



A resilient workforce

Tedstone Oil & Gas Limited
Gender Pay Gap Report

Building the momentum

Prior year commentary has focused on incremental improvements in our gender pay gap since the inception of the reporting requirement, such as a reduction in the pay gap from 50% in April 2017 to 41% in April 2020, improvement in our number of women in senior management positions and the number of women in technical STEM related roles, core to Tedstone and the Oil and Gas industry at large.

It has been difficult to generate more substantive change in a retrenched environment with limited organisational growth. Indeed, due to the market uncertainty and oil price volatility, it is challenging to both price M&A activity and to organically grow the business because of the difficulty in sanctioning projects due to such high potential cost/price variance from development through to production. Hence, in the UK in particular (and importantly the territory the gender pay gap data set is taken from), our focus on contingent labour (contractors and specialist service companies) to manage such volatility and optimise cost, scale and efficiency, is not represented in our reporting statistics. This can be in relation to the evolution of the asset life-cycle (Huntington and Balmoral moving towards cessation of production and decommissioning for instance) or the deferred sanction decision on large projects such as Sea Lion in the Falkland Islands (project managed out of the UK).

Whilst not reported within the statistics, from an ESG perspective and the broader sponsorship of diversity and inclusion (D&I), we still actively manage the contingent talent pipeline through our Managed Service Provision (MSP), monitoring the number of women put forward for interview, those who are short-listed and those who are ultimately hired and subsequently retained, as well as future conversions to staff status. The role itself is also actively monitored to ensure we qualify success both in terms of absolute numbers, but also the seniority and organisational influence. A key point for Tedstone Oil to address is not gender pay parity by grade, but the fact that women are underrepresented within the more senior grades and that can be seen in our analysis by gender pay quartiles.



12.5%

Women in senior managerial roles increased from 9% (2018) to 12.5% (2020)

26%

of the total workforce are female

14.4%

Women in technical roles increased from 13.6% (2017) to 14.4% (2020)

Events in 2020 were specifically influenced by two factors in parallel – the COVID-19 pandemic and the Group debt refinancing, ultimately culminating in the merger of Tedstone Oil with Chrysaor at the end of Q1 2021. It is important to highlight the pandemic, as that compounded what was already a distressed oil and gas market. Fortunately, due to the fortitude of our staff and contractors and our offshore workforce in particular, we have been able to maintain revenue generation and maintain full business and safety continuity, albeit with a circa 80% demise in oil price and share price during the reporting period.

Whilst many companies, both within and outside of the sector, have taken drastic actions to address this loss, such as collective redundancies, furloughing staff, requesting state support and reduced pay and benefits (permanent and temporary), that has not been the Tedstone Oil approach. Such tactical measures are unlikely to address the commodity price shortfall, whilst at the same time, are very likely to disengage an already destabilised workforce and the important organisational parity and D&I work that has been conducted to date.

It is well documented that women and other underrepresented groups have been disproportionately disadvantaged by the pandemic, as they have a leaning towards more administrative, customer-facing, non-technical roles that are more likely to be compromised by COVID-19 protocols and restrictions, not to mention, within society at large, a greater burden of domestic responsibility outside of work, exacerbated by home schooling in particular.

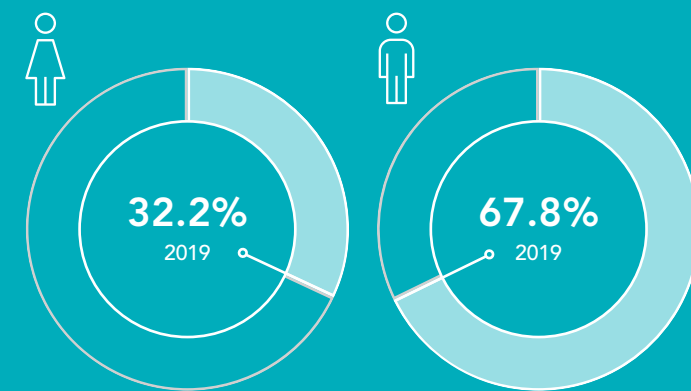
To conclude, whilst Tedstone Oil has not advanced its gender pay parity (broadly comparable year-on-year in all metrics), compared to many companies, commentary has been made within our global Staff Forum network and independent Engagement Surveys that, it is during the harder times, the true courage of our D&I conviction can be determined and such decisions taken will hopefully ensure we have not taken one step forward and two steps back in terms of our continuous improvement journey.

Finally, the complex refinancing negotiations with our lenders and shareholders involved a number of different acquisition and divestment scenarios that could have had a material bearing on organisational demographics and gender pay gap reporting, albeit for the following reporting period. That ultimately came to conclusion with the approved merger with Chrysaor and the formation of the new Company, Tedstone Oil and Gas Limited. The Company will now be a FTSE150 c250 kboepd investment grade company, the largest independent in the North Sea and with over 1,000 employees in the UK, now has the scale and capability to influence and generate material change in terms of gender equality, broader diversity and ESG advancement within the industry, starting with the appointment of Linda Cook as Chief Executive Officer.

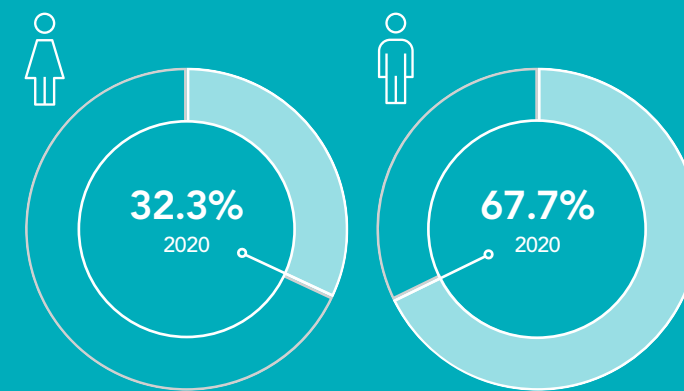
Mike Fleming
Group HR Director

The demographic of our workforce, based on relevant employees.

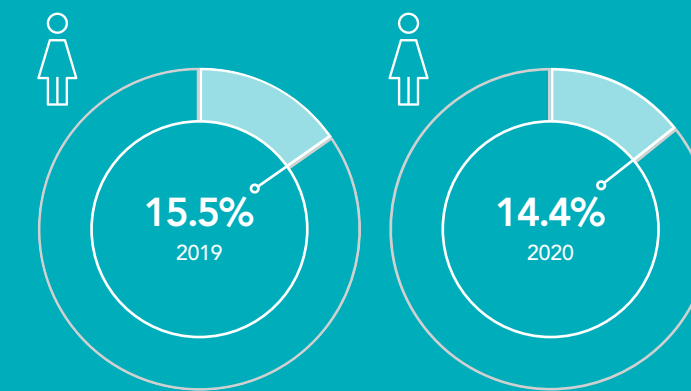
Employees 2019



Employees 2020



Females in Technical Roles



Foreword cont.

A global organisation

Organisational changes

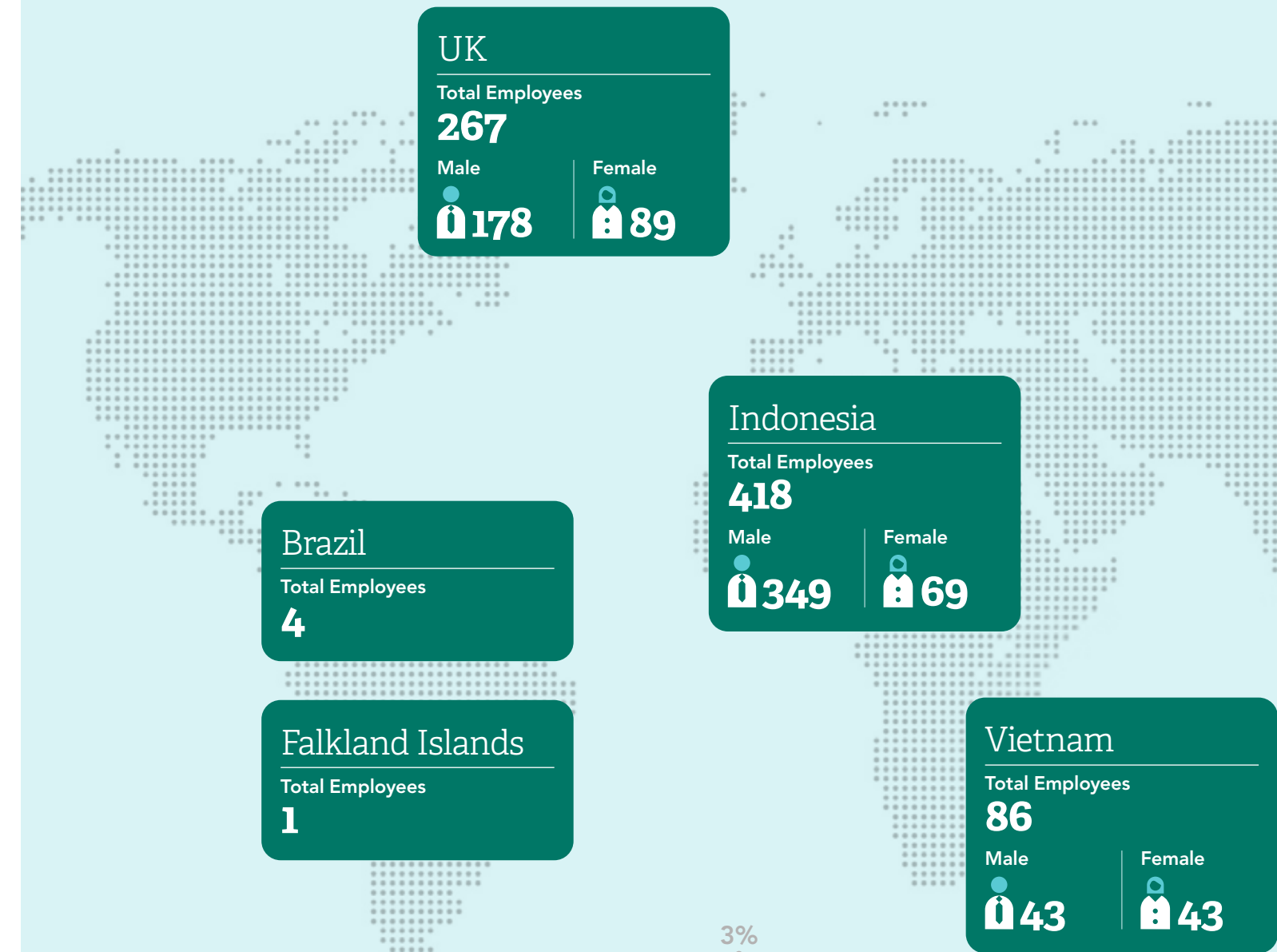
The quickest organic way to affect improved gender parity is invariably through growth, organisational change and job creation. This was pursued on a number of fronts across the portfolio from the Alaskan drilling campaign to the Tolmount Gas Development Project in the southern North Sea to the recently agreed farm-out of the Tuna Development Project in SE Asia. We also actively pursued the TUPE acquisition of several BP North Sea assets. First and foremost, when deploying talent towards such opportunities, we look internally within our own Organisation and at redeployment options, both in the shorter development experience and longer term career development.

As stated, much of the change that has taken place has been with contingent labour and contractors (not within the scope of this report), whether that be the Tolmount Development Project or indeed maturation within the existing asset lifecycle and the cessation of production and impending decommissioning of Huntington and Balmoral. Equally, the BP asset acquisition was ultimately superseded by the Chrysaor merger. Therefore, limited change can be seen in our reporting numbers, although we remained careful not to address any pandemic shortfalls in reducing non-operational headcount, where the majority of our female staff are employed.



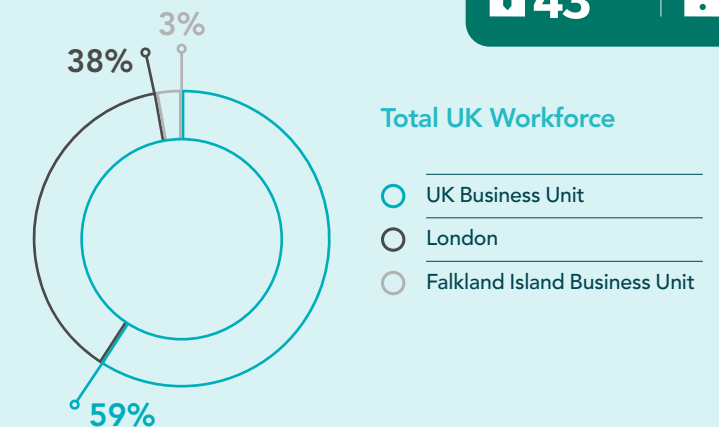
776
Employees worldwide

34%
Are based in the UK



Supporting UK initiatives

Tedstone Oil supports this UK government initiative and in providing this report also welcomes the opportunity to provide further narrative around the context of our disclosures and importantly to commit to actions, both current and future, that should promote ongoing sustainable improvement, both within Tedstone Oil and our contribution to the Oil and Gas industry at large.



Who we are

Who we are cont.

Hiring practices

Due to this weighting towards contingent labour, we have run a Managed Service Provider (MSP) model for a number of years to manage all our UK resourcing needs (staff and contingent) and importantly, not only provide clarity on headcount and cost, but also to drive resourcing best practice, build an Employee Value Proposition and prospective Talent Pools. Worked in parallel with our IR35 reporting requirements, the last 12 months have enabled the simplification of our portfolio and our resourcing channel to market, so that, now part of the larger Tedstone Oil & Gas Limited, we can really leverage diversity of opportunity going forward.

Reward

It is clear that gender pay parity at Tedstone Oil is a question of organisational mix, rather than pay per se. It is not reflected in this report given the strong bonus performance in 2019, paid in Q1 2020. However, given the challenges of the pandemic over the course of much of the reporting period, it is worthy of note that the Remuneration Committee approved a flat rate bonus for all Tedstone Oil employees, rather than the standard methodology as a % of salary. This had a corresponding impact of advantaging the more junior staff relative to their more senior peers and so proportionately favouring female staff over their male peers. A further indicator of the protections we put in place in the distressed circumstances, worthy of note, particularly as we gradually exit the COVID-19 restrictions and the fact we will be reporting under the banner of a much larger and different Company in hopefully very different circumstances next year.



Sustainability

As stated in our 2020 Sustainability Report, Tedstone Oil is fully committed to safely deliver responsible energy through the four pillars of Governance, Planet, People and Prosperity. This report touches on some of the initiatives that have been pursued with regards to People, with the gender pay gap being integral to the broader issue of sustainability. The Energy Transition presents both a challenge and an opportunity for companies like Tedstone Oil to be part of the problem or part of the solution and the creation of Tedstone Oil & Gas Limited enables a fresh approach and thinking and one that embraces diversity to best address the challenge of our age – climate change that affects us all.



This energy transition enables a fresh approach and thinking and one that embraces diversity to best address the challenge of our age – climate change that affects us all.

Mike Fleming
Group HR Director



Women@Tedstone

Transparent conversations

In 2020, we launched the very successful 'Women@Tedstone' Network with the aim of supporting women to develop their careers and achieve their personal and professional goals. To achieve this, the network serves as a platform where women can have transparent conversations about:

- 1 How to navigate corporate culture and make our Company a place where women can thrive.
- 2 How women can support each other and access senior leaders and peers across the organisation.
- 3 How to strengthen the female talent pipeline and improve gender diversity across all grades and functions.

The platform is planned to enable these conversations in both virtual and physical spaces, when eventually possible. In July 2020, we held our first virtual 'Women@Tedstone Oil' panel discussion, where panellists, including female Non-executive Directors, provided insight into how they developed their careers within the upstream oil and gas sector. A survey was sent to participants after the panel discussion for their feedback and input into the theme of future panel discussions.

A second virtual panel discussion was held in November 2020 with panellists, made up of a Non-executive Director, an Executive Committee Member and a senior female Asset Manager. Discussion topics focused on how to overcome career challenges and increase resilience and adaptation to change in the workplace environment.



A welcome initiative that I'm pleased to sponsor. Women@Tedstone is a great platform to help facilitate and drive positive long-term change for women in our organisation and help further enable diversity and inclusion, in its broadest sense, to be embraced more fully."

Rachel Rickard
Company Secretary
Executive Committee Network Sponsor



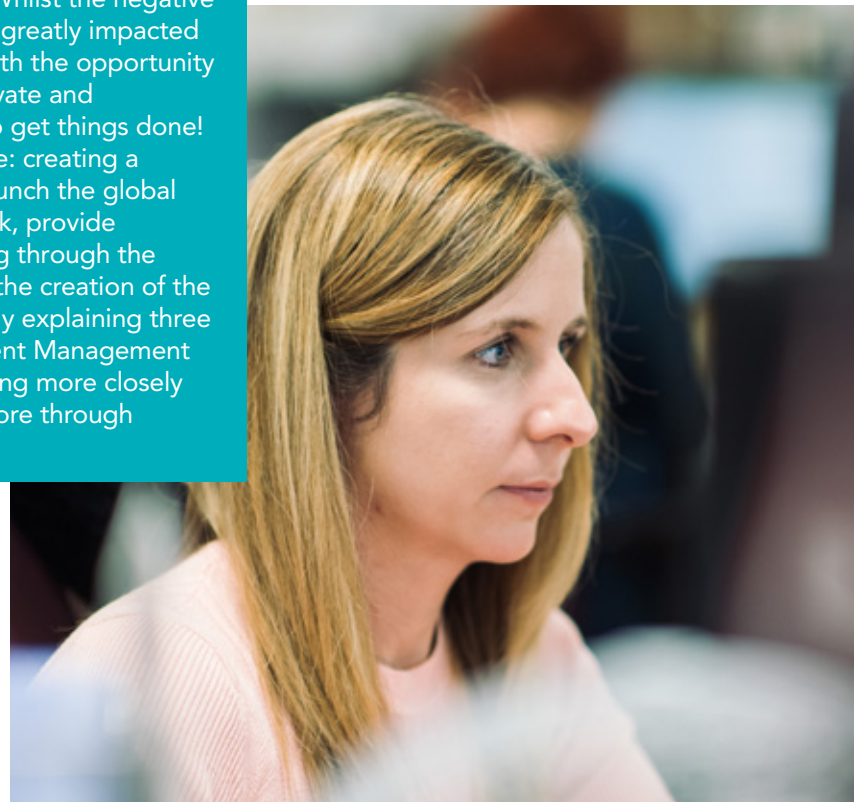
What have we been doing in the world of Diversity & Inclusion?

Progress and initiatives



Our 'People@Tedstone Oil'

Long-term strategy focuses on the benefits that our diverse workforce brings through Strategy, Culture, Leadership, Engagement, Technology and innovation. Whilst the negative impact of COVID-19 in 2020 greatly impacted progress, it did present us with the opportunity to do what we do best: innovate and collaborate with the agility to get things done! Some great examples include: creating a mastermind group to help launch the global Women@Tedstone Oil network, provide opportunities for skills sharing through the 'Tuna Asset' lunch and learn, the creation of the HR Animation video creatively explaining three key areas of Reward and Talent Management and networking and interacting more closely and frequently than ever before through Microsoft Teams and Zoom.



Local and Group Staff Forums

Despite the Forum's not being able to get together in person over the last year, seen as a potential risk COVID presented, we have seen higher levels of participation (at meetings and with survey responses) from staff producing higher quality feedback, event engagement increased and quicker progress on issues raised from senior management and the organisation as a whole.



Flexible Working

With 89% of UK offices closing in 2020 (Mercer), employees juggling caring responsibilities on top of their day jobs and all whilst working from home, we demonstrated, as an organisation, that our agile and flexible work practices we have in place better equipped us to pivot and handle a remote new way of working. A true testament to our strong company culture and living our values.



In 2020, Tedstone Oil clearly demonstrated that we've taken on the challenge and are already embracing new ways of working and this will only further help us attract new talent, further promote health and well-being and further unite the importance of our people and productivity metrics to help us not only become an employer of choice but increase the Employee Value Proposition as a whole.



Progress and initiatives cont.



Group Talent Review Day with ExCo and the Business Unit Managers

We held our first 'Group Talent Review Day' with Premier's Executive Committee ('ExCo') and the Business Unit Managers in December 2020 to bring the process of Talent Management alive. The focus on the day was on the discussion rather than just the metrics and any particular areas of common mutual interest and/or areas where other Business Units and Corporate can assist and focus our attentions. The professional review of both Performance and Potential at both the Group and Business Unit level, establishing a credible process for objective assessment, is as important as ever as we position our People and Opportunities into the new Company.



Employee Engagement Activities

In October 2020 we ran our global Staff Engagement Survey which provided a great view of engagement across Tedstone Oil, both strengths and development areas. An 85% response rate continues to be a very high level of staff participation and a measure of engagement in itself. Importantly, our overall engagement score of 7.4 is above the industry average of 7.2. Despite all the challenges and uncertainties of the last 12 months, internal and external, we remain vested in the future improvement of the Company. We can now continue to work on improvements going forward, both in the context of the current Organisation and the proposed larger Company, which will hopefully provide the scale, growth and investment that has been a barrier in some cases to a significant improvement to our engagement scorecard over the years. For example, 'meaningful work' and 'sense of accomplishment' are no doubt influenced by levels of activity and investment in new and exciting projects going forward.



Business / Functional Charter

In 2020 we issued the enhanced global Functional Charter, a document on organisational governance which formally sets out the various ways Tedstone Oil works together, how we develop and manage our people and also the mandates, accountabilities, responsibilities and relationships between the Executive Committee, the Business Units, the Functions and line Managers. The new level of clarity that the Charter now gives the global business increases confidence and accountability whilst better supporting the success of our Talent Management and development processes and opportunities across our diverse workforce.



By being better joined-up like this it should really help in better talent development and opportunities; all voices being heard."

Stuart Wheaton
Chief Operating Officer & Deputy Chief Executive Officer

Progress and initiatives cont.



Leadership Development Programme (LDP)

The programme was introduced in 2020 to help us identify, develop and nurture Premier's core leadership potential by supporting and challenging individuals who are highly capable and motivated to successfully lead the organisation in the future. The LDP has been recognised by individuals as being a step change in engagement in the future of Tedstone Oil, and highly appreciated especially through these uncertain times. The mutually beneficial investment, of individuals and the organisation, has greatly enhanced opportunities to expand networks across disciplines and locations and given the ability to lead through innovative future focused project work.



The opportunity to work on value-adding elements for the wider business, engaging with peers across discipline and geographical boundaries has supported our view of how the company can continue to move forwards, and how we can influence this and be an important part of it.

Tom Andrews
Interim Project Manager

Seeking opportunities to gain experience

My desire to grow my industry accounting and tax knowledge and skills combined with Premier's ability to give me opportunities to gain a breadth of experience have been career highlights for me. On top of this, the 2014 energy reform in Mexico has added a lot of ever evolving regulations and requirements that create constant opportunity to learn and grow both my Mexico and UK skills. Something I really enjoy and very much welcome the challenge!

The working opportunities in the UK should not to be taken lightly e.g. the way recruitment is managed. In the UK, a woman's knowledge, skills and experience are the reason someone is hired, with gender or age not being a driving factor in the process or outcome. This, combined with the steps Tedstone Oil is making to close the gender pay gap by creating opportunities, being treated equally and allowing me to make my maximum contribution is a real plus.

Despite the impact of COVID-19 on our UK working environment, we are lucky at Tedstone Oil that working from home is flexible and has not directly impacted jobs, pay or benefits. In Mexico, working from home is not an option in almost all cases, the impact of the pandemic has been severe especially for those who have lost their jobs and whose salaries have been cut. As a result, I am happy to be working for an organisation that fully supports Flexible Working and its employees in the way Tedstone Oil does.



My desire to grow my industry accounting and tax knowledge and skills combined with Premier's ability to give me opportunities to gain a breadth of experience have been career highlights for me.

Diana Guerrero
Mexico Finance Manager





“

Tedstone Oil saw my potential and supported me through my career change with assisted funding to become a qualified Accountant.”

Gemma Mas
Group Treasury Manager

Motivated to give my best to my career and family

Having worked in the legal and financial sectors over my career and being a mum of two, I have always flourished more than I thought I was capable of when I had the full support of my Manager and the organisation. Tedstone Oil saw my potential and supported me through my career change with assisted funding to become a qualified Accountant and also through active Coaching and Mentoring by my Manager which made the transition from general accounting to Treasury Analyst, to Senior Analyst and then to Group Treasury Manager within four years. Premier's confidence in me gave me the motivational push to decide "I'm going for it"! If Tedstone Oil hadn't believed in me I probably would have given up.

Without Premier's generous maternity and study leave policies, the encouraging development culture and more recently the change in flexible working policy, I don't know if I would have been able to achieve the career levels I have to date. The Flexible Working Policy in particular, now during COVID-19 times more than ever, has been integral to me being able to achieve work-life balance and give my best to my career and family at the same time. The more companies can accommodate flexible working, that engenders mutual trust and respect, only works towards increasing engagement and productivity.

Pursuing growth

The date of this report (March 2021) is set in the context of the mitigations and protocols Tedstone Oil put in place to protect our people and our business through the pandemic crisis.

However, concurrent with this, as part of our Group Refinancing activity, we explored a number of organisational scenarios with our lenders that would have had a subsequent impact on the demographics and statistics being reported on in the following year. This culminated in the agreement to merge with Chrysaor, creating Tedstone Oil & Gas Limited, scheduled to complete at the end of Q1 2021.

We now are presented with an opportunity to redefine the Company going forward. The work we have done in recent years in promoting the governance of Diversity and Inclusion and building processes to ensure Organisational Capability as a listed Company will continue to provide the foundations for growth. However, excitingly we now have the balance sheet strength, organisational size and scale to affect genuine change, both within the Company and hopefully to influence the broader market – the ability to make selective investments going forward that can potentially change the dial and promote a compelling Employee Value Proposition (EVP) and help level future career opportunities across the new Group.



Over the last three years we have made progress in narrowing the pay gap, promoting gender equality and offering greater development opportunities but we know we need to do more at both a corporate and an industry level. Whilst the last year has been challenging for a number of reasons resulting in a slower than desired pace of progress, I look forward with optimism at the opportunities I expect the new enlarged group will bring for the promotion and development of our staff.”

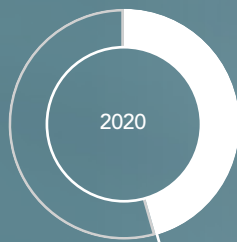
Richard Rose
Interim Chief Executive Officer and Finance Director



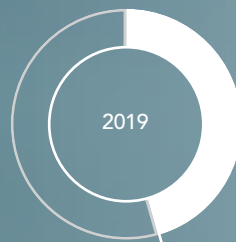
Our findings in numbers

Women's hourly rate
Lower (mean)

45.8%



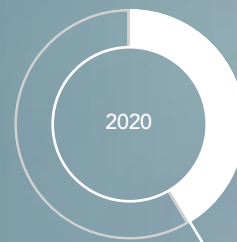
45.8%



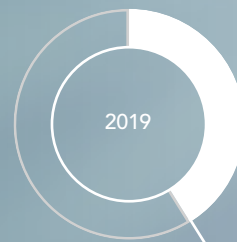
46%

Lower (median)

41.6%



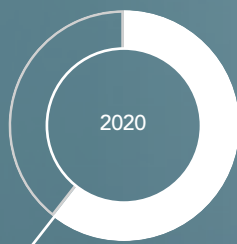
41.6%



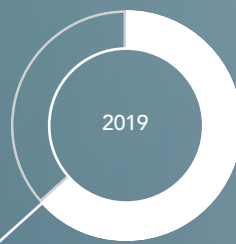
41.2%

Women's bonus pay
Lower (mean)

60.7%



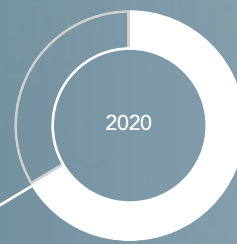
60.7%



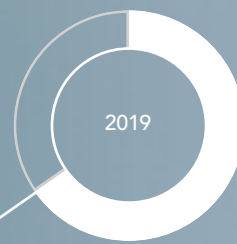
63.6%

Lower (median)

66.6%



66.6%



65.4%

Relevant Employees

269



Full Pay Relevant Employees

268



Requirements and calculation methodology

Who are the calculations based on?

The Regulations require all companies with 250 or more 'relevant' employees on the snapshot date of 05 April each year to publish details of their gender pay and bonus gap.

We have included all 'full pay relevant employees' in the analysis, excluding employees on reduced pay such as sick pay or maternity leave.

What are the calculations?

There are two pay calculations, which show the difference between a man and woman's hourly rate. The 'median' calculation looks at the mid-point difference, is therefore not affected by extreme values, whereas the 'mean' is an average calculation, and includes all values.

The pay quartiles show the percentage of men and women in each group, which is an equal quarter of all employees. Each quartile contains 67 employees.

What is included in the calculations?

The pay calculations are based on all pay received in the pay period of April each year. This includes all forms of payment, excluding pay relating to redundancy/ termination of employment, pay in lieu of leave or the value of benefits, which are not in the form of cash. Salary Sacrifice Schemes are excluded from Pay.

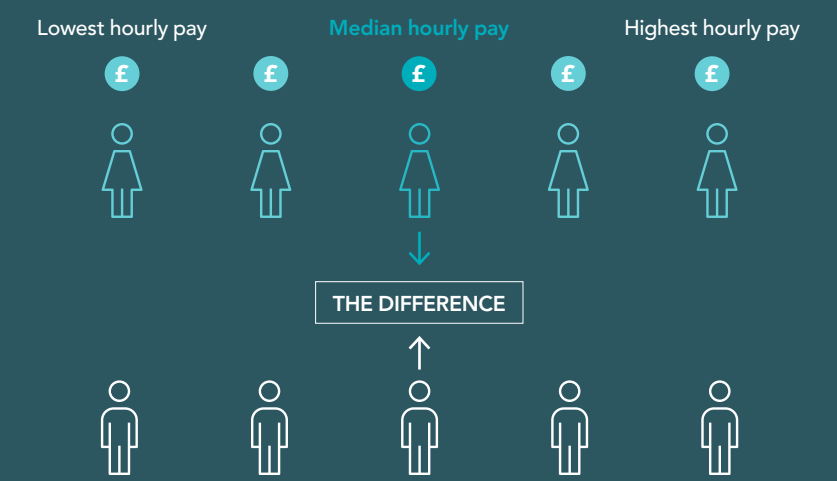
The bonus pay calculations are based on all bonus pay received during the bonus pay period which is the 12 months' prior to and ending with the snapshot date.

This includes the Company's annual discretionary bonus scheme and long-term incentive plans. Qualifying pay for share schemes, which all Tedstone Oil employees participate in, is any vested award during the snapshot date.



Requirements & methodology

How we calculate the difference in the median hourly pay gap



How we calculate the difference in the mean hourly pay gap

