

An aerial photograph of an industrial facility, likely a refinery or chemical plant, featuring various structures, pipes, and a tall distillation column. The image is partially obscured by a large, semi-transparent yellow overlay that covers the bottom and left portions of the page. The background shows a cloudy sky and a body of water in the distance.

# **SUPERVISORY BOARD CHARTER**

**VERSION: 1.0**



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**01**

**PURPOSE  
OF CHARTER**

## **CHARTER OBJECTIVES**

The Supervisory Board Charter outlines the operations of the Supervisory Board Members of Staatsolie Maatschappij Suriname N.V. (“Staatsolie” or “the Company”) and is intended to assist the Supervisory Board in the discharge of their responsibilities.

It also seeks to delineate the role and responsibilities of the Supervisory Board from that of the Executive Board, to maintain its independence and regulate its activities in accordance with good corporate governance principles and established practices.

This Charter is not intended to supersede any governing regulations or legislation.

## **REVIEW OF CHARTER**

This Charter is to be biennially reviewed, updated and approved by the Supervisory Board and Executive Board.

However, the Charter may be updated between the assigned review dates as necessary, based on changes in regulation, legislation, business processes, the strategic direction of the Company, the outcomes of risk assessment or the identification of any other material content gaps.



**02**

**MANDATE  
AND PRINCIPLES**

## MANDATE

The Supervisory Board is established under the Articles of Incorporation of the Public Limited Liability Company, Staatsolie Maatschappij Suriname N.V. which outlines the mandate of the Supervisory Board as follows:

- Article 17 (1) states: “the Supervisory Board shall be responsible for the supervision of the conduct of affairs of the Company. Furthermore, it shall be its duty to give information and advice to the Managing Director and the General meeting of Shareholders.”

## PRINCIPLES AND PURPOSE

The Supervisory Board has overall responsibility for the stewardship of the Company. The Executive Board agrees the strategic direction with the Supervisory Board and discusses the status of strategy implementation with the Supervisory Board at regular intervals, based on the strategic plan developed by the Executive Board and approved by the Supervisory Board.

The main objective of the Supervisory Board is to increase shareholder value whilst acting within the framework of the Company’s laws, applicable legislation and in a manner that reflects an acceptable standard of governance.

Additionally, in a group structure, the Supervisory Board of the parent company has the overall responsibility for adequate corporate governance across all subsidiaries and for verifying that there are governance policies and mechanisms appropriate to the structure, business and risks of all subsidiaries.



**03**

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**RELATIONSHIP BETWEEN  
THE SUPERVISORY AND  
EXECUTIVE BOARDS**



- The Supervisory Board is accountable for the supervision of the Company and the Executive Board (Managing Director and Executive Management) is responsible for the day-to-day administration/operation of the Company.
- The Managing Director is accountable to the Supervisory Board and provides regular updates including verbal responses and written reports.
- The Managing Director may be supported in his/her presentations to the Supervisory Board by Heads of Divisions. The Heads of Divisions may also be required to make presentations to the Supervisory Board in their respective areas and respond to questions and queries on such presentations, from the Supervisory Board.
- Any formal communication between a member of the Supervisory Board and a member of Executive Board shall be made through the Corporate Secretary.
- In situations where the Executive or management are unable to perform their duties, if any Supervisory Board member is temporarily required to take on a management role (including serving on the Executive Board), the member must first resign (temporarily relinquish his/her duties) from the Supervisory Board.



**04**

**BOARD'S ROLES**

**AND RESPONSIBILITIES**

The Supervisory Board shall have the following functions and responsibilities:

## GENERAL

- Responsibility for the tone at the top by ensuring that clear expectations concerning the Company's culture, values and behaviors are established and communicated.
- Actively promoting a culture of integrity, ethical behavior and corporate values in keeping with the Company's Code of Conduct.
- Having a clear understanding of their role in corporate governance and be able to exercise sound and objective judgment about the affairs of the Company.
- Performing any other duties and responsibilities as outlined in the Company's Articles of Incorporation.

## GOVERNANCE AND BOARD MATTERS

- Approving the Company's Corporate Governance framework and overseeing and monitoring of compliance to governance principles and policies.
- Approving, in consultation with the General Meeting of the Shareholders, the optimal size, competencies and composition of the Supervisory Board to enable effective decision making for approval by the Shareholders.
- Approving the delegated limits of authority for the Managing Director and authorizing expenditure more than the approval limits delegated to the Managing Director.
- Approving the Managing Director's authority to delegate limits of authority to other Company personnel.
- Approving any substantive delegation of powers by the Managing Director to any other member of the Executive Board.

- Approving Supervisory Board and Executive remuneration policies geared towards transparently attracting and retaining talented high caliber Board Members and Executives.
- Approving methodologies, approaches and key metrics to assess the performance of the Supervisory Board and Supervisory Board Committees on a collective and individual basis.
- Reviewing the performance, needs and recommendations of the Supervisory Board Committees on an ongoing basis.
- Verifying that succession plans are in place for the Chairman and Members of the Supervisory Board.
- Assessing the adequacy of the Supervisory Board Charter at least biennially.
- Approving the Company's Code of Conduct and Ethics for the Company, and together with the Executive Board and Management, implementing policies and procedures, which include managing conflicts of interests, diversity, preventing the abuse of power and corruption.
- Approving of proposals for any significant changes that may impact the annual budget and/or the multi-annual strategic plan in excess of the thresholds stated in Article 12, Clause 1b of the company's Articles of Incorporation.
- Verifying that it preserves the distinction between the Supervisory Board's oversight role with regard to the general affairs of the Company and the Executive Board's role of day to day execution of operational activities and implementation of the strategic plans approved by the Supervisory Board.

## **RISK, COMPLIANCE AND INTERNAL CONTROLS**

- Overseeing and monitoring the administration, adequacy and effectiveness of the Company's risk management framework as established and implemented by the Executive Board.
- Discussing, and challenging or approving recommendations made by the Executive Board as it relates to the Company's risk profile, risk appetite statements, risk management policies and risk management reports.

- Approving, overseeing and monitoring the administration, adequacy and effectiveness of the Company's internal controls framework.
- Understanding the statutory/regulatory obligations of the Company and overseeing and monitoring the administration, adequacy and effectiveness of the Company's framework for compliance with its statutory/regulatory obligations.
- Being aware of material (materiality will be defined when the risk appetite is determined) risks that threaten the success of the Company, inclusive of financial, regulatory, environmental, operational, reputational and other business risks.
- Encouraging the reporting of unlawful or unethical behavior.

## **STRATEGIC OVERSIGHT**

- Approving the financial and strategic multi annual plan which will subsequently be used by the Executive Board to develop the draft investment plan.
- Approving the implementation of the multi-annual plan, giving consideration to the legal and statutory responsibilities and authorities of the Executive Board. The Executive Board is responsible for the execution of the multi-annual plan.
- Monitoring the Executive Board's execution of the Company's strategic plans.
- Verifying that appropriate systems are in place to monitor the internal and external environments and their impact on the Company's strategies and initiatives.

## **FINANCIAL OVERSIGHT**

- Understanding and overseeing the Company's overall financial and operational position including its ability to meet its ongoing financial and other obligations as they become due.
- Approving the appointment of the external auditor and monitoring the performance of the external auditor.

- Reviewing and approving the Company's financial statements and any material financial disclosures in keeping with applicable laws, accounting requirements and standards based on the recommendation of the Audit, Risk and Compliance Committee.
- Approving the Company's Annual Report and other significant reports issued to the Company's regulators or shareholders.

## OPERATIONAL AND FINANCIAL REPORTING

- Overseeing the integrity and adequacy of the Company's financial and operational reporting including:
  - a. Verifying that adequate systems are in place to identify, monitor and mitigate risks, comply with applicable statutory, regulatory laws and regulations and provide reasonable assurance that internal controls are operating effectively.
  - b. Verifying that the Company's ICT systems are appropriate to facilitate the security and integrity of data.
  - c. Verifying that the financial reporting by the Company is consistent with applicable global accounting standards.
- Reviewing and approving the Company's annual consolidated operating and capital budgets and any amendments thereto.
- Assessing the Company's performance relative to targets and provide guidance and direction to the Executive Board in relation to the Company's performance.
- Approving proposals for the acquisition, establishment or disposal of any significant business division or subsidiary of the Company.
- Confirming that the Company has appropriate corporate disclosure policies and procedures.
- Prior to public disclosure, approving any major public disclosures to the media which relate to the Company's financial and strategic multi-annual plan. The Executive Board will also inform the Supervisory Board of any other public disclosures being made to the media.

## EXECUTIVE BOARD OVERSIGHT

- Establishing key metrics and annual milestones to assess the performance of the Executive Board.
- Assessing the performance and compensation of the Executive Board. Reviewing annually the Executive Board's development and effective succession plans to determine the readiness for succession.
- Nominating and appointing the Managing Director (including remuneration and terms and conditions of employment) in consultation with the Shareholders.
- Overseeing Executive Board recruitment, approving such appointments and compensation.
- Providing guidance and mentoring to the Managing Director, in relation to matters where Supervisory Board members possess specialist knowledge or experience.

## BOARD SUB-COMMITTEES

- Establishing Committees to assist with the discharge of its oversight responsibilities when required but shall maintain decision-making authority.
- Appointing the Chairman and other members of any Committee it establishes.
- Establishing Charters to govern each Supervisory Board Committee.
- Verifying that where the Supervisory Board Committee engages the services of external advisors (excluding the external auditors) to facilitate the effective discharge of its duties and responsibilities that such services shall be approved by the Supervisory Board.
- The Supervisory Board will establish and maintain as standing committees:
  - a. An Audit, Risk and Compliance Committee
  - b. A Nomination and Remuneration Committee
  - c. The Supervisory Board may from time to time establish ad hoc committees to consider specific matters.



**05**  

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**SUPERVISORY BOARD  
MEMBER'S ROLES AND  
RESPONSIBILITIES**



## CHAIRMAN

- Facilitating the effective contribution of all Supervisory Board members and promoting constructive discourse between Supervisory Board members and between the Supervisory Board and Executive Board.
- Verifying that Supervisory Board meetings and the Annual General Meeting are conducted in an efficient and effective manner.
- Providing leadership to the Supervisory Board and maintaining a professional environment that supports open communication.
- Verifying that an effective system of induction, orientation and member development is in place.
- Championing the strategic agenda at Supervisory Board deliberations.
- Setting the agenda for Supervisory Board meetings in conjunction with the Managing Director.
- Verifying that all Supervisory Board members are given the opportunity to participate in the Supervisory Board discussions and decisions.
- Monitoring the execution of the decisions by the Supervisory Board.

## NON-EXECUTIVE MEMBERS

- Acquiring and maintaining adequate knowledge of the operations and the business environment of the Corporation to facilitate deliberations and effective decision-making.
- Participating in a probative manner in the Supervisory Board and designated Supervisory Board Committee meetings.
- Complying with the applicable requirements of the respective Supervisory Board and Supervisory Board Committee charters
- Annually attesting to and complying with the Corporation's Code of Conduct.

## **SUPERVISORY BOARD SECRETARY AND CORPORATE SECRETARY**

The Supervisory Board shall appoint a secretary to manage the day-to-day administrative activities of the Supervisory Board. The Supervisory Board Secretary shall work in consultation with the Corporate Secretary. The Corporate Secretary will be responsible for coordinating the Supervisory Board Secretary's activities in relation to the following:

- Coordinating the proceedings and activities of the Supervisory Board and its Committees which include but are not limited to, scheduling of Supervisory Board meetings, the preparation of the Supervisory Board agenda and Supervisory Board papers, recording and dispatching the minutes of meetings of the Supervisory Board and its Committees.
- Managing internal and external correspondence (including shareholder communications) on behalf of the Supervisory Board.
- Securing and managing access to Supervisory Board minutes and other key documentation related to the Supervisory Board.
- If required, advising the Chairman on the proper conduct and mandatory requirements of any meeting.
- Providing (or obtaining) appropriate advice to the Supervisory Board on the requirements of the Company's existing governance framework and on other general corporate governance issues.



**06**  

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**COMPOSITION**

### 1.1.1.1 **Membership**

The Supervisory Board shall consist of:

- A Chairman designated by the General Meeting of Shareholders.
- At least five and at most seven members, including the Chairman, appointed by the General Meeting of Shareholders.
- All Supervisory Board members should be non-executive members who are assessed to be independent by the Supervisory Board.
- The retirement age of Members shall be seventy.

## **SUPERVISORY BOARD MEMBER CRITERIA**

The Supervisory Board should be comprised of suitably qualified members with business acumen and knowledge in diverse disciplines as defined in the Supervisory Board member profiles in Appendix A.

All Supervisory Board members should possess the following qualities:

- The ability to assess, analyze, suggest and promulgate alternative strategies.
- Previous experience and/or exposure to relevant disciplines of the Company's business.
- Awareness of current developments in their relevant disciplines and the wider industry.
- The highest standards of integrity and probity.
- Critical assessment and judgment skills.
- The ability to listen and the ability to forge relationships and develop trust.

All Supervisory Board members are required to attend at least four (4) meetings a year.

## TENURE

- The Supervisory Board Chairman and its members shall be appointed or reappointed at a General Meeting of Shareholders where the agenda includes the review and approval of nominations to the Supervisory Board.
- In order to support good governance practices and to adhere to leading international standards, a person appointed as Chairman or Supervisory Board member may not serve as a member of the Supervisory Board in any capacity for a period of more than two consecutive terms.

## SUPERVISORY BOARD INDUCTION AND TRAINING

- At the start of their appointment, Supervisory Board members should receive orientation training on their terms of reference, authority and independence, along with high-level walkthroughs in relation to the operation and functions of the Company and its subsidiaries.
- Annual training must also be provided so that Supervisory Board members are kept abreast of significant developments in the oil and gas industry, as well as the legislative and regulatory environment.

## EVALUATION

- The Supervisory Board shall openly participate in an annual performance evaluation. This evaluation shall examine the performance of the Supervisory Board and individual members in relation to the expectations and responsibilities specified in this Charter and the Articles of Incorporation.
- A summary of the findings of the Supervisory Board's annual performance evaluation, inclusive of recommendations for changes (if required) should be provided in written form to the Chairman.



**07**

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**MEETINGS**



- The Chairman presides over Supervisory Board meetings but may nominate another Member to chair meetings if he or she is unable to do so. If the nominated Member is also unable to attend the meeting, the Members present may nominate another member to chair the meeting.
- The Managing Director shall have a standing invitation to attend Supervisory Board meetings.
- The Chairman should also structure meetings to facilitate periodic Supervisory Board discussions without the presence of the Managing Director.
- The Agenda and Supervisory Board package should be distributed to each member by the designated Supervisory Board member at least one (1) week before the scheduled meeting; unless, as determined by the Chairman, an urgent matter needs to be included within the Supervisory Board packages after this deadline has expired.
- All Supervisory Board meetings shall start at the times affixed on the agenda and Supervisory Board members must arrive on time and stay until the meeting is adjourned, except when excused by the Chairman.
- The Supervisory Board and its Committees may invite the presence and input of appropriate persons (internal or external) based on the nature of the matter being considered.
- Each member (and the Supervisory Board Secretary) is expected to hold in confidence the proceedings of Supervisory Board and Supervisory Board Committees.

## QUORUM

- Majority of Supervisory Board members shall constitute a quorum, but only if included among the majority is the Chairman or designated Chairman.
- A quorum must be present at all times for the duration of the meeting and where appropriate, such quorum may be met by video and/or teleconference.

## MEETING FREQUENCY

- The Supervisory Board shall meet whenever this Supervisory Board or the Managing Director deems it necessary. The Supervisory Board shall meet not less than four (4) times a year.
- Unscheduled meetings may be convened provided that Supervisory Board members are given at least three (3) working days prior notice.
- The Supervisory Board should conduct at least one meeting annually without the Managing Director or Executive Board being present.

## DECISIONS

- All questions to be determined by the Supervisory Board shall be determined by a majority of votes and in the event of equality of votes, the Chairman shall have the casting vote.
- Where appropriate, the Supervisory Board shall defer action on items until they can be studied and discussed or where expert advice or due diligence is required.
- Supervisory Board members will support decisions made by the Supervisory Board, even when there is disagreement but the views or concerns of dissenting members will be noted.

## MINUTES

- The Supervisory Board Secretary shall attend all meetings and prepare minutes of each meeting in proper form.
- Where a meeting is held in the absence of the Supervisory Board Secretary or designate, the Managing Director shall ensure that a summary of the discussions and any decision are submitted to the Corporate Secretary as soon as practicable after the meeting.
- Draft minutes of meetings of the Supervisory Board and its Committees should be dispatched to each Member at least ten (10) working days and, where appropriate, the decisions to the Managing Director at least five (5) working days after the meeting for his or /her review and feedback.
- The minutes shall be confirmed and signed by the Chairman of the meeting and the secretary at the next following meeting.
- Minutes are to be confirmed before the formal agenda items are discussed.



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**CONFLICTS  
OF INTEREST**

Conflicts of interest may arise from various external relationships held by Supervisory Board Members including business, social and family circumstances. Notwithstanding, Supervisory Board members have a duty to act with independence and objectivity in all matters where a specific conflict of interest does not arise.

The Supervisory Board may authorize any matter or situation proposed to them which would otherwise involve a member breaching his duty to avoid conflicts of interest as long as:

- The matter in question is proposed for consideration in the same way that any other matter may be proposed to the Supervisory Board.
- Any requirement as to the quorum for consideration of the relevant matter is met without counting the conflicted member; and
- The matter is agreed to without any conflicted member being present or participating in any way in the deliberations.

In addition to the above, Supervisory Board members must also be aware of and comply with their obligations under Staatsolie's Code of Conduct.



**09**

**EMPLOYEES**



- The Supervisory Board acknowledges that the employees are invaluable assets of the Company and play a vital role in achieving the vision and mission of the Company.
- The Supervisory Board shall oversee the Executive's implementation of comprehensive and documented policies and procedures with respect to occupational safety and health, industrial relations and fair practices in respect of employees.



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**ENVIRONMENT**



- The Supervisory Board acknowledges the need to safeguard and minimize the impact to the environment in the course of achieving the Company's strategic objectives, vision and mission.
- The Supervisory Board shall oversee the implementation of policies, procedures (or the modification of existing policies) and initiatives by the Executive and Management to support the Company's commitment to protect the environment and contribute towards sustainable development.



**11**

**SOCIAL  
RESPONSIBILITY**

- The Supervisory Board acknowledges that the Company should play an important role in contributing towards the welfare of the communities in which it operates.
- The Supervisory Board shall oversee the implementation of policies and initiatives by the Executive and Management to support the Company's commitment to charitable causes, community development and welfare projects.



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**RELATIONSHIPS WITH  
OTHER STAKEHOLDERS**

- In order to maximize the Company's long-term value, the Supervisory Board recognizes that the needs and interests of other stakeholders must also be taken into consideration in the course of pursuing the strategic objectives, vision and mission of the Company.

Illustrative Skills Matrix -Supervisory Board Members	
Skills and Experience	
CEO/Senior Management (minimum 10 years) in a similar size company	All members
Oil & Gas industry experience (minimum 5 years)	Minimum 2 members
Financial literacy	All members
Financial/accounting specialist	Minimum 1 member
Regulatory/public policy	Minimum 1 member
Technical (Petroleum/Process/Mechanical/Drilling Engineering, Geology)	Minimum 1 member
Preferred skills and experience	
Multinational Director experience	
Supervisory Board experience	
Risk management and internal controls	
Health and Safety	
Strategy development and implementation	
Human capital management/compensation	
Corporate governance/business ethics	
Environmental science/policy/regulation	Optional
Marketing/public relations	Optional
Technology/systems	Optional
Behavioral Competencies	
Team player/collaborative	
Independence	
Strategic thinking	
Integrity and high ethical standards	
Mentoring abilities	
Interpersonal relations and networking skills	
Listening skills	
Verbal communication and presentation skills	
Ability and willingness to challenge and probe	
Willingness and ability to devote time to the role	
Diversity of current Board	
Board/Senior management tenure	
Years	
Gender	
Male	
Female	
Age	
Years old	
Nationality/Ethnicity	
Index	
A = Essential	
B = Preferred	
C = Optional	

