

## CORPORATE GOVERNANCE STATEMENT

Dear Shareholder

Following a year of significant change across Capricorn, 2024 has been a steady year with a refocused organisation and the new executive team and Board in place.

There continues to be regular engagement with stakeholders, 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 and key performance indicators (KPIs) can be found on pages 5 and 9. 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 15 and the internal control statement on page 42 further describes these processes and controls.

Following extensive change in the Board and employee headcount in 2023, the Board underwent a three year external Board evaluation with Gould Consulting in H2 2024. Further information on this review can be found below in the section titled "Board performance evaluation".

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 2024. 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 May and September 2024.

### 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 (as published by the FRC and available on its website at [www.frc.org.uk](http://www.frc.org.uk)). This statement reports compliance with the version published in July 2018. 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. The Board considers that the Company has complied with the 2018 version of the Code throughout 2024, except as noted below.

Provisions 24 and 32 of the Code require the Audit and Remuneration Committees to comprise at least three independent non-executive directors. Following certain Board changes in Summer of 2024, the Board determined it was appropriate to reduce both Committees' composition to two independent non-executive directors. This decision was made in light of the Company's removal from the FTSE 350 in June 2023, despite the continuing technical requirement for the Company (for a limited period) to remain subject to the rules governing "larger Companies" until 1 January 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

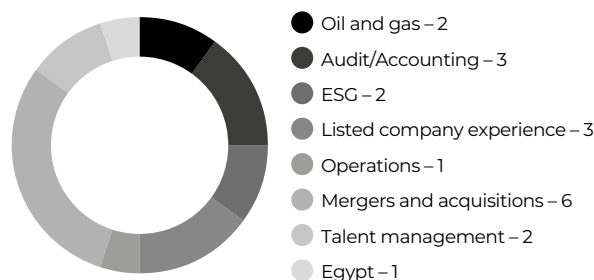
There has been a change of the Non-Executive Chair with the departure in May 2024 of Craig van der Laan and the departure of Hesham Mekawi in late June 2024.

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 36 and 37.

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

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 50 to 52 and in the Strategic Report section of this Annual Report.

### Current Board competencies



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

### 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. 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 2021, 2018, 2015 and 2012, with evaluations conducted internally in the intervening years.

#### 2024 evaluation

Feedback was received from individual Board members and senior executives through a formal process including written survey and personal interview. It was concluded that the Board was performing well and that it benefited from a strong group of individuals who brought significant experience to the table.

Against industry benchmarks, the Board is operating at, or above, these benchmarks in the majority of areas. Following the results of the evaluation it was agreed that the areas of key focus for 2025 would include continuing review and discussion on succession planning in light of required Board competencies; to continue to ensure evolving risks were discussed regularly at Board level; to continue to refine the Group's strategy and to provide oversight of the evolving organisational culture. As part of the Board improvement plan, continuing education for the Directors will focus on risk and governance during the first half of 2025.

### 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 36 and 37.

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 22 May 2025.

### 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.

## CORPORATE GOVERNANCE STATEMENT CONTINUED

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 2024, 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 2024, the subjects covered by these seminars included ESG reporting and regulation as well as updates on changes to listing requirements in the UK.

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 48.

### 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 2024, 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 2024.

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 2024, 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 or 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.

## Key issues considered within Board meetings during 2024

Code Requirement	Key discussions	Outcome
Ensuring an effective and entrepreneurial Board to promote long-term sustainable success	<ul style="list-style-type: none"> <li>– Macroeconomic environment</li> <li>– M&amp;A opportunities in the UK and MENA</li> <li>– Growth opportunities in Egypt connected to integration of concession agreements</li> <li>– Board evaluation results</li> </ul>	<ul style="list-style-type: none"> <li>– The Board discussed M&amp;A opportunities at all meetings</li> <li>– Proposals for integration of concession agreements was approved for submission</li> <li>– Discussion on board improvement plan</li> </ul>
Establishing and aligning purpose, values and strategy with culture	<ul style="list-style-type: none"> <li>– Culture and values are properly detailed in Group KPIs</li> </ul>	<ul style="list-style-type: none"> <li>– SID chairs the company Employee Voice Forum</li> </ul>
Ensuring necessary resourcing is in place and establishing a framework of controls to enable risk to be assessed	<ul style="list-style-type: none"> <li>– Reviewed principal risks and uncertainties and emerging risks</li> </ul>	<ul style="list-style-type: none"> <li>– Regular workshops on risk and controls</li> </ul>
Effective engagement with shareholders and stakeholders	<ul style="list-style-type: none"> <li>– External insight into regulatory and political environment in Egypt</li> </ul>	<ul style="list-style-type: none"> <li>– Regular discussions on managing government relations in Egypt</li> </ul>
Appointments are subject to formal rigorous and transparent procedure with effective succession plan for Board and senior management	<ul style="list-style-type: none"> <li>– Appointment of COO and CFO</li> </ul>	<ul style="list-style-type: none"> <li>– Detailed discussion on succession planning</li> </ul>

## Directors' attendance at 2024 Board and committee meetings

The table below sets out the attendance record of each Director at scheduled Board and committee meetings during 2024.

Board	Board	Audit Committee	Remuneration Committee	Nomination & Governance Committee	Sustainability Committee
Meetings held during 2024 <sup>1</sup>	12	4	5	2	2
	Meetings attended / meetings held in 2024 during directorship	Meetings attended / meetings held in 2024 during membership	Meetings attended / meetings held in 2024 during membership	Meetings attended / meetings held in 2024 during membership	Meetings attended / meetings held in 2024 during membership
<b>Current Directors</b>					
Maria Gordon (Chair)	11/12 <sup>2</sup>	1/1	5/5	2/2	–
Randy Neely (Chief Executive)	12/12	–	–	–	2/2
Richard Herbert (Senior Independent Director)	11/12	4/4	5/5	2/2	–
Sachin Mistry	7/7	–	–	–	1/1
Tom Pitts	11/12	4/4	5/5	–	–
Patrice Merrin	12/12	–	–	2/2	2/2
<b>Former Directors</b>					
Craig van der Laan	5/5	–	–	1/1	–
Hasham Mekawi	6/6	–	–	1/1	1/1

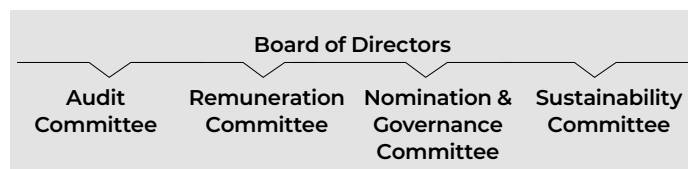
Notes:

(1) During 2024, certain Directors who were not committee members attended meetings of the Audit Committee, Remuneration Committee and Nomination & Governance Committee by invitation. These details have not been included in the table.

(2) Maria Gordon was conflicted from attendance at a board meeting held to review her appointment as Chair.

## Board committees

### Board committee structure during 2024



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, which were reviewed and updated in line with the 2018 version of the Code and approved by the Board in March 2022, 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 2024 are set out in the table on the following page.

## CORPORATE GOVERNANCE STATEMENT CONTINUED

### 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 68. 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, investor groups and proxy advisory agencies on a range of matters including progress against strategic objectives, diversity and remuneration. During 2024, engagement with investors was of notably high importance following the strategic review and investor meetings were held either through virtual communications platforms or in person.

AGM details (2024 and 2025)	Overview
2024 AGM: was held on Thursday, 23 May 2024 at The Cellar Room, Kimpton Charlotte Square Hotel, 38 Charlotte Square, Edinburgh	– 15 ordinary resolutions and 4 special resolutions were proposed and all received shareholder approval
2025 AGM: to be held on Thursday, 22 May 2025 at Hawthornden Lecture Theatre, National Gallery, The Mound, Edinburgh EH2 2EL (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 and compliance 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. Because of 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 2024 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 2024 and will ensure that a similar review is performed in 2025. 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 2024.

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 2024 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;
- 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;
- a compliance dashboard was maintained to assess compliance with several key regulations impacting the Group, including the UK Bribery Act, the General Data Protection Regulation, the Corporate Criminal Offence for the failure to prevent the facilitation of tax evasion and modern slavery. The dashboard was maintained by the Risk & Compliance Manager. There were no material weaknesses identified;
- 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
- the Board completed a risk workshop in December which assessed the key risks and opportunities which could influence the achievement of the Group's strategic objectives.

Work has commenced to prepare for the upcoming changes to the internal control requirements under Provision 29 of the UK Code. A scoping exercise has been completed to identify the material financial, operational, compliance and reporting controls for the principal risks. Assurance maps have been updated to reflect areas where further assurance may be required. A dry-run of the process will be conducted ahead of formal reporting.

The following describes the key elements of the Framework and the processes used by the Board during 2024 to review the effectiveness of the system and the approach to be taken in 2024.

### 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 operating-, asset-, country- and Company-level. Asset-, project-, country- and functional-level risk registers

are used to capture, assess, monitor and review risks before the principal risks are consolidated into the Group risk register.

### 4. 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 the Risk Management Committee; and thirdly through internal or joint venture audits.

The integrated internal control and assurance framework document includes a description of the Company's business and assurance models and of its organisation and committee structure, and defines the relevant roles and responsibilities. The framework defines the key policies and procedures which govern the way in which Capricorn conducts its business and is therefore a core part of its system of internal control.

During 2024, the Directors reviewed the effectiveness of the Company's system of financial and non-financial controls, including operational and compliance controls, risk management and high-level internal control arrangements through the completion of internal control self-assessment questionnaires. These questionnaires, which are tailored to each region or function, are designed to provide an internal assessment of the effectiveness of key controls for the Group's principal risks.

Additionally, assurance maps for principal risks are developed, which outline the key sources of assurance across the 'three lines of defence'. The 'three lines of defence model' is a method of assessing different sources of assurance the Group can rely on when analysing key risks and controls. Assurance is gained through the application of the business management system, which directs the day-to-day running of the business (first line), the oversight functions within Capricorn which provide challenge to the risk and control environment (second line) and any third-party reviews the Group instructs to assess the status of a risk/control (third line). The assurance maps help identify potential areas of control weakness and/or ineffective use of assurance resources across the Group, which influenced the topics included in the 2024 Group internal audit plan. The Directors derived assurance from the following internal and external controls during 2024:

- 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;
- specific 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;
- functional management reviews;
- an annual 'letters of assurance' process, through which asset and functional managers review and confirm the adequacy of internal financial and non-financial controls and their compliance with Company policies, and report any control weaknesses identified in the past year and actions taken in respect of any weaknesses identified in the prior year;
- 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;
- reports from audits by host governments and co-venturers;
- independent third-party reviews; and
- the skills and experience of the workforce.

**Maria Gordon**  
Chair

27 March 2025