



Energean plc

("Energean" or the "Company")

## Response to Resolutions 15, 16, 17 and 18 voting results at 2024 Annual General Meeting

London, 20 November 2024

In accordance with provision 4 of the UK Corporate Governance Code, Energean is providing an update to the statement made on 23 May 2024 on the views received from shareholders and the actions taken in relation to the voting results for Resolutions 15, 16, 17 and 18 at its 2024 Annual General Meeting ("**AGM**").

At the Annual General Meeting held on 23 May 2024, all resolutions passed with high levels of support.

However, Energean recognises that Resolution 15, 16 and 17, which were in relation to the Directors' authority to issue shares, and Resolution 18, which sought to retain a notice period of 14 days for general meetings (other than an annual general meeting, which has a longer notice period), all received less than 80% of the votes in favour. In line with requirements under the UK Corporate Governance Code, Energean has therefore consulted with shareholders to understand the factors behind these voting outcomes.

We engaged with shareholders who both supported and did not support Resolutions 15, 16, 17 and 18 at the AGM earlier in the year. To date, we have held meetings with shareholders where a meeting was requested, and received further written input from others.

### *Directors Authority to Issue Shares*

Resolution 15 sought to renew the Directors' general authority to allot shares. The Investment Association Share Capital Management Guidelines state that an authority to allot up to two thirds of the existing issued share capital should be regarded by shareholders as routine business. The Company has taken authority for such amount in prior years and sought to do so again.

Shareholders who opposed this resolution were concerned about the potential dilution of current shareholdings and requested clearer information and justification on the intended use of such authority. The Board will consider the feedback received when drafting resolutions for the 2025 AGM.

### *Disapplication of pre-emption rights for acquisitions*

Resolution 16 sought authority to issue up to 10% of the company's share capital for cash on a non-pre-emptive basis and Resolution 17 sought authority to issue up to 10% of the share capital for acquisitions or capital investments on a non-pre-emptive basis (in both cases, an additional authority of up to 2 per cent may be sought for the purposes of making a follow-on offer).

In November 2022, the Pre-Emption Group updated their Statement of Principles to, amongst other things, support companies seeking an increased authority to issue equity securities (the "**Revised PEG Guidelines**"). In November 2023, the Company published its response in relation to voting at its 2023 AGM and, at the time, discussions with shareholders who voted against Resolution 17 (proposed as Resolution 16 in 2023)

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stated that they predominantly did so because their internal policy limits had not been changed in line with the Revised PEG Guidelines. At its 2024 AGM, the Company again requested the full amount in line with the Revised PEG Guidelines in the expectation that internal policy limits would have been updated to reflect those policies.

As in 2023, the Company is aware that some dissent was due to internal policy limits not having been updated to reflect the Revised PEG Guidelines but more specific feedback focused on the concern that pre-emption rights are considered essential for protecting existing shareholders, allowing them to maintain their proportional ownership and bypassing these rights through non-pre-emptive issuances risks diluting existing shareholders without offering them the opportunity to participate in the new issuance. Resolution 17 was also regarded as being premature if sought without a clear, immediate need and that there should be consultation when such opportunities arise.

The Company believes that the ability to issue new shares without pre-emption rights, as sought by resolutions 16 and 17, allows the Company flexibility to act swiftly and efficiently in pursuing opportunities for acquisitions or capital investments, which can significantly enhance shareholder value and, as in 2023, the Company also takes this opportunity to remind shareholders that Board and Management hold c.20% of the total issued share capital and are therefore fully aligned with shareholders and focused on value-accretive deals.

#### *Disapplication of pre-emption rights for acquisitions*

Resolution 18 sought to retain a notice period of 14 days for general meetings (other than an annual general meeting, which has a longer notice period).

While there was no specific feedback received from shareholders in relation to this resolution, the Company is aware that a significant proportion of the votes against originated from our Israeli shareholders who have differing corporate governance policies. The Board will consider whether any additional explanation of legal and market practice is required when drafting the explanatory notes to the notice of meeting for the 2025 AGM.

Energean is thankful to all shareholders who have taken the time to engage with the consultation process. We will continue to proactively engage with shareholders and advisory bodies and welcome any further input from shareholders.

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