

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 2019.

Engagement with all of our stakeholders is an important priority for Dana. We aim to work collaboratively with our people, both our JV and supply chain partners, governmental and regulatory authorities and the wider communities in which we operate. During 2019 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. At the working level this engagement takes place via informal discussion and dialogue with KNOC secondees based in our offices and more formally using our Quarterly Performance Review system. The Dana Board of Directors also considers issues and approvals on a formal basis and is made up of local senior management and executives from KNOC.

Dana also recognises the importance of good corporate governance and maintaining the highest ethical standards in everything we do.

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 our role in helping form part of the 'carbon bridge' to a lower carbon future and supporting the Energy Transition.

## **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, whistleblowing 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.

## **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).

## **EMPLOYEES & WELFARE**

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

We need our workforce to be engaged not only in driving operational performance but also our health, safety and environmental performance. Dana's 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 to do an excellent job, collaborate effectively with other colleagues, identify improvements to how the business works, and shape their personal and professional development.

We do this by holding regular staff meetings, conducting staff surveys, sending everyone 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 and we have recently introduced a subsidised cycle to work scheme in the UK.

## **GOVERNMENT & REGULATORY**

It is vital for Dana to have strong working relationships with the governmental and regulatory authorities we deal with in all of our operating jurisdictions.

We have regular contact with these bodies at a working level for day-to-day operational activities and Dana's senior management also has regular meetings on matters of mutual interest. In the UK this is usually the Health and Safety Executive and Oil and Gas Authority, Energie Beheer Nederland (EBN) in the Netherlands, the Egyptian General Petroleum Company (EGPC) and GANOUPE in Egypt and the Danish Energy Agency.

Areas of interest discussed include current and future projects, investment programmes and decommissioning as well as environmental issues.

## **BUSINESS PARTNERS & SUPPLY CHAIN**

Working collaboratively with our JV partners and our supply chain is vital in achieving success. Dana has, in recent years, 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 to create open dialogue with our partners. These relationships are further enhanced by regular senior management meetings. As an Operator we involve our partners on a close working basis, in certain instances providing office space for them in our own locations. But whether as operated or non-operated partners our key aim is the safe and reliable operation of our shared assets to deliver value.

It is ever more crucial for oil and gas companies to manage and oversee their supply chain activities to maintain and improve safe and efficient operations as well as helping to deliver business critical projects. Dana has adopted a partnership model working with suppliers in long-term relationships to create mutual advantage.

Dana is an active member of Oil and Gas UK, 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 (NOGEAPA).

## **COMMUNITY**

Dana aims to build and maintain positive relationships with its local communities. We also support and encourage our people to contribute to national and local charity and community activities.

In 2020, Dana will produce its first Sustainability Report, detailing the economic, environmental and social impacts of our business activities.

## **FUTURE DEVELOPMENTS**

Looking forward into 2020 and beyond, 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 constraints experienced due to Covid-19
- Capital allocation in light of low oil price environment
- Delivering the Tolmount 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

This statement was approved by the board of Dana Petroleum on 25<sup>th</sup> September 2020.

**Signed by Jongwoo Kim**

Director for and on behalf of Dana Petroleum Limited