

# Nomination & Governance Committee report



**Robert Peck**  
 Interim Chairman of Nomination & Governance Committee

It is my pleasure to introduce the Nomination & Governance Committee Report for 2019, which sets out the composition, role and activities of the Committee and the areas of focus for 2020.

## Membership

The members of the Nomination & Governance Committee are Andrew Bartlett and Efstathios Topouzoglou. Simon Heale served as Chairman of the Committee until his retirement from the Board on 21 November 2019.

The Code recommends that a majority of the members of the Nomination & Governance Committee be Independent Non-Executive Directors and that the Chairman (other than where the Committee is dealing with the appointment of a successor to the chairmanship) or an independent Non-Executive Director should chair the Committee. As I was considered to be independent upon appointment as a Non-Executive Director, and Andrew Bartlett is considered to be an Independent Non-Executive Director, we believe that the Company complies with the requirements of the Code in this respect.

The Company Secretary acts as secretary to the Committee.

## Meetings

The Nomination & Governance Committee became effective upon Admission in March 2018.

	Number of meetings	Meetings attended
Robert Peck	1*	1*
Simon Heale	1**	1**
Andrew Bartlett	2	2
Efstathios Topouzoglou	2	2

\* Robert Peck was appointed to the Committee on 11 September 2019 and became interim Chairman upon the retirement of Simon Heale from the Board.

\*\* Simon Heale left the Committee upon his retirement from the Board on 21 November 2019

## Role of the Committee

The Nomination & Governance Committee plays a fundamental role in assisting the Board in reviewing the structure, size and composition of the Board, including providing advice to the Board on the retirement and appointment of additional and/or replacement Directors.

It is also responsible for reviewing succession plans for the Directors, including the Chairman and Chief Executive and other senior executives. To view the Committee's terms of reference, please visit the Company's website [www.energean.com](http://www.energean.com).

## Diversity

The Committee's key area of responsibility is to ensure the composition of the Board is appropriate for oversight of the strategic direction of the Group and this includes reviewing the balance of skills and knowledge. The Nomination & Governance Committee recognises the benefits of diversity in the boardroom and believes that a wide range of experience, backgrounds, perspectives and skills generates effective decision-making.

As at 31 December 2019, the Board included two females who represented 22% of the overall Board. Whilst I note that the Company is still short of the 33% target set by the Hampton-Alexander review, I remain confident that we will reach this target and that the Company is now one of the few companies in the FTSE 350 with a female Chairman.

Senior management is defined as the Executive Committee; currently the make-up of that Committee is 20% female v 80% male. Their direct reports are 42% female v 58% male.

## Board effectiveness

As reported earlier on page 88, an evaluation of Board effectiveness took place during 2019. The Company Secretary facilitated a formal and rigorous annual evaluation of the Board's performance, which was done via a survey and one-to-one meetings.

# Nomination & Governance Committee report continued

## Appointment of the Chairman and time commitment

On 21 November 2019, Simon Heale, Chairman of the Board resigned from the Company. The Committee met to discuss the possible options to replace Simon as Chairman. Following a review of the succession plans, the Committee noted that Karen Simon had recently retired from her full-time role at J.P. Morgan and had extensive experience in the oil and gas sector. The Committee unanimously agreed that there was no need to advertise externally and that Karen Simon should be appointed as Board Chairman; subsequently the Board unanimously ratified this decision. The succession plan was able to respond immediately to this change and ensure continuity for the Board and the Company.

Karen Simon is also a non-executive Director of Aker ASA, an Oslo Stock Exchange-listed company. The Board believes that Karen has adequate time available to devote to the Company. Karen was deemed to be independent on appointment and was first appointed to the Board as an Independent Non-Executive Director in November 2017. She has therefore only served two years out of a possible nine years.

## Appointment of New Independent Non-Executive Director

The Committee were pleased to recommend to the Board that Amy Lashinsky be appointed as an independent Non-Executive Director. Amy's vast experience in the global risk management sector will greatly assist the Board in assessing and monitoring the key risks that the Company could face. In addition, Amy's entrepreneurial leadership experience and skill set in growing companies will assist greatly when dealing with strategic matters. The Committee did not engage an external search firm for the process; the Committee was satisfied that this was not necessary as the previous Chairman of the Committee, Simon Heale, carried out an extensive search for candidates. Furthermore the appointment was in line with the Board's policy on diversity.

## Succession

The Committee keeps under review the succession plans for senior management. There are no anticipated changes to the make-up of senior management in the near future.

## Performance of the Committee

The performance of the Nomination and Governance Committee was assessed by way of an internal process in 2019 and it was concluded that the Committee continued to be effective.

## Merger of Committees

In consultation with the new Chairman of the Board, effective from 1 January 2020, the Committee recommended to the Board that the Health, Safety & Environment Committee and the Nomination & Governance Committee merge to form the Nomination & Environment, Social & Governance Committee ("Nomination & ESG Committee"). The membership of the Committee will be as follows:

- Robert Peck (Chairman)
- Ohad Marani
- Amy Lashinsky
- Stathis Topouzoglou
- Karen Simon (in attendance for matters relating to the composition of the Board)

The new Committee will absorb all of the responsibilities of the Nomination & Governance Committee and HSE Committee. The establishment of this new Committee will ensure the Board can assess all ESG matters in one forum.

## Committee Membership

Following feedback in the Board evaluation process and in consultation with the new Chair of the Board, effective from 1 January 2020, the Committee membership structure has been slightly altered as set out below.

Remuneration Committee – I leave the Committee and Karen Simon joins the Committee

Audit & Risk Committee – Ohad Marani leaves the Committee and Karen Simon and Amy Lashinsky join the Committee

## Our priorities for 2020

In 2020, the Nomination & Environmental, Social & Governance Committee will further focus on succession planning to ensure the Group retains senior executives with the necessary skills and knowledge to remain effective. The Committee will continue to monitor the effectiveness of the Board and the composition of its Committees in light of the Edison E&P transaction.

Furthermore, as required by the 2018 Corporate Governance Code, the Nomination & ESG Committee will carry out an external review of the effectiveness of the Board and will report on its findings and steps taken to act on any findings.

## Robert Peck

Interim Nomination & Governance Committee Chairman  
18 March 2020

# Health, Safety & Environment Committee report



**Robert Peck**  
Chairman of Health, Safety & Environment Committee

## Membership

The members of the Health, Safety & Environment (“HSE”) Committee are myself, Karen Simon and Ohad Marani. The Company Secretary acts as Secretary to the Committee. The Group HSE Manager and the Head of Corporate Social Responsibility are standing invitees to each Committee meeting.

## Meetings

During the year, two meetings of the Committee were held, the details of the attendance at which are detailed below. Any member of the Committee or the HSE Director may request a meeting if he/she considers that one is necessary.

Director	Number of meetings	Meetings attended
Robert Peck	2	2
Karen Simon	2	2
Ohad Marani	2	2

## Role of the Committee

The HSE Committee evaluates the effectiveness of the Group’s policies and systems for identifying and managing environmental, health, safety and security risks, as well as matters relating to equality, diversity, business ethics and corporate social responsibility. Additionally, the Committee assesses the performance of the Group with regard to the impact of decisions and related actions in these areas upon employees, communities and other third parties, as well as upon the reputation of the Group. The Committee receives regular reports from the HSE Manager and the Head of CSR. During the year, as part of the Board strategy day, the Committee received market updates in respect of best practice for Environment, Social and

Governance (“ESG”) matters and how the Group is responding. In my capacity as Chairman of the Committee, I report on the proceedings of the Committee at meetings of the Board of Directors and maintain an active dialogue with the Group HSE Manager and the Head of CSR outside of meetings.

## Activities during 2019

During the year, the Committee reviewed the internal audit report that assessed the Company’s HSE function and also reviewed the follow-up of action points from the audit. The Committee, along with the Board, continue to be pleased with the HSE performance of the Company and of its main contractors and partners.

The Committee also reviewed the Company’s first sustainability report and the plans for future reporting in this area. As part of the Board strategy sessions, the Committee were pleased that ESG reporting was a fundamental part of the discussions and they look forward to seeing the Company responding to these challenges.

In Q3 of 2019, the Committee, as part of the Board visit, was pleased to visit the drilling operations of the Company in Israel. The Committee noted the high level of HSE practice by the Company and its drilling partners. The Committee was grateful for the opportunity to visit the drilling operations, given the importance of the asset to the future success of the Company.

## Our priorities for 2020

As previously reported, effective 1 January 2020, the Committee will merge with the Nomination & Governance Committee to form the Nomination & ESG Committee. The new Committee will continue to carry out the responsibilities of the HSE Committee, including, but not limited to, reviewing the effectiveness of the Group’s Health and Safety policies, the Group’s sustainability report and reviewing any findings from respective internal audit reports on Health, Safety and Environment.

As part of this new Committee and following the Edison E&P transaction, we will be reviewing the integration of the HSE functions of the combined Group. We will also be reviewing the ESG performance of the Company and the Company’s second sustainability report.

## Performance of the Committee

The performance of the HSE Committee was assessed by way of an internal process in 2019. Following this review it was concluded that the Committee operated effectively during the year. As previously mentioned in the Nomination & Governance Report, the Board is required to conduct an external evaluation in 2020. As part of this external review, the combined Committee will be reviewed to ensure that it is effective.

## Approval

This report in its entirety has been approved by the Board of Directors, following recommendation by the Committee, and signed on its behalf by:

**Robert Peck**  
Health, Safety & Environment Committee Chairman  
18 March 2020