

# TRINITY EXPLORATION & PRODUCTION PLC

## QUOTED COMPANIES ALLIANCE CORPORATE GOVERNANCE CODE 2018

### Introduction:

The Board of Directors of the Company recognises the importance of sound corporate governance and applies The Quoted Companies Alliance Corporate Governance Code (2018) (the 'QCA Code'), which they believe is the most appropriate recognised governance code for a company with shares admitted to trading on the AIM market of the London Stock Exchange. It is believed that the QCA Code provides the Company with the framework to help ensure that a strong level of governance is maintained, enabling the Company to embed the governance culture that exists within the organisation as part of building a successful and sustainable business for all its stakeholders.

The QCA Code has ten principles of corporate governance that the Company has committed to apply within the foundations of the business. These principles are:

1. Establish a strategy and business model which promote long-term value for shareholders;
2. Seek to understand and meet shareholder needs and expectations;
3. Take into account wider stakeholder and social responsibilities and their implications for long term success;
4. Embed effective risk management, considering both opportunities and threats, throughout the organisation;
5. Maintain the board as a well-functioning balanced team led by the Chair;
6. Ensure that between them the directors have the necessary up to date experience, skills and capabilities;
7. Evaluate board performance based on clear and relevant objectives, seeking continuous improvement;
8. Promote a corporate culture that is based on ethical values and behaviours;
9. Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board; and
10. Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders.

### Chairman's Corporate Governance Statement:

On behalf of the Board, I am pleased to present the Corporate Governance Report. We at Trinity believe that strong corporate governance is critical to achieving our strategic goals and creating value for our shareholders. As Non-Executive Chairman of the Group I have a keen interest in ensuring that an effective and focused Board leads the business and builds upon its successes to date.

Following the requirement by AIM that all AIM listed companies comply with a recognised corporate governance code, the decision was made by the Board that the Group would adopt the QCA Code. The Board believes the QCA Code to be the most appropriate recognised corporate governance code for the Group. During the year under review, the Board continued to uphold the principles of the Code and ensured that the Group complied with the QCA Code in all aspects of the business. Details of the principles of the Code and how the Group applies them are detailed within the 2021 Annual Report and on the Group's website.

The Board is committed to ensuring good corporate governance, at Board level and throughout the business. During 2021 the Company made significant changes to the composition of the Board, which included my appointment as Non-Executive Chairman and Jeremy Bridglalsingh stepping up to the role of Chief Executive Officer ("CEO"). In addition, the Company has strengthened its independent non-executive presence by the appointment of Derek Hudson in September 2021 and Kaat Van Hecke in February 2022. These changes have helped strengthen corporate governance within the business yet further.

As Non-Executive Chairman it is my duty to ensure that good standards of governance are delivered and fed down throughout the organisation. The Board, as a whole, looks to instil a positive culture

across the Group, delivering strong values and behaviours. The importance of delivering the Group's objectives in a manner consistent with our values is at the forefront of the Board's thinking, as is ensuring that this culture is fed down through the Executive Management Team and throughout the business. The principal risks facing the business, as set out in the Annual Report, are considered by the Board, recognising that strong governance across the organisation is essential to manage the risks and challenges that the Group faces.

2021 was a challenging year, characterised by increased volatility in commodity prices and rising inflation combined with the continuing impact of the global pandemic. The Group was further impacted by the sudden and unexpected death of its founder and Executive Chairman, Bruce Dingwall, CBE. The Group has performed well throughout, safely maintaining operations and production. The solid framework that Management has built over the last few years has helped the business continue to develop during a period of considerable uncertainty. The Board has continued to work effectively through this challenging period, increasing the number of ad hoc engagements to ensure that the strategy can continue to be delivered and goals met, whilst ensuring the risks are monitored and a culture of support and safety is provided to all stakeholders, including employees, suppliers and the wider environment in which the business operates. To emphasise the criticality of the HSSE and ESG functions with the Company, the Board appointed Kaat Van Hecke as the Board Champion to directly oversee the governance in these areas.

As the Group builds the next phase of development for the business, as Non-Executive Chairman, I will work with the Board to cement the existing values that are in place and ensure that good corporate governance and strong principles continue to be present throughout the organisation, for the benefit of all stakeholders.

Nicholas Clayton  
Non-Executive Chairman

### **Website disclosures:**

**The QCA Code requires us to apply the ten principles and publish certain disclosures in our annual report and also on our website. Our website disclosures are as follows:**

**Principle Two - Seek to understand and meet shareholder needs and expectations.**

**Disclosure: explain the ways in which the Company seeks to engage with shareholders.**

The Company's Annual Report and Notice of Annual General Meetings (AGM) are sent to all shareholders and can be downloaded from our website. Copies of these documents for the last five years, and the Interim Report and other investor presentations are also available on the Company's website.

Shareholders are kept up to date via regulatory news flow ("RNS") on matters of a material substance and regulatory nature. Quarterly updates are provided to the Market and any deviations to these updates are announced via RNS.

Our AGM is an annual opportunity for shareholders to meet with the Chairman and other members of the Board. The meeting is open to all shareholders, giving them the option to ask questions and raise issues during the formal business or more informally following the meeting.

At the AGM, separate resolutions are proposed on each substantial issue. For each proposed resolution, proxy forms are issued which provide voting shareholders with an opportunity to vote in advance of the AGM if they are unable to vote in person. Our registrars, Link Asset Services, count the proxy votes which are properly recorded and the results of the AGM are announced through an RNS.

The Board has sought authority from shareholders to allot 10% of the Company's issued share capital on a non-pre-emptive basis. The directors are aware that this is not in line with the 5% recommended by the Pre-Emption Group's Statement of Principles as updated in 2015. However, the Directors note that a limit of up to 10% of the aggregate nominal amount is not unusual for AIM quoted companies and the Directors believe that this level of authority is appropriate in order to allow the Company flexibility to move quickly in order to finance business opportunities which may arise.

The Board is keen to ensure that the voting decisions of shareholders are reviewed and monitored and that approvals sought at the Company's AGM are as much as possible within the recommended guidelines of the QCA Code.

The Chairman responds to shareholder queries directly, where appropriate, (whilst remaining cognisant of the UK Market Abuse Regulations' restrictions on inside information and within the requirements of the AIM Rules for Companies). Non-deal roadshows are arranged throughout the year to meet with existing shareholders and potential new stakeholders to maintain, as much as possible, transparency and dialogue with the Market. Investor presentations and interviews can be found on the Company's website.

Shareholders with queries should email [info@trinioil.com](mailto:info@trinioil.com).

### **Principle Three: Take into account wider stakeholder and social responsibilities and their implications for long term success**

**Disclosure: Explain how the business model identifies the key resources and relationships on which the business relies. Explain how the Company obtains feedback from stakeholders.**

Our business model and strategy are clear and is set out in our Annual Report. The vision of the business is to grow reserves and production through exploration and development and partnering with other businesses is the key to build our success. Delivery of our business model is underpinned by our core values of Behaviour, Rigour and Purpose:

**Behaviour** – that mirrors professionalism, respect and fairness; **Rigour** – initiate thought before action; **Purpose** – fit for delivering our business goals.

We value the feedback we receive from our stakeholders and we take every opportunity to ensure that where possible the wishes of stakeholders are considered. The executive team is a small and dedicated team who work hard to ensure that values of the Company are an integral part of the business. The Board works closely with the executive team with clear and open communication both within and outside of the Board room. The Company has an open-door policy from the executive team down where employees' opinions and suggestions are valued and listened to.

### **Principle Six: Ensure that between them the directors have the necessary up to date experience, skills and capabilities**

The Board comprises of the Non-Executive Chairman, four non-executive directors and a CEO. Further details can be found on the Company's website 'Board of Directors'. The Board has significant industry, financial, public markets and governance experience, possessing the necessary mix of experience, skills, personal qualities and capabilities to deliver the strategy of the Company for the benefit of the shareholders over the medium to long-term.

Nicholas Clayton, as Non-Executive Chairman, is responsible for leading and ensuring that the Board discharges its responsibilities; for facilitating full and constructive contributions from each member of the Board in the determination of the Group's strategy and overall commercial objectives. Nicholas has provided strategic and corporate finance advice, and has been a Non-Executive Director of, numerous public and private oil and gas companies since 2007.

Following the appointment of Nicholas Clayton as Non- Executive Chairman the Company does not at present have a Senior Independent Non-Executive Director. The Board does not deem this necessary given the transition from an Executive Chairman to a Non-Executive Chairman.

Jeremy Bridglalsingh, as CEO, leads the business, ensuring that the objectives set by the Board are delivered. Jeremy brings a wealth of knowledge and expertise to lead the business forward. Jeremy, a qualified accountant, has worked both within Trinidad and the UK, giving him the required knowledge and understanding of both jurisdictions, professionally and culturally.

James Menzies, non-executive director, has over 30 years of experience in the oil and gas industry. James's industry background, together with his corporate experience provides the Board with the expertise to review and challenge decisions and opportunities presented both within the formal arena of the boardroom and as called upon when needed by the executives. James is Chair of the Technical Committee and is also a member of the Audit Committee.

Angus Winther, non-executive director, has spent 27 years working in the investment banking industry, primarily advising clients in insurance and financial services. With his financial and investment banking background, he provides the experience required as Chair of the Audit Committee to challenge both the business internally and also the Group auditors. Angus is also a member of the Remuneration Committee.

Derek Hudson, non-executive director, is a geologist by profession, having over 30 years senior level experience in the oil and gas industry, operating globally (Trinidad and Tobago, United States, United Kingdom and East Africa) with multi-national organisations and state enterprises. Derek is a well-known and highly respected figure in the international oil and gas industry with an outstanding track record across a range of complex exploration, business development, financial and operational activities in both offshore and onshore environments bringing significant complementary skills to the Board. Derek is a member of the Remuneration Committee and is also a member of the Technical Committee.

Kaat Van Hecke, non-executive director, has over 25 years' experience in the oil & gas industry and has a strong operations background, having started her career as a Production Engineer with ExxonMobil and Shell in Europe and Nigeria. Kaat also has significant public company experience and currently holds independent Non-Executive Director roles at Nostrum Oil & Gas Plc and Glover Gas & Power B.V./ Axxela Limited. Kaat is the Chair of the Remuneration Committee, a member of the Audit Committee and is responsible for the Board's oversight of the HSSE function.

The Board is kept abreast of developments of governance, legal and accounting changes and AIM regulations. The Company's lawyers provide updates on governance issues and circulate their regular 'Boardroom Briefing' to the Board, the Company's NOMAD provides annual Board AIM Rules refresher training as well as the initial training as part of a new Director's onboarding.

All Directors have access to the Company's NOMAD, company secretary, lawyers and auditors as and when required and are able to obtain advice from other external bodies when necessary.

**Principle Seven: Evaluate board performance based on clear and relevant objectives, seeking continuous improvement**

**Disclosure: A description of the Board performance evaluation process.**

The Directors consider seriously the effectiveness of the Board, Committees and individual performance.

The Board meets formally monthly with additional ad hoc meetings as the business demands. There is a strong flow of communication between the Directors. The Agenda is set with the consultation of both the CEO and Chairman, with consideration being given to both standing Agenda items and the strategic and operational needs of the business. Papers are circulated well in advance of the meetings, giving Directors ample time to review the documentation and enabling an effective meeting. Resulting actions are tracked for appropriate delivery and follow up.

The Board entered 2022 looking forward to building further on the governance structure already in place. On-going review of the functioning of the Board and ensuring that the highest level of governance is maintained whilst being mindful of the size and stage of development of the Company. Whilst the Board has not undertaken any formal training this is something that will be considered as the business grows and the Board establishes further.

The Directors have a wide knowledge of the business and requirements of directors' fiduciary duties. The Directors have access to the Company's NOMAD, lawyers and auditors as and when required. They are also able, at the Company's expense, to obtain advice from external bodies if required. The Board as a whole is mindful of the need for considering succession planning.

#### **Principle Eight: Promote a corporate culture that is based on ethical values and behaviours**

##### **Disclosure: how the Board ensures that the Company has the means to determine ethical values and behaviours**

The Directors are committed to ethical values and behaviours across the Board and the Company as a whole. The Directors are mindful of the industry that the business operates in and takes all issues of ethical behaviours seriously. These behaviours are instilled throughout the organisation. The importance of delivering success in a safe environment is not undermined.

Issues of bribery and corruption are taken extremely seriously. The Company has a zero-tolerance approach to bribery and corruption and has an anti-bribery and corruption policy in place to protect the Company, its employees and those third parties to which the business engages with. The policy is provided to staff upon joining the business and training is provided to ensure that all employees within the business are aware of the importance of preventing bribery and corruption. Each employee is required to sign an agreement to confirm that they will comply with the policies. Annually staff are provided with refresher courses to ensure that the issues of bribery and corruption remain at the forefront of people's mind. There are strong financial controls across the business to ensure on going monitoring and early detection.

A whistleblowing policy is in place, which enables staff to raise any concerns in confidence. The Country Manager has assumed the role of whistleblowing officer.

#### **Principle Nine – Maintain governance structures and processes that are fit for purpose and support good decision-making by the Board**

##### **Disclosure: Roles and responsibilities of the Chair, CEO and other directors with commitments. Describe the roles of the Committees**

The Board retains ultimate accountability for good governance and is responsible for monitoring the activities of the executive team. No one individual director has unfettered powers of decision.

The Chairman has the responsibility for ensuring that the Board discharges its responsibilities and is also responsible for facilitating full and constructive contributions from each member of the Board in determination of the Group's strategy and overall commercial objectives. Nicholas Clayton engages with shareholders and other stakeholder groups to ensure a strong relationship between them and the Company.

Jeremy Bridglalsingh, CEO, works closely with the Chairman, and is the executive director who is based permanently in Trinidad, although he travels frequently to the UK for Board meetings, shareholder meetings, roadshows and other business commitments. Jeremy is accountable to the Board for the financial performance of the business.

James Menzies chairs the Technical Committee and is a member of the Audit Committee.

Angus Winther chairs the Audit Committee and is also a member of the Remuneration Committee.

Derek Hudson is a member of both the Technical and Remuneration Committees.

Kaat Van Hecke chairs the Remuneration Committee and is a member of the Audit Committee.

The Audit Committee meets at least twice a year. The Committee assists with the Board's oversight of the integrity of the financial reporting and the independence and performance of the Company's Auditor.

The Remuneration Committee meets five times a year to consider all material elements of remuneration, including the executive director's remuneration and performance.

The Technical Committee generally meets four times a year on an ad hoc basis as and when the business requires. The Committee interacts with the sub-surface teams at a working level, offering mentorship. It follows the sub-surface teams from ideas generation to evaluation and execution and provides the Board with confirmation that technical work has been considered and evaluated appropriately.

The Company does not have a separate HSE Committee, however, Kaat Van Hecke is responsible for the Board's oversight of the HSSE function. HSE is of the utmost importance to the business and an HSE report is presented and discussed in detail at every scheduled Board meeting.

All Board Committees report back to the Board following a Committee meeting.

The Board retains full and effective control over the Company and holds regular meetings at which financial, operational and other reports are considered and where appropriate voted upon. The Board is responsible for the Group's strategy and key financial and compliance issues.

There are certain matters that are reserved for the Board, they include:

- approval of the Group's strategic aims and objectives;
- approval of the Group's annual operating and capital expenditure budgets and any material changes to them;
- Review of Group performance and ensuring that any necessary corrective action is taken;
- Extension on the Group's activities into new business or geographical areas;
- Any decision to cease to operate all or any part of the Group's business;
- Major changes to the Group's corporate structure and management and control structure;
- Any changes to the Company's listing;
- Changes to governance and key business policies;
- Ensuring maintenance of a sound system of internal control and risk management;
- Approval of half yearly and annual report and accounts and preliminary announcements of final year results;
- Reviewing material contracts and contracts not in the ordinary course of business.

As the Company grows, the Directors will ensure that the governance framework remains in place to support the development of the business.

**Principle Ten - Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders**

**Disclosure: Outcomes of votes cast by shareholders to be disclosed in a clear and transparent manner. If a significant number of votes were cast against a resolution put to a general meeting (20%) explain the reasons behind the votes cast.**

If a significant proportion of votes was ever cast against a resolution, the Company would, on a timely basis, provide an explanation of what actions it intends to take to understand the reasons behind that vote result, and, where appropriate, any different action it has taken, or will take, as a result of the vote.

**Annual Report disclosures:**

The table below provides details of our annual report disclosures as required under the QCA Code

QCA Code Principle	Required disclosure	Reference
1	Explain the company's business model and strategy, including key challenges in their execution (and how those will be addressed).	<a href="#">2021 Annual Report: pp12-13</a>
4	Describe how the board has embedded effective risk management in order to execute and deliver strategy. This should include a description of what the board does to identify, assess and manage risk and how it gets assurance that the risk management and related control systems in place are effective.	<a href="#">2021 Annual Report: pp 44-49</a>
5	Identify those directors who are considered to be independent; where there are grounds to question the independence of a director, through length of service or otherwise, this must be explained.	<a href="#">James Menzies, Derek Hudson and Kaat Van Hecke, independent non-executive director.</a>
	Describe the time commitment required from directors (including non-executive directors as well as part-time executive directors).	<a href="#">The executive Directors are expected to devote substantially the whole of their time to their duties with the Company. The non-executives have a lesser time commitment.</a>
	Include the number of meetings of the board (and any committees) during the year, together with the attendance record of each director.	<a href="#">2021 Annual Report: p61</a>
6	Identify each director.	<a href="#">2021 Annual Report: pp58-59</a> <a href="#">Website – 'Board of Directors'</a>
	Describe the relevant experience, skills and personal qualities and capabilities that each director brings to the board (a simple list of current and past roles is insufficient); the statement should demonstrate how the board as a whole contains (or will contain) the necessary mix of experience, skills, personal qualities (including gender balance) and capabilities to deliver the strategy of the company for the benefit of the shareholders over the medium to long-term.	<a href="#">See website disclosure Principle Six and 2021 Annual Report pp58-59</a>
	Explain how each director keeps his/her skillset up-to-date.	<a href="#">See website disclosure Principle Six</a>

	Where the board or any committee has sought external advice on a significant matter, this must be described and explained.	No such advice was sought in 2021.
	Where external advisers to the board or any of its committees have been engaged, explain their role.	see Website disclosures: Principle Six above.
	Describe any internal advisory responsibilities, such as the roles performed by the company secretary and the senior independent director, in advising and supporting the board.	The Company Secretary helps keep the Board up to date on areas of new governance and liaises with the NOMAD on areas of AIM requirements. The Company Secretary has frequent communication with the Chairman and is available to other members of the Board as and when required.
<b>7</b>	Include a high-level explanation of the board performance effectiveness process.	2021 Annual Report: p55
	Where a board performance evaluation has taken place in the year, provide a brief overview of it, how it was conducted and its results and recommendations. Progress against previous recommendations should also be addressed.	The Board has not undertaken any formal training during the year. This will continue to be monitored.
<b>8</b>	Include in the chair's corporate governance statement how the culture is consistent with the company's objectives, strategy and business model in the strategic report and with the description of principal risks and uncertainties. The statement should explain what the board does to monitor and promote a healthy corporate culture and how the board assesses the state of the culture at present.	see Website disclosures: Principle Eight above and 2021 Annual Report p55.
<b>10</b>	Describe the work of any board committees undertaken during the year.	2021 Annual Report: pp56-57
	Include an audit committee report (or equivalent report if such committee is not in place).	2021 Annual Report: p62
	Include a remuneration committee report (or equivalent report if such committee is not in place).	2021 Annual Report: pp64-65
	If the company has not published one or more of the disclosures set out under Principles 1-9, the omitted disclosures must be identified and the reason for their omission explained.	N/A