities forward.

## **FUTURE DEVELOPMENTS**

The Group continues to face some challenges in maintaining and improving core operating performance. The priorities for the Group include:

- Managing the business safely within the ongoing constraints experienced due to Covid-19
- Capital allocation commensurate with the prevailing oil price environment
- Delivering the Tolmount East project in line with reset budget and timeline
- Reserves replacement – moving resources to reserves
- Production efficiency on operated assets
- Cost management – increasing value and efficiency
- Portfolio rationalisation
- New investment around core hubs
- Continued development of Exploration and New Ventures strategy

Signed on behalf of the Board:

Ewan Wildgoose  
Director  
July 2022