

CORPORATE GOVERNANCE STATEMENT

Dear Shareholder

2025 was a year in which Capricorn continued to strengthen its governance foundations, building on the significant organisational reset and leadership changes undertaken in recent years. Following this period of change, the Board has remained committed to embedding a culture of rigorous oversight, transparent decision-making, and responsible stewardship of the Company's strategic direction.

The Company continues to operate in a sector characterised by volatility, regulatory complexity, and evolving stakeholder expectations. In this context, strong governance remains essential to maintaining resilience, ensuring accountability, and supporting the delivery of long-term sustainable value.

During the year, Capricorn continued its structured programme of stakeholder engagement, both within the organisation and externally. The Company's approach to stakeholder engagement during the year is set out on pages 7 and 8, which also includes a statement from our Directors in accordance with Section 172 of the Companies Act 2006.

Details of our strategy, performance measurement and KPIs can be found on pages 5, 9 and 68. The Board regularly reviews and develops its framework of effective and prudent controls, which enables risks and opportunities to the execution of the strategy to be identified and addressed. The risk management section of this Annual Report is on page 16 and the internal control statement on pages 44 and 45 further describes these processes and controls.

Employee engagement remains a key focus of the Company and of the Board. The Employee Voice Forum (EVF), which is our formal workforce advisory panel, established in 2019 in line with the FRC's UK Corporate Governance Code, continued during 2025. The EVF currently comprises three employees from a range of functions and regions and has a rotating membership. Members gather questions and areas of consideration from employees in their allocated departments and bring these to the forum for discussion. These issues of importance to employees are then discussed with the Board, allowing Board members to gain a greater understanding and feel for the Company's culture and to identify any areas that may impact or enhance it. Appropriate consideration of matters raised to the Board through the forum can then be made in the context of the Board's decision-making. The EVF's scheduled meetings were held in March, May and November 2025.

Compliance with the UK Corporate Governance Code

As a company incorporated in the United Kingdom with a listing category of 'Equity shares (commercial companies)' on the London Stock Exchange, Capricorn is required to report against the UK Corporate Governance Code (the "Code", as published by the FRC and available on its website at www.frc.org.uk). This statement reports compliance with the version published in January 2024. Capricorn is fully committed to achieving compliance with the principles and provisions set out in the Code and the Board is responsible for ensuring that an appropriate framework is in place to do so.

The information in this statement (together with the Strategic Report, Audit Committee Report, Nomination & Governance Committee Report, Sustainability Committee Report, Directors' Remuneration Report and Directors' Report) describes the manner in which the Company has applied the main principles of governance set out in the Code and complied with the individual Code provisions. It is the Board's view that the Company has complied with the 2024 version of the Code throughout 2025.

The Board

It is important that the Capricorn Board has the required skills, experience and expertise to allow it to operate

effectively and efficiently across a number of geographies and disciplines given the international nature of its business. The Board has considered the competencies of its Directors, which includes industry experience in addition to financial, regulatory, risk management and sustainability experience, to ensure that it is fit for purpose in pursuing the strategy of the Company. The majority of the Board was put in place over the course of 2023 with these objectives fully in mind and continues to review these competencies to ensure they are appropriate for the Company's requirements. Board appointments, for both executive and non-executive positions, consider an individual's objectivity and integrity along with the abilities, skills, experience and diversity that they can bring to the Board. This process is applied below Board level in senior management and other appointments, and such matters are taken into account when considering succession plans.

Board changes

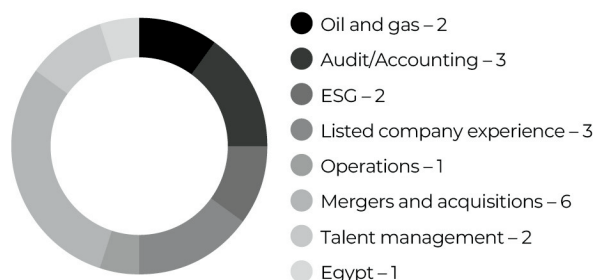
There were no changes to the composition of the Board in 2025.

The Board currently comprises one Executive Director and five Non-Executive Directors, including the Chair. The Directors of the Company as at the date of this statement are set out in the table below. Further biographical information about our Directors is also included in the Board of Directors section on pages 37 and 38.

Name	Role	Date of appointment (in current role)	Date of last re-election
Maria Gordon	Non-Executive Chair	1 February 2023	22 May 2025
Randy Neely	Chief Executive	1 June 2023	22 May 2025
Richard Herbert	Senior Independent Director	1 February 2023	22 May 2025
Patrice Merrin	Non-Executive Director	26 June 2023	22 May 2025
Sachin Mistry	Non-Executive Director	23 May 2024	22 May 2025
Tom Pitts	Non-Executive Director	1 February 2023	22 May 2025

Further information on the diversity within the Capricorn Board, including in terms of its wide range of experience and expertise across the industry, governance, technical and commercial arenas, is included in the Nomination & Governance Committee Report on pages 52 to 54 and in the Strategic Report section of this Annual Report.

Current Board competencies



CORPORATE GOVERNANCE STATEMENT CONTINUED

Division of responsibilities between the Chair and the Chief Executive

The Company has a clear division of responsibilities between the positions of Chair and the Chief Executive, which is set out in writing and agreed by the Board.

Chair: key responsibilities	Chief Executive: key responsibilities
<ul style="list-style-type: none"> – Leading the Board in an ethical manner and promoting effective Board relationships; – Ensuring that the Board plays a full and constructive part in the determination and development of the Company's strategy; – Building a well-balanced Board, considering Board composition and Board succession; – Ensuring the effectiveness of the Board and individual Directors; – Overseeing the annual Board evaluation and acting on its results; – Ensuring appropriate induction and development programmes for Directors; – Setting the Board agenda, chairing Board meetings and overseeing implementation of the Board's decisions; and – Engagement with shareholders and other stakeholders when appropriate. 	<ul style="list-style-type: none"> – Managing the business and proposing and developing the Company's strategy and overall objectives in consultation with the Board; – Driving the successful and efficient achievement of the Company's KPIs and strategic objectives; – Leading the executive team in ensuring the effective implementation of decisions of the Board and its committees; – Providing strong and coherent Company leadership and effectively communicating the Company's culture, values and behaviours internally and externally; and – Engagement with shareholders and other stakeholders.

Senior Independent Director

Richard Herbert assumed the role of Senior Independent Director upon his appointment to the Board on 1 February 2023.

The main responsibilities of this role are as follows:

- to provide a sounding board for the Chair and to serve as an intermediary with other Directors when necessary;
- to be available to shareholders and other stakeholders if they have any concerns, which contact through the normal channels of Chair, Chief Executive or Chief Financial Officer has failed to resolve or for which such contact is inappropriate;
- to meet with the other Non-Executive Directors without the Chair present, at least annually, in order to appraise the Chair's performance; and
- to act as Chair of the EVF.

Board performance evaluation Background

The annual performance evaluation process is considered by the Board as an opportunity to improve its effectiveness and to enhance its processes and procedures where appropriate. As reported in the Company's previous Annual Report and Accounts, the performance evaluation process carried out during 2024 was externally facilitated by Gould Consulting, in line with the Code recommendation that this evaluation be conducted by an external party at least every three years. Previously externally facilitated evaluations took place in 2024, 2021, 2018, 2015 and 2012, with evaluations conducted internally in the intervening years.

2025 Assessment

For 2025, in view of the external evaluation carried out in 2024, it was agreed that an internal Board performance assessment would be carried out. A questionnaire was prepared for this purpose by the Company Secretarial team, which was then reviewed and approved by the Chair. The questionnaire was subsequently completed by Directors and

the executive management team to evaluate the performance of the Board, its committees, and the Chair.

The outcome and findings of the 2025 internal performance evaluation were discussed at the March 2026 Board meeting. It was concluded that the Board is cohesive, well-functioning and guided by strong and effective chairing. Feedback emphasised the quality of debate, constructive tone and high levels of trust between the Chair, CEO and the wider leadership team. In response to the evaluation's findings, actions for improvement were agreed upon and included:

- developing long-term strategic options;
- strengthening structured risk governance; and
- enhancing Board information flows including more structured Committee reporting, cultural insights and IT improvements.

Independence of Non-Executive Directors

The Board considers the independence of each of the Non-Executive Directors on an ongoing basis, taking into account their integrity, their objectivity and their contribution to the Board and its committees. The Board believes that the following behaviours are essential for a Director to be considered independent:

- provides an objective, robust and consistent challenge to the assumptions, beliefs and views of senior management and the other Directors;
- questions intelligently, debates constructively and challenges rigorously and dispassionately;
- acts at all times in the best interests of the Company and its shareholders and other stakeholders;
- has a detailed and extensive knowledge of the Company's business and of the market as a whole, which provides a solid background against which they can consider the Company's strategy objectively and help the Executive Director(s) develop proposals on strategy; and
- has no close ties or material relationships with the Company, either directly or indirectly.

Maria Gordon was independent on her appointment to the Board and confirmed as independent on the date of her appointment as Chair in May 2024. Sachin Mistry is a current employee of a shareholder and is not considered to be an Independent Non-Executive Director under the provisions of the Code. With the exception of Sachin Mistry, the remaining Directors are independent in their appointment and have no relationship, other than by being nominated, with the nominating shareholder and are, therefore, each considered independent by the Board.

Time commitment of Non-Executive Directors

The Board recognises its responsibility under the Code to take into account other demands on each Director's time, with a view to ensuring that its Directors (particularly those Non-Executive Directors who sit on other public company boards) have sufficient time to devote to their role on the Capricorn Board. Prior to appointment, each individual's other significant commitments are disclosed and there is also a policy in place to ensure that additional external appointments are not undertaken without prior consultation. The other directorships held by each Non-Executive Director (where applicable) are disclosed in the Board of Directors section on pages 37 and 38.

None of our Non-Executive Directors sit on more than three public company boards (including Capricorn) and those that do sit on other public company boards have taken appropriate steps to ensure that they have sufficient time to devote to their role on the Capricorn Board.

Re-election of Directors

In accordance with the Code, each of the Company's Directors are subject to annual re-election by shareholders. As such, each of the current Directors will seek re-election at the Annual General Meeting (AGM) to be held on 21 May 2026.

Induction and development

New Directors received a full and appropriate induction on joining the Board. This involves a tailored programme of meetings with other Board members, senior management and the Company Secretary.

The Company ensures that new Directors also receive additional induction support and training when assuming any additional responsibilities such as membership of Board committees. Where appropriate, the Company arranges for new Non-Executive Directors to receive additional briefings on key matters regularly discussed by the Board.

The Company provides, on an ongoing basis, the necessary resources for developing and updating its existing Directors' knowledge and capabilities. In particular, the Company is committed to the provision of continuing professional development training for its Directors. In 2025, the Company continued with its practice of providing a Directors' education programme consisting of a number of seminars for Board members, which are presented by the Company's external advisers, guest speakers or members of senior management on subjects appropriate to the Company's business, including changes to legislation, regulation and market practice. During 2025, the subjects covered by these seminars included:

- Market Abuse Regulation (MAR) and Disclosure Obligations;
- Egyptian Upstream Oil & Gas Legal and Fiscal Framework; and
- Egyptian Political, Macroeconomic and Security Environment.

These seminars were incorporated into the schedule for the relevant Board meeting and were attended by all Directors present at such meetings. Any Director may request that a particular subject be covered in a seminar.

Information and support

The Board has full and timely access to all relevant information to enable it to discharge its duties. Under the direction of the Chair, the Company Secretary is responsible for ensuring good information flows within the Board and its committees, and between executive management and Non-Executive Directors, as well as facilitating induction and assisting with professional development as required. The Company Secretary ensures the presentation of high-quality information to the Board and its committees, and that all papers and information are delivered in a timely fashion. Board and committee papers are delivered securely through an electronic platform.

The Company Secretary is responsible for advising the Board, through the Chair, on all UK Corporate Governance Code and related matters, and each Director has access to the advice and services of the Company Secretary.

There is also a procedure agreed by the Board for Directors, in furtherance of their duties, to take independent professional advice if necessary, at the Company's expense.

Conflicts of interest

The Board has in place a procedure for the consideration and authorisation of conflicts or possible conflicts with the Company's interests. All Directors are aware of the requirement to submit details to the Company of any current situations (appointments or otherwise) which may give rise to a conflict, or potential conflict, of interest. The Board will continue to monitor and review potential conflicts of interest on a regular basis.

Whistleblowing

The Group has a robust Whistleblowing Policy in place, through which the workforce can raise any matters of concern – further information on the Group's Whistleblowing Policy is included in the Audit Committee Report on page 50.

Matters reserved to the Board and delegation of authority

The Board has a formal schedule of matters specifically reserved to it for decision, which is divided into categories covering different types of decisions, including corporate, Board/Directors, financial/operational, and legal/regulatory.

Board meetings

During 2025, a total of 11 scheduled meetings of the Board were held. Four of these meetings were conducted over two consecutive days following the usual format for Board meetings, described below, with another seven shorter meetings held to update the Board and/or to approve specific matters during 2025.

Board committee meetings are also scheduled for the same dates as Board meetings and are either split over two days or scheduled for one day, depending on the number of committee meetings required. Board committee meetings take place prior to the main part of the Board meeting so that the Chair of each committee can provide a report to the Board. These are followed by the remainder of the formal business of the Board meeting. The Chair also holds a short meeting with the other Non-Executive Directors (without the Executive Director).

Details of attendance at each of the Board meetings during 2025, and at meetings of each of the Board committees, are set out below. The Company has very successfully used its technological communication platforms to ensure that Directors who are unable to attend any meeting in person are still able to attend all scheduled Board and committee meetings and were also able to do so 'on camera'.

The formal agenda for each scheduled Board meeting is set by the Chair in consultation with the Chief Executive and the Company Secretary. The system for establishing agenda items means that the Chair, the Board and each of the Board committees have the confidence that all required items are included on their agenda at the most appropriate time of the year and that there is sufficient time allocated for discussion, allowing the Directors to discharge their duties effectively.

Formal minutes of all Board and committee meetings are circulated to all Directors prior to the subsequent Board meeting and are considered for approval at that Board meeting. In addition, the members of the Board are in frequent contact between meetings. There is also a procedure in place to allow Board meetings to be convened at short notice where required to deal with specific matters which need to be considered between scheduled Board meetings.

As noted above, the Non-Executive Directors have a practice of meeting informally at the end of each Board meeting without the Executive Directors being present. At these Non-Executive forums, the Non-Executive Directors are invited by the Chair to bring forward any matter pertaining to the business of the Board that they believe would benefit from discussion in such forums. This practice also applies after Board committee meetings to ensure that Non-Executive Directors can discuss any relevant issues arising from those meetings without management being present.

CORPORATE GOVERNANCE STATEMENT CONTINUED

Key issues considered within Board meetings during 2025

Code Requirement	Key discussions	Outcome
Ensuring an effective and entrepreneurial Board to promote long-term sustainable success	<ul style="list-style-type: none"> – Egyptian concession modernisation and ratification progress – Collections performance and sovereign receivables management – North Sea business development strategy and asset screening – Debt repayment strategy and capital allocation – Regulatory and MAR education 	<ul style="list-style-type: none"> – Agreed continued focus on maximising value from Egypt whilst progressing selective North Sea opportunities – Approved progression of various business development opportunities – Approved early repayment of senior debt facility – Board education delivered on MAR, inside information, and Egyptian regulatory framework
Establishing and aligning purpose, values and strategy with culture	<ul style="list-style-type: none"> – Interim and long-term strategy review – Five-year financial outlook for base business – Market feedback from investor engagement – Peer benchmarking and capital markets positioning – Strategic flexibility pre- and post-concession ratification – Shareholder engagement and proxy advisory feedback 	<ul style="list-style-type: none"> – Reaffirmed strategy to enhance Egypt value while diversifying selectively – Continued engagement with investors and proxy advisers ahead of AGM – Supported proactive shareholder communications – Agreed presentation of medium-long term operational and financial forecast
Ensuring necessary resourcing is in place and establishing a framework of controls to enable risk to be assessed	<ul style="list-style-type: none"> – Going concern and viability assessments (2024 year-end and 2025 half-year) – Net cash movements and liquidity headroom – EGPC payment patterns and arrears risk – Debt facilities and early repayment options – Exploration commitments and drilling risk profile 	<ul style="list-style-type: none"> – Approved going concern and viability statements – Approved 2025 Work Programme and Budget – Approved early repayment of senior debt facility
Effective engagement with shareholders and stakeholders	<ul style="list-style-type: none"> – AGM resolutions and proxy voting analysis – Egyptian governmental and JV partner engagement – Industry-wide arrears dynamics in Egypt 	<ul style="list-style-type: none"> – Continued structured engagement with Egyptian authorities – Supported ongoing investor outreach and market updates
Ensuring workforce policies and practices align with Company values	<ul style="list-style-type: none"> – Employee Voice Forum themes – Compliance and PDMR dealing procedures 	<ul style="list-style-type: none"> – Reinforced compliance framework including MAR procedures – Continued engagement through Employee Voice Forum
Formal and transparent appointment and succession processes	<ul style="list-style-type: none"> – Re-election of Directors at AGM – Board and Committee schedule for 2025 and 2026 – Ongoing succession considerations 	<ul style="list-style-type: none"> – Approved Board and Committee meeting schedule – Approved AGM re-election resolutions – Continued focus on governance and succession planning

Directors' attendance at 2025 Board and committee meetings

The table below sets out the attendance record of each Director at scheduled Board and committee meetings during 2025.

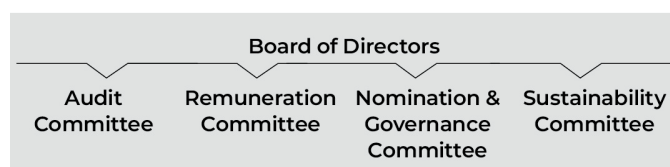
Board	Board	Audit Committee	Remuneration Committee	Nomination & Governance Committee	Sustainability Committee
Meetings held during 2025 ¹	11	4	4	2	1
	Meetings attended / meetings held in 2025 during directorship	Meetings attended / meetings held in 2025 during membership	Meetings attended / meetings held in 2025 during membership	Meetings attended / meetings held in 2025 during membership	Meetings attended / meetings held in 2025 during membership
Current Directors					
María Gordon (Chair)	11/11	–	4/4	2/2	–
Randy Neely (Chief Executive)	11/11	–	–	–	1/1
Richard Herbert (Senior Independent Director)	11/11	4/4	4/4	2/2	–
Sachin Mistry	11/11	–	–	–	1/1
Tom Pitts	10/11	4/4	4/4	–	–
Patrice Merrin	11/11	–	–	2/2	1/1

Notes:

(1) During 2025, certain Directors who were not committee members attended meetings of the Audit Committee, Remuneration Committee, Nomination & Governance Committee and Sustainability Committee by invitation. These details have not been included in the table.

Board committees

Board committee structure during 2025



Each of the Board committees is provided with all necessary resources to enable them to undertake their duties in an effective manner and has formal terms of reference approved by the Board. Copies of the terms of reference are available on the Company's website. The Company Secretary acts as secretary to the Board committees. The minutes of all committee meetings are circulated to all Directors. In line with best practice, more detailed reports from the Audit, Nomination & Governance and Sustainability Committees are presented as separate reports rather than including these in the Corporate Governance Statement. Summary details of the composition of each committee at the end of 2025 are set out in the tables below.

Remuneration Committee

Member	Date of appointment
R. Herbert (Chair)	26 June 2023 (Chair with effect from 23 May 2024)
T. Pitts	1 February 2023
M. Gordon	1 February 2023

Audit Committee

Member	Date of appointment
T. Pitts (Chair)	1 February 2023
R. Herbert	1 February 2023

Nomination & Governance Committee

Member	Date of appointment
M. Gordon (Chair)	1 February 2023 (Chair with effect from 23 May 2024)
R. Herbert	23 May 2024
P. Merrin	26 June 2023

Sustainability Committee

Member	Date of appointment
P. Merrin (Chair)	26 June 2023
S. Mistry	23 May 2024
R. Neely	26 June 2023

Shareholders and the Annual General Meeting (AGM)

Communications with shareholders are given high priority by the Board. The Company has implemented the provisions of the Companies Act 2006 regarding electronic communication with its shareholders, in order to give shareholders more choice and flexibility in how they receive information from the Company. Capricorn responds promptly to correspondence from shareholders and the Company's website contains a wide range of information on the Company, including a dedicated investor relations section.

In order to ensure that the members of the Board develop an understanding of the views of major shareholders, there is regular dialogue with institutional shareholders, including meetings with executive management after the announcement of the year-end and half-year results. The Board is kept informed of any issues raised by shareholders both as a standing agenda item in Board papers and through feedback at Board meetings, and following results or other significant announcements. In addition, the Company maintains an investor relations database, which details all meetings with investors or other related stakeholders. All analyst reports relating to the Company are also distributed to the Board.

A list of the Company's major shareholders can be found in the Directors' Report on page 78. The Company recognises that the success of the comply-or-explain approach under the Code depends on an ongoing and open dialogue with shareholders, and remains committed to engaging with shareholders, as well as governance and proxy voting agencies, on any matter which they wish to discuss in relation to the Company's governance.

During the last 18 months, certain Directors have also engaged directly (either through meetings or by telephone/written correspondence) with specific investors and investor groups on a range of matters including progress against strategic objectives, diversity and remuneration. During 2025, this also included consultation between the chair of the remuneration committee and major shareholders on the remuneration policy proposed for approval at the 2026 AGM.

CORPORATE GOVERNANCE STATEMENT CONTINUED

AGM details (2025 and 2026)	Overview
2025 AGM: was held on Thursday, 22 May 2025 at The Sheraton Grand Hotel, 1 Festival Square, Edinburgh EH3 9SR	– 12 ordinary resolutions and 4 special resolutions are proposed for shareholder approval
2026 AGM: to be held on Thursday, 21 May 2026 at The Sheraton Grand Hotel, 1 Festival Square, Edinburgh EH3 9SR (full details in Notice of AGM)	– 12 ordinary resolutions and 4 special resolutions are proposed for shareholder approval

It is policy for all Directors to be present at the AGM, when possible, with the Chair of each of the Board committees also expected to attend and be prepared to answer shareholder questions on areas within their remit.

The proxy votes for and against each resolution, as well as abstentions, will be counted before the AGM and the results will be made available following the meeting after the shareholders have voted in a poll on each resolution. Both the Form of Proxy and the poll card for the AGM include a 'vote withheld' option in respect of each resolution to enable shareholders to abstain on any particular resolution. It is explained on the Form of Proxy that a 'vote withheld' is not a vote in law and will not be counted in the calculation of the proportion of the votes 'for' or 'against' a resolution.

Information pursuant to the Takeover Directive

The Company has provided the additional information required by the Disclosure and Transparency Rules of the UK Listing rules (and specifically the requirements of DTR 7.2.6 in respect of Directors' interests in shares; appointment and replacement of Directors; powers of the Directors; restrictions on voting rights and rights regarding control of the Company) in the Directors' Report.

Internal control

The Board has overall responsibility for the Group's system of internal control, which includes all material controls, including financial, operational, cyber, compliance and ESG controls and related risk management, and for regularly reviewing its effectiveness. The system of internal control is designed to identify, evaluate and manage significant risks associated with the achievement of the Group's strategic objectives. Due to the limitations inherent in any system of internal control, Capricorn's system is designed to meet its particular needs and the risks to which it is exposed, with a focus on managing risk rather than eliminating risk altogether. Consequently, it can only provide reasonable and not absolute assurance against material misstatement or loss.

The Company has in place an Integrated Internal Control and Assurance Framework (the "Framework"), which plays a critical role in setting out how the Company manages and assures itself that the risks relating to the achievement of corporate vision, strategy and objectives are effectively controlled. The Framework is based on the Committee of Sponsoring Organisations (COSO) framework and its five key components, which is a commonly used and recognised international framework for considering internal control systems. The COSO framework seeks to help organisations develop systems of internal control which help facilitate the achievement of business objectives and improvements in Company performance. The COSO framework also supports organisations in adapting to increasingly complex business environments and managing risks to acceptable levels with the aim of safeguarding shareholders' interests and Company assets. The Capricorn risk framework accords with the FRC guidance on risk management and internal control.

The Framework has been in place for the 2025 financial year and up to the date of approval of the Annual Report and Accounts. The Board, supported by the Audit Committee, has carried out a review of the effectiveness of the systems of internal control during 2025 and will ensure that a similar review is performed in 2026 to meet the additional

requirements of Provision 29 of the UK Corporate Governance Code. In so doing, the Board and Audit Committee took into account the assurance provided by the year-end internal control report in respect of the effectiveness of the Group's system of internal control. The Board is accordingly satisfied that effective controls are in place and that risks have been mitigated to a tolerable level across the Group in 2025.

Particular attention has been placed by the Company's management on ensuring that an effective system of internal control has been maintained during the year in relation to the key risks in the Company's business activities.

Enhancements have been made during 2025 to the following key controls, business processes and procedures:

- compliance certificates were completed by all staff members and contractors confirming compliance with the Group's Code of Ethics. There was one minor breach of the Code in 2025 which was addressed;
- several activities were completed to enhance our bribery and corruption controls across the business, including the revision of country-specific risk assessments for Egypt, which supplemented the overarching Group risk assessment already in place;
- to ensure awareness, understanding and compliance on important governance, regulatory and security topics, mandatory e-learning was implemented across the Group, which included comprehensive modules on bribery and corruption, health and safety, cyber security, cyber fraud and tax evasion; and
- implemented controls to meet the 'reasonable procedures' defence under the new Economic Crime and Corporate Transparency Act 2023 Failure to Prevent Fraud offence, including the completion of a risk assessment, the development of policy documentation and the introduction of periodic fraud audit checks.

The following describes the key elements of the Framework and the processes used by the Board during 2025 to review the effectiveness of the system and the approach to be taken in 2026.

1. Strategic direction

The Company's strategy and business plan are debated by and approved by the Board. The Chief Executive is responsible for managing the Company's business and implementing the Company's strategic objectives in consultation with the Board. The Chief Executive is also responsible for implementing the decisions of the Board and its committees and driving performance measured against the Company's KPIs.

2. Operating management

The Company refreshes its work programme and budget on an annual basis in line with its overall strategy.

3. Risk management

The Board is responsible for maintaining sound risk management and internal control systems across the Capricorn Group. The Board must satisfy itself that the significant risks faced by the Group are being managed appropriately and that the system of risk management and internal control is sufficiently robust to respond to internal or external changes in the Group's business environment.

The Group Risk Management Process defines the steps through which Capricorn seeks to systematically identify, analyse, assess, treat and monitor the business risks faced by the Group. The Group Risk Management Process also identifies the risk management organisational structure through which business risks are managed and regularly reviewed at asset-, country- and Company-level.

4. Cyber Risk

Managing cyber risk remains a key priority for the Board, with a comprehensive and continually evolving cyber security control framework in place across the Group to mitigate threats and reduce exposure. Cyber risks are managed in line with Capricorn's standard process for identifying, analysing, assessing, treating, and monitoring risks, aligned to ISO 31000 (see page 16).

During the reporting period, Capricorn focused on strengthening preventative, detective, and responsive controls across identity, endpoints, cloud, network, and data environments. Key cyber security activities and controls include:

- Governance, Risk & Compliance: Maintenance of cyber security policies, and procedures, and delivery of mandatory annual cyber security training to all staff;
- Incident Response and Cyber Resilience: An established Cyber Incident Response Plan and Business Resilience Plan, both tested bi-annually, supported by security investigations, containment actions, and post-incident reviews;
- Identity and Access Management: Implementation and expansion of Multi-Factor Authentication, Conditional Access controls, Self-Service Password Reset and Privileged Identity Management;
- Security controls: Network, email, cloud and endpoint security controls across IT framework;
- Vulnerability Management and Assurance testing: A structured vulnerability management programme incorporating regular vulnerability scanning, risk-based prioritisation and remediation tracking; and
- Cyber insurance: Insurance policy in place to support the management of cyber incidents.

Capricorn has not experienced an information security breach in the last five years.

5. Assurance

The 'three lines of defence' framework adopted by the Board provides three levels of assurance against the risks facing the Company: firstly, at the operational level; secondly through overview by functional management; and thirdly through internal or joint venture audits.

The Directors derived assurance from the following internal and external controls during 2025:

- a schedule of matters specifically reserved for decision by the Board;
- implementation of the Capricorn business management system for key business activities;
- an appropriate organisational culture and structure;
- control over non-operated joint venture activities through delegated representatives;
- delegations of authority for all financial transactions and other key technical and commercial decisions;
- segregation of duties where appropriate;
- accounting and procurement system controls including access controls and approval processes;
- business and financial reporting, including KPIs;
- an annual review of the system of internal control led by the Risk & Compliance Manager;
- an annual internal audit plan, which is approved by the Audit Committee and Board, and is driven by risks and key controls;
- reports from the Audit Committee; and
- independent third-party reviews.

6. UK Corporate Governance Code Provision 29

The company remains on schedule to meet the additional requirements that come into effect in 2026 under Provision 29 of the UK Corporate Governance Code (2024) with respect to assessing the effectiveness of material controls.

This preparatory work has focused on defining the Group's material controls across financial, operational, compliance and reporting processes; aligning those controls with the Group's principal risks; mapping ownership responsibilities; and strengthening associated documents and evidence.

Maria Gordon

Chair

25 March 2026