



**DATED: 20<sup>th</sup> September 2023**

**GULF KEYSTONE PETROLEUM LTD.**

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**SAFETY AND SUSTAINABILITY COMMITTEE**

**TERMS OF REFERENCE**

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**GULF KEYSTONE PETROLEUM LTD.**  
**(Registered in Bermuda with company number: 31165)**  
**(the "Company")**

**SAFETY AND SUSTAINABILITY COMMITTEE**

**TERMS OF REFERENCE**

**1. PURPOSE**

**1.1 Principal Functions**

The Safety and Sustainability Committee, (the "**Committee**"), is a committee of the board of directors of the Company (the "**Board**"), which is primarily responsible for ensuring that appropriate systems are in place to manage the Company's commitment to the safety and sustainability of all operations, and environmental and social governance ("ESG"). This will incorporate management of health, safety, security and environmental (including emissions) risks and corporate social responsibility, ensuring that the appropriate governance, resource and reporting frameworks are in place to achieve this. The Committee will also carry out the responsibilities as set out in paragraph 2.5 below.

**1.2 Reporting**

The chairman of the Committee ("**Committee Chairman**") shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

The Committee shall make a statement in the annual report about its activities. If appropriate, a separate Sustainability Report will be included in the annual report.

**2. THE COMMITTEE**

**2.1 Membership**

The Committee shall comprise at least three members including at least one Board director.

Members of the Committee shall be appointed by the Board, on the recommendation of the Nomination Committee.

Only members of the Committee have the right to attend and vote at Committee meetings. However, other individuals such as Board directors, managers and representatives of environmental, health and safety, security and community liaison functions within the Company may be invited to attend all or part of any meeting as and when appropriate and necessary.

Appointments to the Committee shall be for a period of up to three years, extendable by no more than two additional three-year periods.

If a regular member is unable to act due to absence, illness or any other cause, the Committee Chairman, or in his absence the Board, may appoint a Board director or a member of senior management to serve as an alternate member.

The Board shall appoint the Committee Chairman who shall be a Board director. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present will elect one of themselves to chair the meeting.

## **2.2 Secretary**

The Committee Chairman shall appoint a secretary for each meeting, who shall be the Company Secretary when practicable, and will ensure that the Committee receives, in a timely manner, all information and papers reasonably necessary to enable full and proper consideration to be given to any issues arising from its duties and responsibilities within its terms of reference.

## **2.3 Quorum**

The quorum necessary for the transaction of business shall be two members including at least one Board director. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

## **2.4 Role of Members**

Committee members will utilise their personal skills, knowledge and judgement to perform the responsibilities set out below.

## **2.5 Responsibilities**

The Committee should carry out the duties below for the Company, major subsidiary undertakings and the group as a whole (the "**Group**"), as appropriate.

The Committee shall:

- (a) oversee the development of policies and guidelines for the management of all risks relating to safety, sustainability and ESG, incorporating health, safety, security and environmental and social risks within the Group's operations;
- (b) oversee the quality of safety and ESG (incorporating health, safety, security, environment and corporate social responsibility) policies, processes, governance, management and the methods to create appropriate behaviours and decisions, including relevant key performance indicators;
- (c) review health and safety performance to assess the effectiveness of health and safety programmes and to make recommendations for improvement, where appropriate;
- (d) review, and if appropriate approve, specific corporate social responsibility projects within the agreed budgeted level approved by the Board;
- (e) evaluate the effectiveness of the Group's policies and systems for identifying and managing health, safety, security, environmental and social risks within the Group's operations;
- (f) assess the policies and systems within the Group for ensuring compliance with applicable legal and regulatory requirements;
- (g) assess the performance of the Group with regard to the impact of health, safety, security, environmental and social decisions and actions upon employees, communities and other stakeholders. It shall also assess the impact of such decisions and actions on the reputation of the Group and make recommendations to the Board on areas for improvement;
- (h) working in conjunction with the Technical Committee, the Board of Directors, and management as appropriate, specifically consider the level of greenhouse gas emissions ("GHG") generated by the Company, and reviewing challenging and achievable targets to reduce these;
- (i) on behalf of the Board, receive reports from management concerning all fatalities and serious accidents within the Group and actions taken by management as a result of such fatalities or serious accidents;
- (j) evaluate and oversee, on behalf of the Board, the quality and integrity of any reporting to external stakeholders concerning safety, sustainability and ESG issues;
- (k) review the results of any independent audits of the Group's performance in

regard to safety, sustainability or ESG matters, review any strategies and action plans developed by management in response to issues raised and, where appropriate make recommendations to the Board concerning the same; and

- (l) consider the position of the Group with respect to international best practice for safety, sustainability and ESG and emerging legal requirements including relevant corporate governance developments.

### **3. MEETINGS**

#### **3.1 Meeting Location, Frequency and Schedule**

The Committee shall meet not less than four times a year and at such other times as the Chairman of the Committee shall require. Where practicable, meetings may be held in Kurdistan.

#### **3.2 Notice of meetings**

Meetings of the Committee shall be convened by the Chairman of the Committee at the request of any of its members.

Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, any other person required to attend no later than five days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time. Agendas for meetings of the Committee shall include standing agenda items and such other items as are deemed appropriate by the Chairman (in consultation with the Secretary and the Chief Operating Officer).

#### **3.3 Minutes of meetings**

The Secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.

Draft minutes of Committee meetings will be circulated promptly to all members of the Committee and, once approved, to all other members of the Board, unless a conflict of interest exists or it would be inappropriate to do so.

#### **3.4 Annual General Meeting**

The Chairman of the Committee shall attend the Annual General Meeting to answer shareholder questions on the Committee's activities.

#### **4. GOVERNANCE**

The Committee shall:

- (a) have access to sufficient resources in order to carry out its duties, including access to professional technical expertise in the areas within its remit and the assistance of the Chief Operating Officer as required;
- (b) consider such other matters as the Board may from time to time refer to it and give due consideration to laws and regulations, including the provisions of the UK Corporate Governance Code and the requirements of the UK Listing Authority's Listing Rules, Prospectus and Disclosure and Transparency Rules, all legal and regulatory requirements applicable in Bermuda and any other applicable rules or regulations, as appropriate;
- (c) ensure at every level of the organisation, line managers are held responsible for safety, sustainability and ESG matters. Ultimate responsibility for safety, sustainability and ESG matters will remain with the Board; and
- (d) arrange for periodic reviews of its own performance and, at least once per year, review its constitution and its terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

#### **5. AUTHORITY**

The Committee is authorised by the Board to investigate any activity or state of affairs within its terms of reference.

The Committee is authorised to seek any information it reasonably and properly requires from any employees or officers of the Company in order to perform its duties within its terms of reference and acting reasonably to call any such employee or officer to be questioned at a meeting of the Committee as and when required, and all employees are directed to co-operate with any such request made by the Committee.

The Committee is authorised by the Board to obtain expert advice from the Company's professional advisers.

The Committee is further authorised to take independent professional advice at the Company's expense, provided that any fees or expenses incurred are reasonable and properly incurred, and to require the attendance of outsiders with relevant experience and expertise if acting reasonably it considers it necessary. The Committee shall have full authority to commission, as the Company's expense, any reports or surveys which it

deems necessary to help fulfil its obligations.

Before seeking professional advice or committing the Company to expenditure, the Committee will consult with the Chief Operating Officer or, in his absence, the Chief Executive Officer.

**These terms of reference were adopted by resolution of the Board passed on 20<sup>th</sup> September 2023**