

Corre Energy B.V.
Corporate Governance Statement

Adopted 4 December 2023

The board (*bestuur*) (the “Board”) of Corre Energy B.V. (the “Company” or “Corre Energy”) recognises the importance of maintaining good corporate governance and has chosen to apply the Quoted Companies Alliance Corporate Governance Code, issued in April 2018 (the “QCA Code”). The Company discloses in this corporate governance statement (the “Corporate Governance Statement”) how it complies with the QCA Code and, where it departs from the QCA Code, and explains the reasons for doing so. The Company will review this information annually in accordance with the requirements of Euronext Growth Rules: Rulebook II, 5.26. Further the Company discloses its compliance with the QCA Code each year in its Annual Report.

The Company’s chair of the Board (the “Chair”) leads the Board and oversees its function and direction, as well as having ultimate responsibility for implementing the Company’s corporate governance arrangements.

This Corporate Governance Statement describes the Company’s corporate governance arrangements including the application of the principles of the QCA Code by the Company. The ten principles of the QCA Code are set out below:

Principle 1: Establish a strategy and business model which promotes long-term value for shareholders

The Board is responsible for the strategy and overall management of the Company and its subsidiaries. The strategy continues to support our vision to lead the development of Long Duration Energy Storage (“LDES”) projects, focused on renewable energy storage and green hydrogen production. The Company believes that it can build long-term value for its shareholders by implementing a portfolio of projects that progress the accelerated decarbonisation of the energy sector.

Key stages towards achieving this process include:

- Commercialisation of energy storage technology and solutions;
- Implementation of pipeline projects;
- Exploration of the energy storage market in Northern Europe and the United States; and
- Building partnerships with experienced technical and industry partners.

In 2022 the Company entered into a binding memorandum of understanding and agreement with agreed commercial terms for a 15-year offtake agreement (extendable to 20 years), with Eneco, for the entire storage capacity of the ZW1 Compressed Air Energy Storage (“CAES”) project in the Netherlands. Eneco is a leading renewable power supplier and energy service provider in the Netherlands and Belgium.

In Denmark, the Company advanced the Green Hydrogen Hub's ("GHH") development on key commercial milestones including grid connection capacity and land acquisition. The Company's current focus is to secure rights to purchase the project's main site, finalise a grid maturation agreement with the Transmission System Operator, mature permitting activity specific to the project's Environmental Impact Assessment ("EIA") process, and negotiate a commercial agreement within the GHH partnership.

In Germany, the Company has entered into a land and cavern option agreement with a total potential generating capacity of over 500MW and the capacity to provide 80GWh of multiday electricity storage and the potential for hydrogen storage in the future.

In the United States, the Inflation Reduction Act offers opportunities to develop and invest in storage projects. The Company has entered into an exclusivity agreement to acquire a 280MW Compressed Air Energy Storage ("CAES") project in the West Texas region. Further information on the German and US projects can be found on the Company's website.

The Board believes that the Company's long-term value will be enhanced through building a portfolio of project in countries where regulation supports the energy transition.

Principle 2: Seek to understand and meet shareholder needs and expectations

The Board is committed to regular dialogue with its institutional and individual shareholders. The Company issues regular updates to shareholders and other interested parties on the Company's website (www.corre.energy) and through the Regulatory News Service ("RNS"). Shareholders are invited to attend the Company's general meetings.

The Chief Executive Office and Chief Strategy Officer meet with the Company's major shareholders on a regular basis, providing updates on strategy and listening to shareholder expectations. This feedback is shared with the Board at Board meetings. The Company also responds to queries from brokers and from specialist media commentators, to ensure that the market is briefed on any developments, in a timely manner.

The Company has a dedicated email address for investor queries (ir@corre.energy). The Head of Communications reviews all communications received from shareholders and determines the most appropriate response.

Principle 3: Take into account wider stakeholder responsibilities and their implications for long term success

Corre Energy's projects have the potential to accelerate decarbonisation of the energy sector in the countries where we operate but the Board also recognises that it has responsibilities to the governments, the communities and other stakeholders in those countries. The Company's key stakeholders, in addition to its shareholders, are its local communities, regulatory authorities, employees, industry partners, suppliers, and prospective customers.

The Board commits to an open and honest relationship with all of its stakeholders, both internal and external.

The Company dedicates significant resources to understanding and acting on the expectations and requirements of these groups by way of individual meetings and sectoral engagement. The Company is a member of certain organisations, including, the European Association for Storage of Energy (“EASE”), and at a local level; BVES – German Energy Storage Association, and Energy Storage NL. Participation in these groups not only facilitates active dialogue with key stakeholders, but also supports knowledge sharing. The Company has engaged staff and suppliers to build on the current initiatives to support the communities in which it operates. Corre Energy engages with, and educates, stakeholders on the importance of long duration energy storage and its role in the energy transition.

The Company continues to make progress on developing its ESG strategy. The Board considers that the greatest contribution it can make to ESG is to deliver storage projects and partner with energy providers, to allow them to accelerate their energy transition. However, it also recognises that the Company’s ESG obligations extend to the manner in which it delivers its projects and complies with governance standards. The Board will be guided by industry standards in meeting its obligations in these areas.

Principle 4: Embed effective risk management, considering both opportunities and threats, throughout the organisation

The Company has adopted and implemented a risk management policy and risk management procedures for its projects. The Board has retained overall responsibility for risk management, delegating more detailed scrutiny to the Audit and Risk Committee (“ARC”). The day-to-day task of risk identification, assessment, and management is delegated to the Senior Management Team (“SMT”) supported by the Risk function, which reports into the CFO. The Board believes the SMT, who have significant experience within the sector, have the required knowledge and skills to manage risks on a day-to-day basis. In addition to management of risk at project level, the Board regularly monitors enterprise risks that include but extend beyond project-specific risks. The Board formally reviews and documents the principal risks to the business at least annually.

The Company’s risk taxonomy identifies nine categories of risk. Each risk that is identified is ranked on probability and impact, and mitigating strategies are identified where appropriate.

Principle 5: Maintain the Board as a well-functioning, balanced team

The Board is responsible for the Company’s management and the general affairs of the Company’s business and of its subsidiaries. The Board has adopted a unitary board governance structure in compliance with Dutch corporate law and the QCA Code. The operation of the Board is documented in a formal schedule of matters reserved for the Board within the Board Rules.

The Board consists of two Non-Executive Directors, both of whom are considered to be independent, with no significant business relationships with the Corre Energy group of companies or material shareholdings in the Company (being Frank Allen, and Rune Eng), and two Executive Directors. A Non-Executive Director nominated by FIEE resigned in June 2023 to avoid the potential for conflict of interest with his new responsibilities at FIEE. FIEE is expected to nominate a replacement Non-Executive Director and FIEE observers attend Board meetings. Corre Energy's two Executive Directors are full-time Directors of the Company. Non-Executive Directors are expected to commit approximately three days a month to the Company in addition to their attendance at Board meetings. In accordance with QCA Code guidance, the Non-Executive Directors do not participate in performance-related remuneration schemes.

The Board has a formal schedule of four meetings a year, but additional meetings are also scheduled to approve important transactions such as raising additional equity and entering into major commercial agreements.

The Chief Executive Officer updates the Board regularly on the Company's activities and on sectoral developments. The Company Secretary is accessible to all other Board members, who are also able to take independent professional advice, if needed, in order to perform their duties.

The Chair of the Board has overall responsibility for ensuring that the Board discharges its duties, facilitating the effective contribution of all Board members and ensuring that Board decisions are followed up by management.

The Non-Executive Directors are encouraged to challenge Executive Management constructively and to provide effective leadership in relation to strategy, performance, risk, and people management.

Principle 6: Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities

The skills and experience of individual Directors are set out on the Company's website. The Board believes that its current members possess the relevant qualifications and skills as well as a balance of personal qualities necessary to effectively oversee and execute the Company's strategy. The Board recognises that as the business develops, the range of skills and experience required on the Board will change. In 2022 a skills gap analysis was conducted of all Board members, helping to identify the core competencies required of any incoming, independent Non-Executive Director. Discussions have taken place with a number of candidates and appointments to the Board are expected over coming months.

The Directors have access to in-house briefings and to external training to assist in keeping their skills and knowledge up to date. The Company periodically holds briefings for the Directors covering regulations that are relevant to their role as directors of a Euronext Growth company, including Market Abuse Regulation ("MAR") training and Directors' Ongoing Obligations. The Company has access to external professional advisors including, but not

limited to, auditors, legal advisors, tax advisors and accountants, who are available to provide independent advice on all significant matters which arise during the course of the year.

The Company does not yet have a nomination committee as the matters that would typically fall within the remit of such a committee are considered directly by the full Board.

Principle 7: Evaluate board performance based on clear and relevant objectives, seeking continuous improvement

At this stage in its development, the Company has not adopted a formalised process for Board performance evaluation.

The responsibilities of the Board are set out clearly in the Board Rules (terms of reference). The Board Rules are reviewed annually by the Chair and the Company Secretary, to evaluate the Board's compliance with the Rules and to ensure that they remain appropriate and relevant as the Company continues to grow. The results of this review are reported to the Board, together with any recommendations.

The chair of the Audit and Risk Committee evaluates the performance of the committee at least annually, including a review of compliance with its terms of reference, the need for changes in those terms of reference or the composition of the Committee. The Board Chair evaluates the performance of the chair of the ARC.

Principle 8: Promote a corporate culture that is based on ethical values and behaviours

The Company continues to work to improve and deepen stakeholders' understanding of Compressed Air Energy Storage ("CAES") in the market and its importance to the renewable energy transition. This advocacy is central to the Company's identity and engagement with third parties.

Corre Energy operates an Anti-Bribery Policy. It is the Company's policy to conduct all of its business in an honest and ethical manner. The Board has overall responsibility for ensuring that this policy complies with our legal and ethical obligations and that all those under our control comply with it. The Board adopts appropriate governance procedures to ensure overall compliance with this policy, including the maintenance of a Gifts and Entertainment Register, owned and managed by the Company Secretary.

The Company also operates a Protected Disclosure Policy for employees, and contractors operating under direct supervision of management. Corporate policies are reviewed periodically.

Principle 9: Maintaining governance structures and processes that are fit for purpose and support good decision-making by the Board

The Chair is responsible for oversight and maintenance of the Company's governance structures to ensure they are fit for purpose. The Chair believes that the governance framework (including its systems and controls) is appropriate for a Company of its size at this stage of development, but continues to keep this under review as the Company expands its activities in more countries.

The CEO has overall responsibility for formulating, planning and implementing the Company's strategy. In addition to formal Board meetings, the CEO communicates openly and regularly with all Board members and he provides updates on the financial position and operational status of the Company on a regular basis.

The entire Board is responsible for ensuring the success of Corre Energy, while delivering on its strategy. Matters reserved for the Board are set out in the Board Rules, summarised as follows:

- Corporate strategic objectives, risk appetite, major plans of action.
- The strategies for the shaping of the portfolio and direction of the Company and priorities in corporate resource allocation.
- Adopting the Company's business plan and budget or making any amendments thereto including approval and oversight of major contractual commitments or capital expenditure.
- Any major merger, acquisitions, joint venture or disposals or change to any material part of the business.
- Any material extensions of the Company's activities into new business or geographic areas including any means of direct investment into or exit from any country.
- Major changes to the Company's corporate and capital structure
- Approval of the annual and interim financial statements.
- Monitoring the effectiveness of the Company's governance arrangements and practices.

The Company has an Audit and Risk Committee, with the two independent Non-Executive Directors as the members. The Terms of Reference of the Audit and Risk Committee can be found [here](#).

The Company does not currently have a remuneration or nomination committee. Given the size and stage of development of the business, the Directors have decided, at this stage, not to establish a nomination committee or a remuneration committee. Relevant decisions in relation to nomination or remuneration matters (including executive management appointments) are identified and managed by the whole Board, subject to any relevant conflict of interest procedures. The remuneration of the members of the Board is governed by the Company's remuneration policy.

The Board believes that this is the most appropriate approach in respect of nomination and remuneration matters having regard to the size and stage of development of the business.

This will be regularly reviewed and these committees will be established if and when the Board believes this to be appropriate.

Principle 10: Communicate how the Company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders

The CEO and members of the Senior Management Team liaise with the Company's principal shareholders, regulators and industry partners, on a very regular basis.

On the Company's website shareholders can find all historical regulatory announcements, via the regulatory news service ("RNS"), including the Operational Report.

Annual Reports and results of AGM votes are published on the Company's website.