Executive Committee

Jonathan Copus
Chief Financial Officer

Key strengths and experience
- Broad background in the energy and natural resource sectors built through technical, finance, operational and commercial roles in both large and small organisations
- Significant capital markets experience
- Strong technical knowledge in geology and geoscience

Jonathan joined EnQuest in December 2023 as CFO Designate, becoming EnQuest CFO on 1 February 2024. Jonathan has a strong technical background in geology and geoscience alongside ten years' capital markets experience. In his time in the City, Jonathan was the number one ranked energy analyst and co-authored a well-respected industry handbook, 'Oil and Gas for Beginners'. Jonathan spent four years as CFO of Salamander Energy PLC, a production and development business focused in South East Asia. While there, Jonathan more than doubled the post-tax margin against a flat oil price. For the last seven years, Jonathan was CEO of Getech Group PLC, where he repositioned and recapitalised the business as a data and analytics specialist, while also decarbonising more than one-third of revenues.

Steve Bowyer
General Manager, North Sea

Key strengths and experience
- Senior operational leadership positions held onshore and offshore during 28-year career
- 15 years in executive roles (MD, CEO and Chair)
- Involved in over $5 billion of E&P transactions
- Founded Decipher Energy, which was successfully sold within five years
- Steve is a director on the board of Offshore Energies UK

Steve joined EnQuest PLC in October 2023. Prior to joining the Group he was a technical adviser to global financial institutions and investors. Steve commenced his career in subsea engineering/installation before moving to Talisman as a reservoir engineer, offshore team leader and asset manager. Steve then set up Taqa's UK operation before moving to First Oil as MD, acquiring an interest in the Kraken field prior to the successful appraisal well.

Steve was the founding director of Decipher Energy, a full life cycle operating company, safely drilling and completing an 18,500 ft well, delivering Orlando first oil within two years of founding the company and overseeing its sale to Tailwind Energy in 2021.

Chris Sawyer
General Counsel and Company Secretary

Key strengths and experience
- International legal experience, having managed teams supporting multiple geographies in energy and natural resources in all phases of development and operations
- Wealth of experience in mergers and acquisitions

Chris joined EnQuest in January 2023 from bp, where he was assistant general counsel, oil regions and production and operations. He has an MA in Jurisprudence from Oxford University and obtained his legal professional qualifications at the College of Law in Chester. Chris has responsibility for the commercial and legal affairs of the Company and holds the offices of General Counsel, Company Secretary and Chief Risk Officer.

Ali Talpur
Business Development Director

Key strengths and experience
- MBA in Finance
- Extensive international experience

Ali joined EnQuest in July 2012 from Schlumberger where he held the role of Regional Procurement & Sourcing Manager for the North Sea.

He has over 22 years of procurement and shared services function experience for both E&P operators and oilfield service providers.

Ali has an MBA in Finance and has diverse experience of working in different industries in large well-established organisations as well as medium sized start-ups in the Middle East, South Asia, Europe and the Caspian region.

Ali has also held leadership positions at various industry groups, including Chair of Oil and Gas UK's Supply Chain Forum, member of the Oil and Gas Authority's Supply Chain & Exports Board and currently Chair of World Economic Forum's Resource Sharing Hub in the North Sea.

Jason Ewles
Technical Director

Key strengths and experience
- Over 30 years of international upstream experience in technical and leadership roles across the full value chain of oil & gas exploration, development, and production operations
- MSc in Petroleum Engineering from Imperial College, London

Jason joined EnQuest in November 2023 as Technical Director from Petrofac's Integrated Energy Services division where, over the previous decade, he held various technical leadership roles in the UK, Mexico and Malaysia. Prior to that, Jason spent seven years with Hess, initially managing all subsurface activity associated with Hess' UK and Russia portfolio, before transferring to the United States. Jason began his career with Chevron in the UKCS working on the Alba and Ninian fields before taking international roles to work a wide variety of subsurface developments.

Jason is a registered Chartered Engineer and a member of the Society for Petroleum Engineers 'SPE'.

Note:
The Chief Executive Officer and CEO Veri Energy are also members of the Executive Committee. You can see their profiles on page 80. Jonathan Copus will join the Board of Directors at the 2024 Annual General Meeting, subject to shareholder approval.

Board of Directors

Committees key

A Audit
G Governance and Nomination
R Remuneration and Social Responsibility
S Sustainability
Denotes Committee Chair

G R

Gareth Penny
Non-Executive Chairman
Appointed 6 December 2022

Key strengths and experience
- **A wealth of board-level and extractive industry experience**

Gareth, having chaired a number of public and private boards, joined EnQuest in December 2022. He is currently the chairman of Ninety One Plc and Ltd and was previously chairman of Norilsk Nickel, Russia's largest diversified mining and metals company. Gareth also served on the board of Julius Baer Group for 12 years. He has extensive experience in extractive industries, having spent 22 years with De Beers and Anglo American, the last five of which he was group chief executive officer of De Beers.

Principal external appointments
Chairman of Ninety-One Plc and Ltd.

G

Amjad Bseisu
Chief Executive
Appointed 22 February 2010

Key strengths and experience
- **Extensive energy industry and leadership experience**

Amjad worked for the Atlantic Richfield Company ('ARCO') from 1984 to 1998, eventually becoming president of ARCO Petroleum Ventures. In 1998, he founded and was the chief executive of Petrofac Resources International Limited which merged into Petrofac PLC in 2003. In 2010, Amjad formed EnQuest PLC, having previously been a founding non-executive chairman of Serica Energy PLC and a founding partner of Stratic Energy Corporation. Amjad was chairman of Enviromena Power Systems Ltd., the largest solar power engineering company in the MENA region, until its sale in 2017 and was British Business Ambassador for Energy from 2013 to 2015.

Principal external appointments
Chair of the independent energy community for the World Economic Forum since 2016. Director of The Amjad and Suha Bseisu Foundation since 2011.

Salman Malik
CEO Veri Energy
Appointed 15 August 2022

Key strengths and experience
- **Significant experience across the energy value chain**

Salman joined EnQuest in 2013 and has since made considerable strides in leading the Group's transition towards sustainable energy solutions. As the CEO of Veri Energy, and formerly the CFO of EnQuest, Salman has been pivotal in shaping and delivering the Company's strategy, especially in areas of corporate finance, mergers and acquisitions, and establishment of an infrastructure and new energy business. His extensive experience in establishing and managing new businesses, garnered from previous roles in private equity and investment banking, has been instrumental in advancing EnQuest's position in the energy sector, focusing on sustainability and just energy transition. Salman currently sits on the EnQuest Board as an Executive Director.

Principal external appointments
None.

G S A

Michael Borrell
Non-Executive Director
Appointed 5 September 2023

Key strengths and experience
- **Significant global exploration and production experience**

Michael is an experienced operator of large-scale exploration and production assets, having worked for over 35 years with TotalEnergies, including managing the integration of the Maersk Oil business. His international career with TotalEnergies has spanned Europe, Asia, North and South America, culminating in his appointment as senior vice president North Sea and Russia, and as Denmark country chair in 2020. Michael was a non-executive director of Novatek OAO, which was listed on the London Stock Exchange and Moscow Stock Exchange, between 2015 and 2021.

Principal external appointments
None.

A R

Farina Khan
Senior Independent Director
Appointed 1 November 2020

Key strengths and experience
- **Strong energy industry and financial experience, as well as deep insights into Malaysia**

Farina is a Fellow of the Institute of Chartered Accountants Australia and New Zealand with 30 years' working experience primarily in the oil and gas industry. She started her career with Coopers & Lybrand, Australia, before returning to Malaysia to join PETRONAS in strategic planning and finance roles. She held various senior positions in PETRONAS including as CFO of an upstream subsidiary, PETRONAS Carigali Sdn. Bhd in 2006, and CFO at PETRONAS Exploration and Production in 2010. From 2013, Farina was the CFO of PETRONAS Chemical Group Berhad, the largest listed entity of PETRONAS. Farina left PETRONAS in 2015 to pursue non-executive opportunities.

Principal external appointments
Senior independent director and member of the board of PETRONAS Gas Berhad. Member of the boards of the following Malaysian listed companies: KLCC Property Holdings Berhad, AMMB Holdings Berhad and Icon Offshore Berhad. Farina currently sits also on the boards of Ambank Islamic Berhad and KLCC REIT Management Sdn. Bhd.

S

Rani Koya
Non-Executive Director
Appointed 1 January 2022

Key strengths and experience
- **Technical, project management and executive management roles in major energy companies, working on six continents**

Rani has 25 years' experience working within large multinational, independent and start-up energy companies. These include Shell International, Hess Corporation and Tullow Oil plc and have involved a variety of technical, project management and executive management roles across Europe, Asia, the Americas and Africa. Between 2017 and 2020 Rani was Chief Petroleum Engineer at Tullow. She has led multi-billion dollar projects across the globe from unconventional shales in the US to oil developments in East Africa.

Principal external appointments
CEO and director of OGL Geothermal and Trustee of Lloyds Register Foundation.

A S

Liv Monica Stubholt
Non-Executive Director
Appointed 15 February 2021

Key strengths and experience
- **Extensive experience of the energy industry, public policy and governance**

Liv Monica has over 20 years' experience as a corporate lawyer. She started her career as an attorney before becoming political adviser to the Centre Party Finance Parliamentary Group. From 1997, she spent two years as a legal adviser to an industry alliance for private ownership before becoming partner at her original law firm. In 2005, Liv Monica moved back into politics and was Norway's Deputy Minister of Foreign Affairs for two years, followed by two years as Deputy Minister of Petroleum and Energy. Liv Monica re-joined the private sector in 2009 and held four top executive industry positions within the Aker Group in Norway including as EVP in the listed EPC contractor Kværner, before moving back into law.

Principal external appointments
Partner at the Oslo-based law firm Selmer. Sits on a number of private company boards, industrial boards and academic committees, including Silex Gas Norway and Morrow Batteries. Member of the board of Vår Energi (listed on the Oslo Børs Main Market).

Chairman's letter

"EnQuest has a strong governance culture that continues to evolve with the changing energy industry."

Gareth Penny
Chairman

Dear shareholder

On behalf of the Board of Directors (the 'Board') I am pleased to introduce EnQuest's Corporate Governance Report for 2023.

The Board's role is to set the purpose, tone and culture of the organisation. At the start of the year, the Board reviewed the results of its annual evaluation and concluded that we needed to focus on refining our strategy and aligning the competencies of the Board more closely with its delivery. Recognising the need to foster trust, develop succession planning and prioritise smart execution, we engaged in a thorough review of our strategy and the requisite Board member skills. This culminated in a collaborative effort, supported by Spencer Stuart, to reshape the composition of our Board.

This review entailed a detailed and candid discussion with each Director to align our mutual expectations for the future. Collectively, we recognised that the skills which served us well in the past would need to evolve and be augmented to match our strategy. As a result, our three longest serving Non-Executive Directors, Carl Hughes, Howard Paver, and John Winterman, stepped down from the Board at the 2023 Annual General Meeting ('AGM'). On behalf of the Board, I thank them for their considerable contribution to the running of the Group.

Subsequently, the Governance and Nomination Committee carried out a comprehensive search for independent Non-Executive Directors to join the Board, resulting in the appointment of Michael Borrell and Karina Litvack. Michael joined as an independent Non-Executive Director and Karina as the Senior Independent Director. Unfortunately, in December, Karina had to step down from the Board due to an unexpected conflict arising through the EU Unbundling Directive, which prohibits any director of a European power transmission company from also serving on the board of an upstream operator. As such, we started the recruitment process for an additional Non-Executive Director in January 2024. On 28 March 2024 we announced the intention to appoint Rosalind Kainyah to the Board at the Company's 2024 AGM. Recruitment details and the process undertaken by the Governance and Nomination Committee is set out in the Committee report on pages 86 to 89.

Separately, both Liv Monica Stubholt and Rani Koya have advised that they will be stepping down at the Company's 2024 AGM. Liv Monica has served on the Board for a full three-year term and has opted to focus on her Norwegian portfolio, and Rani has advised of competing work priorities. Both have been of huge support during the time that I have been Chair of the Company and I thank them.

The Board restructure also involved reviewing the roles of the Executive Directors and it was agreed that Salman Malik, Chief Financial Officer ('CFO') and Managing Director, Infrastructure and New Energy, would assume the role of Chief Executive Officer ('CEO') of Veri Energy ('Veri'), a wholly owned subsidiary of EnQuest. As a result, Salman now has the opportunity to wholly devote his time to developing our new energy and decarbonisation business. One of the outcomes of his appointment as CEO is that he will step down as a Director at the AGM.

We recruited Jonathan Copus as CFO Designate in December 2023, and after a formal transition process, he became CFO on 1 February 2024. He will be proposed for election to the Board at the AGM. Details regarding his appointment can be found on page 89.

I am convinced that the resulting Board is well placed to oversee the delivery of the Group's strategic goals and I look forward to working with the Directors over the coming years.

Following the departure of the UK from the European Union, EnQuest encountered additional material compliance requirements due to its listing in Sweden on Nasdaq Stockholm. Therefore, the Directors agreed to delist from the Swedish exchange and this was announced to the market in September 2023. The delisting took effect on 19 December 2023.

Lastly, in addition to the changes to the Board, and the work undertaken to implement the strategy, the Group agreed a new term loan facility resulting in an increase of up to $150 million in available funds. Whilst some of the proceeds were used for general corporate purposes, the funding provided an additional source of liquidity for the October settlement of the 7% GBP retail bond. For more detail, see page 29 of the Financial Review.

My first year at EnQuest has been productive and fulfilling and I am pleased to be entering into my second year with a strong and supportive Board. I am confident that my fellow Directors, senior management and the wider EnQuest team will deliver our strategy and create a strong future for the Group.

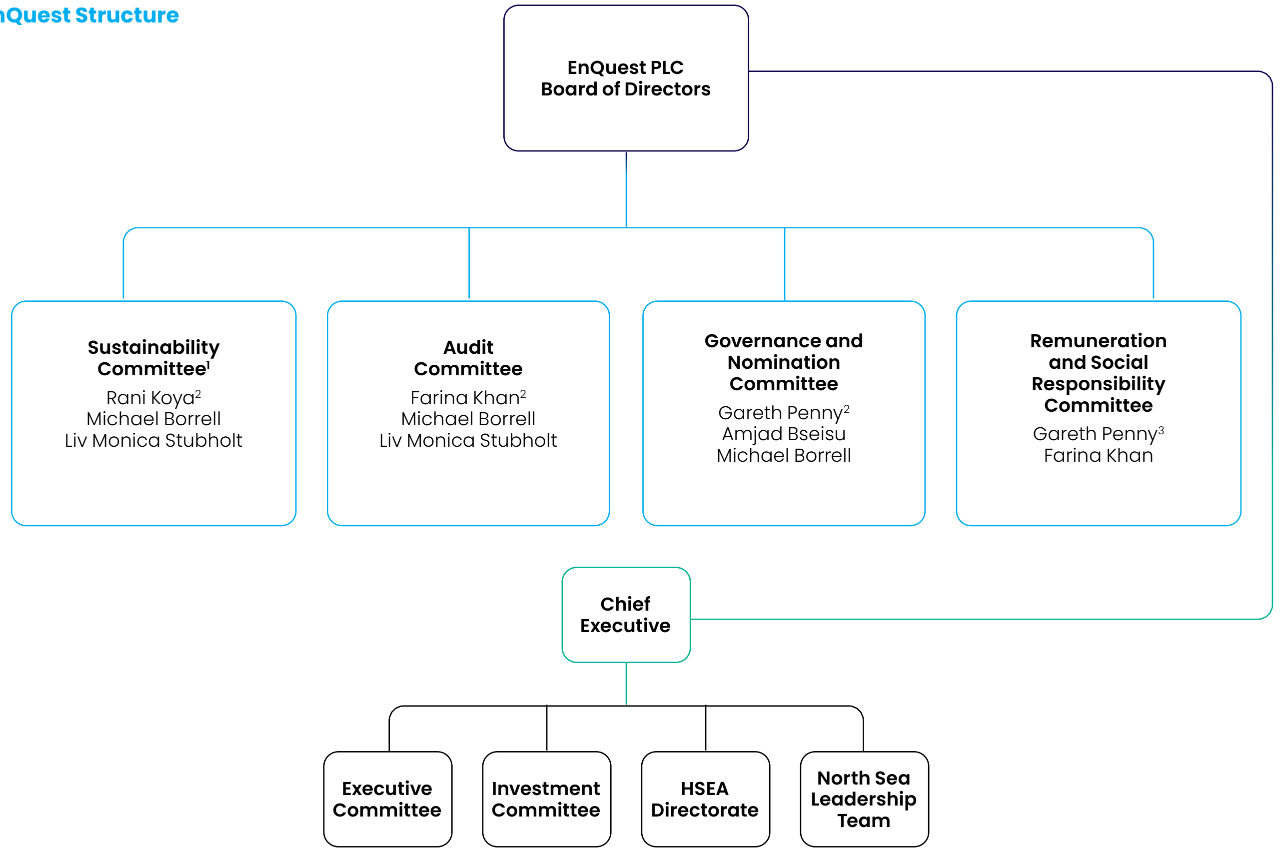
Gareth Penny
Chairman
27 March 2024

Key corporate governance activities during the year

Activity	Purpose	Result
Succession planning and Board composition	Creating a well-balanced Board, continuous refreshing of talent, and development of internal talent	• Appointment and later resignation of Karina Litvack as Non-Executive Director and Senior Independent Director. Chair of the Remuneration and Social Responsibility Committee • Appointment of Michael Borrell as Non-Executive Director. Member of the Audit, Sustainability and Governance and Nomination Committees • Appointment of Farina Khan as Senior Independent Director and Chair of the Audit Committee • Proposed appointment of Rosalind Kainyah as Non-Executive Director • Appointment of Jonathan Copus as Chief Financial Officer and proposed for election as an Executive Director at the AGM
Committee structure	Ensuring the appropriate support is provided to the Board	• Restructured Committees to combine Technical and Reserves and Safety, Sustainability and Risk Committees into the Sustainability Committee
Strategy review	Defining the Group's role in the energy transition	• Holistic review of strategy and drivers for success including establishment of Veri Energy
Refinancing	Strengthening the balance sheet	• Approval of £150 million term loan agreement • All debt maturity now aligned in 2027
Business development	Ensure funding of opportunities to support the strategy	• Approval of investments in Magnus for well development; Golden Eagle infill wells; Bressay and EnQuest Producer FPSO equity interest farm-down; SVT new stabilisation facility; and other M&A opportunities
Governance	To align the culture with strategy and enable effective delivery	• Code of Conduct and associated policies refresh. Review of Committee terms of reference. Delisting from Nasdaq Stockholm • Remuneration Policy review

Further details of the Board's activities and how they support compliance with the Code are shown in the table on page 86.

EnQuest Structure



1 During the year, the Safety, Sustainability and Risk Committee merged with the Technical and Reserves Committee and became the Sustainability Committee
2 Committee Chair
3 Interim Committee Chair. It is the intention that Rosalind Kainyah will chair the Remuneration and Social Responsibility Committee on her appointment

Corporate governance statement

Statement of compliance
The Board believes that the manner in which it conducts its business is important and it is committed to delivering the highest standards of corporate governance for the benefit of all of its stakeholders. The Directors understand and respect their duties to stakeholders under Section 172 of the Companies Act 2006 and considerations related to stakeholders are reflected throughout this Annual Report and Accounts ('2023 ARA'). The Section 172 Statement can be found on page 76. The Company applies the principles and complies with the provisions of the Financial Reporting Council's UK Corporate Governance Code 2018 (the 'Code') which was effective for accounting periods beginning on or after 1 January 2019, except in respect of Provisions 12 and 32 of the Code, details of which may be found on page 89. The Code can be found on the Financial Reporting Council's website at www.frc.org.uk. Detailed below is EnQuest's application of, and compliance with, the Code. To avoid duplication, cross-references to appropriate sections within the 2023 ARA are provided. EnQuest notes that the new Corporate Governance Code is due to take effect on 1 January 2025 and intends to report against the revised provisions in the 2025 Annual Report and Accounts.

The manner in which the Company has applied the principles of the Code can be found in the following sections:

Board leadership and company purpose	• Corporate governance statement (page 84) • Strategic report (page 02)
Division of responsibilities	• Corporate governance statement (page 86)
Composition, succession and evaluation	• Governance and Nomination Committee report (page 88)
Audit, risk and internal control	• Strategic report (page 46) • Audit Committee report (page 92) • Sustainability Committee report (page 118)
Remuneration	• Directors' Remuneration Report (page 99)

Board leadership and company purpose
The Board takes seriously its roles in promoting the long-term success of the Company, generating value for shareholders, having regard to the interests of other stakeholders and contributing to wider society. How the Company manages these areas can be found in the Strategic report, in particular within the 'Who we are and what we do' section on the inside front cover and page 01.

The Board is responsible for:
- The Group's overall purpose and strategy;
- Health, safety and environmental performance;
- Review of business plans and trading performance;
- Approval of major capital investment projects;
- Acquisition and divestment opportunities;
- Review of significant financial and operational issues;
- Review and approval of the Group's financial statements;
- Oversight of control and risk management systems;
- Succession planning and appointments; and
- Oversight of employee culture.

Culture
The Board ensures that the culture of the Group is aligned with its purpose, Values and strategy. EnQuest's Values embody the ethos of the Group, and the Board carefully monitors and promotes a positive, inclusive and SAFE culture. The Board believes that engaged and committed employees are integral to the delivery of the Group's business plan and strategy and, to assist this, the Chairman of EnQuest took on the role of designated Director for employee engagement during the year. In 2023 he met with the Global Employee Forum (the 'Forum') and attended a Global Town Hall meeting. More information can be found on page 44. In addition, Board members met for breakfast with London office staff and matters such as risk and strategy were discussed.

EnQuest's Code of Conduct underpins the governance and culture of the Group. All personnel are required to be familiar with the Code of Conduct, which sets out the behaviours that the organisation expects of those who work at and with the Group. The Code of Conduct was recently reviewed and updated to ensure it supports ethics and compliance best practice. The Group's Values complement the behaviours contained within the Code of Conduct and are a key part of the Group's identity. They guide the workforce as they pursue EnQuest's strategy and delivery of SAFE Results.

Workforce concerns
Through the Forum, regular briefings (which include an opportunity for the workforce to ask questions to management); the promotion of its Code of Conduct and Values; and various communication media, the Group seeks to set positive, appropriate standards of conduct for its people within an open, dynamic and inclusive culture. The Group encourages all employees to escalate any concerns and, as part of its whistleblowing procedure, provides an external 'speak-up' reporting line which is available to all employees, allowing for anonymous reporting through an independent third party. Where concerns are raised, these are investigated and reported to the General Counsel and Chair of the Audit Committee, with follow-up action taken as soon as practicable thereafter.

Stakeholder engagement
EnQuest continued to have an active and constructive dialogue with its shareholders throughout the year to understand their views on governance and performance against strategy.

The Company's engagement activities were conducted through a planned programme of investor relations activities, including meetings with:
- Credit and equity investors and research analysts with regard to the Group's performance against guidance and overall debt management strategy;
- A selection of the Group's larger shareholders directly with Gareth Penny upon his appointment as Board Chair; and
- Retail investors at the Company's AGM.

The Group also delivered presentations alongside its half-year and full-year results, including separate sessions designed to give retail investors an opportunity to engage on the Group's results, copies of which are available on the Group's website, under 'Investors' at www.enquest.com, as well as ad hoc presentations at investor conferences. The Group's results meetings are followed by investor roadshows with existing and potential new investors. These meetings, which take place throughout the year, other than during closed periods, are organised directly by the Company, via brokers and in response to direct investor requests.

EnQuest's Investor Relations team and Company Secretarial department respond to queries from shareholders, debt holders, analysts and other stakeholders, all of whom can register on the website to receive email alerts of relevant Group news. EnQuest's registrars Link Group also has a team available to answer shareholder queries in relation to technical and administrative aspects of their holdings. The Board is routinely kept informed of investor feedback, broker and analyst views and industry news in a paper submitted at each Board meeting by the Group's Investor Relations team and as required on an ad hoc basis.

The Board is also kept informed of relevant developments relating to other stakeholder groups such as suppliers, regulators, partners and governments, as required by the Executive Directors and/or the appropriate functional management and considers potential impacts on these groups of principal decisions made during the course of the year (see page 78 for more details).

Board agenda and key activities throughout 2023
During 2023 Board meetings have been held both virtually and in person, taking advantage of technology to ensure that decision making can be carried out efficiently and in a cost-effective manner. However, being cognisant of the importance of personal connections and the need to build relationships, three face-to-face meetings were held during the year. These meetings were aligned with Committee meetings to maximise the benefit of travel. Along with the Board meetings, three board dinners took place, where directors were able to explore issues and exchange ideas informally.

Directors' attendance at Board meetings in 2023

	Meetings attended
Scheduled meetings 2023	
Executive Directors	
Amjad Bseisu	6/6
Salman Malik	6/6
Non-Executive Directors[1]	
Gareth Penny	6/6
Michael Borrell[2]	2/2
Farina Khan	6/6
Rani Koya	6/6
Liv Monica Stubholt	6/6

1 Karina Litvack served a Director from 13 September 2023 to 15 December 2023. Carl Hughes, Howard Paver and John Winterman stepped down as Directors on 5 June 2023
2 Michael Borrell has been in attendance for all meetings held since his appointment on 5 September 2023

The table below sets out matters that the Board discuss at each meeting and the key activities that have taken place throughout this period.

Key activities for the Board throughout 2023			
Strategy	Operations	Governance	Stakeholders
• Key projects, their status and progress made • Strategy update • Key transactions • Financial reports and statements • Liquidity and financing	• HSEA • Production • Operational issues and highlights • HR matters • Key legal updates • Emission reductions	• Succession planning • Assurance and risk management • Key governance developments	• Investor relations and capital market updates • Employee engagement • Government and regulator engagement

Conflicts of interest and compliance

The Group has procedures in place which identify and, where appropriate, manage conflicts or potential conflicts of interest with the Group's interests. In accordance with the provisions relating to Directors' interests in the Companies Act 2006, all Directors are required to submit details to the Company Secretary of any situations which may give rise to a conflict or potential conflict. The Board is satisfied that formal procedures are in place to ensure that authorisation for potential and actual conflicts of interest are dealt with efficiently. Directors are required to obtain Board approval before accepting any further external appointments and demands on a Director's time are taken into account before approval is given.

The Group is committed to behaving fairly and ethically in all of its endeavours and has policies which cover anti-bribery, anti-corruption, data protection and tax evasion. The anti-bribery and corruption programme is reviewed annually by the Board and a compulsory online anti-corruption training course is required to be completed by all staff. Additional information can be found on page 63 and in the Code of Conduct which is available on the Group's website. The General Counsel is also leading a project to enhance access within the Group to materials and training on a broad range of ethics and compliance topics including fraud, money laundering, competition law and sanctions.

Board education

All Directors receive an induction pack and meet with management on joining the Company. They are also offered Director training and memberships of organisations which deliver knowledge and training to Non-Executive Directors. Education is provided from time to time by the Company Secretary or external advisers. For example, a session was held with external counsel to discuss the Board's specific responsibilities in relation to the refinancing and anti-corruption and bribery, and also on responsibilities under the Market Abuse Regulations and corporate governance matters pertinent to the discharge of Non-Executive Directors' duties. In addition, a recent session was held on compliance trends and developments which covered matters such as the Economic Crime and Corporate Transparency Act 2023.

2023 Annual Report and Accounts ('ARA')

The Directors are responsible for preparing the 2023 ARA and consider that, taken as a whole, the 2023 ARA is fair, balanced and understandable, and provides the necessary information for shareholders to assess the Company and Group's position and performance, business model and strategy.

Annual General Meeting ('AGM')

The Company's AGM is ordinarily attended by the Directors and executive and senior management and is open to all EnQuest shareholders to attend. The 2024 AGM will be held on 30 May 2024 at Ashurst LLP, London Fruit & Wool Exchange, 1 Duval Square, London, E1 6PW, United Kingdom.

Division of responsibilities

There is a clear division of responsibilities between the Board and the executive leadership of EnQuest. The roles of the Chairman and Chief Executive are not exercised by the same individual.

Chairman

The Chairman is responsible for the leadership of the Board, setting the Board agenda and ensuring the overall effective working of the Board. The Chairman holds regular one-to-one and group meetings with the Non-Executive Directors without the Executive Directors present.

Chief Executive

The Chief Executive is accountable and reports to the Board. His role is to develop strategy in consultation with the Board, to execute that strategy following presentation to, and consideration and approval by, the Board and to oversee the operational management of the business.

Senior Independent Director

The Senior Independent Director ('SID') is available to shareholders if they have concerns where contact through the normal channels of the Chairman or the Executive Directors has failed to resolve an issue, or where such contact is inappropriate. The SID acts as a sounding board for the Chairman and also conducts the Chairman's evaluation on an annual basis. Following the resignation of Howard Paver on 5 June 2023, the Company was without a SID until the appointment of Karina Litvack on 13 September 2023. Karina resigned on 18 December 2023 and it was agreed that Farina Khan be appointed to this position.

Non-Executive Directors

The Non-Executive Directors combine broad business and commercial experience from oil and gas and other industry sectors. They bring independence, external skills and objective judgement, and constructively challenge the actions of executive and senior management. This is critical for providing assurance that the Executive Directors are exercising good judgement in delivery of strategy, risk management and decision making. They receive a monthly report on Group performance and updates on major projects, irrespective of a meeting taking place, which allows them to monitor performance regularly. In addition, they hold to account the performance of management and individual Directors against agreed objectives and assess and monitor the culture of the Company. All Directors of EnQuest have been determined to have sufficient time to meet their responsibilities and this is monitored on a regular basis. At the date of this report there are seven Directors, consisting of two Executive Directors and five independent Non-Executive Directors (including the Chairman). It is recommended that Jonathan Copus is elected as an Executive Director and that Rosalind Kainyah is elected as a Non-Executive Director at the 2024 AGM.

Company Secretary

The Company Secretary is responsible for advising the Board, through the Chairman, on all Board procedures and governance matters. In addition, each Director has access to the advice and services of the Company Secretary. The Company Secretary assists with the ongoing training and development of the Board and is instrumental in facilitating the induction of new Directors. The appointment and removal of the Company Secretary is a Board matter. The Company Secretary supports the Chairman in the provision of accurate and timely information. Board agendas are drawn up by the Company Secretary in conjunction with the Chairman and with agreement from the Chief Executive. All Board papers are published via an online Board portal system which offers a fast, secure and reliable method of distribution.

Independence

The Chairman was independent on appointment. The Board considers that all the Non-Executive Directors continue to remain independent and free from any relationship that could affect, or appear to affect, their independent judgement. Information on the skills and experience of the Non-Executive Directors can be found in the Board biographies on pages 80 and 81.

Committees

The Board has four Committees which meet on a regular basis and report back to the Directors at each Board meeting. This allows for the Board to be informed of important Committee business and, if necessary, to discuss issues should they need to be escalated to Board level. There are formal terms of reference for each Committee which set out the scope of authority of the Committee, satisfy the requirements of the Code and are reviewed and approved on an ongoing basis by the Board. Copies of the terms of reference are available on the Group's website, www.enquest.com. Membership and attendance of each Committee can be found on the dedicated Committee pages, details of which are found below:

Audit Committee

The Audit Committee responsibilities include reviewing the effectiveness of the Group's internal controls and risk management systems, including the adequacy of the Company's arrangements for whistleblowing and procedures for detecting fraud. The Committee is also in charge of approving statements to be included in the Annual Report concerning risk management as well as monitoring and reviewing the effectiveness of the Group's internal audit capability in the context of the Group's overall risk management system. The work of the Audit Committee is on pages 92 to 98.

Remuneration and Social Responsibility Committee

The Remuneration and Social Responsibility Committee is responsible for assessing the Group's performance and for determining appropriate performance-related compensation in alignment to the Group's Remuneration Policy and the Code. It reviews and takes note of institutional shareholder guidelines. During 2023 as part of the triennial review timetable, the Committee reviewed the existing shareholder-approved Remuneration Policy ahead of issuing the Remuneration Policy for shareholder vote in 2024. The work of the Remuneration and Social Responsibility Committee is set out on pages 99 to 117.

The Chair of the Remuneration and Social Responsibility Committee resigned as a Director in December 2023 and Gareth Penny, Chairman of EnQuest, stepped into the role as interim Chair of the Committee. It is intended that Rosalind Kainyah is appointed as Chair of the Committee on appointment to the Board. More information can be found on page 89.

Sustainability Committee

As noted above, during the year the Technical and Risk Committee and Safety, Sustainability and Risk Committee were combined to form the Sustainability Committee. This Committee continues to progress its comprehensive Risk Management Framework and has conducted a robust assessment of the principal risks facing the Group, which are outlined on pages 50 to 64 of the Strategic report. The work of the Committee, which includes monitoring HSEA issues and oversight of decarbonisation matters, is on pages 118 to 119. This Committee is also responsible for providing the Board with additional technical insight when making Board decisions.

Governance and Nomination Committee

The Governance and Nomination Committee leads the process for appointments and regularly reviews the structure, size and composition of the Board. It also considers succession planning for the Executive Committee and has expanded its remit to cover all aspects of the Code. Following the resignation of Howard Paver, the Committee comprised two Board members, Gareth Penny, who was regarded as independent on appointment, and Amjad Bseisu, the CEO. Following the appointment of Michael Borrell on 5 September 2023, the Committee composition fully complies with the Code. The work of the Governance and Nomination Committee, including information regarding the Board's diversity and the Company's associated policy, recruitment and the Board annual evaluation process, is on pages 89 to 91.

Board discussions and outcomes

Code requirements	Key Board discussions	Outcome
• Ensuring an effective and entrepreneurial Board to promote long-term sustainable success	• Macroeconomic environment • Growth opportunities, including new energy and decarbonisation developments at the Sullom Voe Terminal and potential acquisitions • Board evaluation results • Training and knowledge refresh	• The Board discusses growth opportunities at every Board meeting, including at the opportunity costs of pursuing ventures • Training on corporate governance and compliance; anti-corruption and bribery; and on Directors' responsibilities
• Establishing and aligning purpose, Values and strategy with culture	• Culture, Values and ESG are included in Company Performance Indicators	• Board members are embedded in the Employee Forum, which drives staff culture
• Ensuring necessary resourcing is in place and establishing a framework of controls to enable risk to be assessed	• Rigorous assessment of the Group's liquidity requirements • Reviewed Risk Management Framework • Reviewed principal risks and uncertainties and emerging risks	• Successful refinancing of the Group's debt facilities • Regular in-depth reviews of risks and their mitigants through its Committees • Evolution of the Risk Management Framework
• Effective engagement with shareholders and stakeholders	• UK and Malaysia regulatory environment • Refinancing the Group's debt facilities	• Discussion and alignment on compliance with regulatory requirements • Debt investor engagement
• Ensuring workforce policies and practices are consistent with the Company's Values	• Ethics and compliance	• Company Code of Conduct and associated policies updated
• Appointments are subject to formal rigorous and transparent procedure with effective succession plan for Board and senior management	• Use of external consultants for Board appointments • Appointment of CFO	• Detailed discussions on succession planning and review of roles and accountabilities of Executive Committee

Governance and Nomination Committee

The composition of the Governance and Nomination Committee is set out below, along with appointment and termination dates and attendance at the scheduled meetings:

Appointment dates and attendance at the nine scheduled meetings are set out below:

Member	Date appointed Committee member	Attendance at meetings during the year[3]
Gareth Penny	6 December 2022	9/9
Amjad Bseisu	22 February 2010	9/9
Howard Paver[1]	15 October 2019	3/3
Michael Borrell[2]	5 September 2023	2/2

Notes:
1 Howard Paver stepped down from the Board on 5 June 2023
2 Michael Borrell joined the Board and the Governance and Nomination Committee on 5 September 2023
3 The Committee did not meet between Howard Paver's departure and Michael Borrell's appointment. Therefore the Committee was majority independent when convened

Main responsibilities

The core work of the Governance and Nomination Committee is to ensure that the Board and its Committees support the strategy of the Group. Following the refresh of the Board this year, it currently comprises seven members; five Non-Executive Directors and two Executive Directors. The proposed Board changes at the 2024 AGM will result in the same number of Directors. The Board is characterised by a collaborative approach which works to create strong leadership with individual Directors who collectively bring a diverse mix of skills and experience to the Company.

The main responsibilities of the Committee are to:
- Review the size, structure and composition (including the skills, experience, independence, knowledge and diversity) of the Board and its Committees;
- Ensure the orderly succession of Executive Directors, Non-Executive Directors and executive and senior management;
- Identify, evaluate and recommend candidates for appointment or reappointment as Directors or Company Secretary, taking into account diversity, including gender, social and ethnic backgrounds, cognitive and personal strengths and the balance of knowledge, skills and experience required to serve on the Board;
- Review the outside directorships/commitments of Non-Executive Directors; and
- Exercise oversight of the compliance of the Company with the Corporate Governance Code (the 'Code').

The Committee's full terms of reference can be found on the Group's website, www.enquest.com, under Corporate Governance.

Committee activities during the year

The Governance and Nomination Committee met nine times in 2023. Its key activities included:

Board appointments

In 2023, following Board direction, the Committee engaged Spencer Stuart, an external search consultancy, to carry out a skills mapping exercise; review organisational design; and recruit new candidates to join the Board. Other than these activities, Spencer Stuart has no other connection with the Company and individual Directors.

This review of structure, composition and skills demonstrated that the Company had a depth of skills around the table, but that there were some areas that were over-represented and certain aspects which could benefit by further additions. It was agreed that interaction with regulators and understanding of new energy were areas to prioritise. As part of the process, each Director had the opportunity to discuss the findings directly with Spencer Stuart. The report from Spencer Stuart, and its recommendations, were endorsed and subsequently presented to the Board.

With three Non-Executive Directors standing down following the 2023 AGM, Spencer Stuart was briefed to find candidates to serve on the Board and Committees who met the additional skills that had been identified, whilst bearing in mind the need to ensure diversity of thought around the table. As the Committee had reduced membership following the AGM, each of the candidates met all the Board members, who provided their thoughts to the Committee Chair. After deliberation, the Committee recommended Michael Borrell and Karina Litvack to the Board, and both were subsequently appointed as Non-Executive Directors. Following Karina's resignation in December 2023, the Committee agreed that another Non-Executive Director was needed and reviewed candidates from the recent searches and additional candidates recommended by Spencer Stuart. On 28 March 2024, it was announced that Rosalind Kainyah would be proposed for election at the AGM. The Board is seeking to appoint a further Director and will provide an update when appropriate.

As Farina Khan was appointed in 2020, her contract was due for renewal in 2023. The Committee reviewed her tenure and concluded that she was an effective member of the Board and that her audit and accounting experience in the energy sector complemented the skills of the Board as a whole. As such it was agreed to recommend to the Board that, subject to continued re-election at the 2024 AGM, her tenure be extended for a further three years.

In addition to Non-Executive Directors, Jonathan Copus was appointed as CFO Designate in December 2023 and became CFO on 1 February 2024. It is intended that, subject to shareholder approval, Jonathan be appointed as an Executive Director at the 2024 AGM.

Committee appointments

The Committee reviewed the composition of the Board Committees at various stages during the year. It agreed to recommend to the Board the appointment of Gareth Penny to the Remuneration and Social Responsibility Committee. Furthermore, following the departure of Carl Hughes, the Committee recommended the appointment of Farina Khan as Chair of the Audit Committee. Farina's financial expertise and current membership of the Committee made this appointment appropriate. The Committee considered which Committees would best be served by the newly appointed Non-Executive Directors and recommended to the Board that Michael Borrell join the Governance and Nomination Committee and the Sustainability Committee. In December 2023 it was also decided that Michael join as a member of the Audit Committee. Given Karina Litvack's experience on the remuneration committee of a listed company, the Committee recommended that she join and Chair the Remuneration and Social Responsibility Committee. However, following her departure it was agreed that an additional Board member be sought for the position and a search commenced.

As explained on page 87, on Karina Litvack's resignation as a Director in December 2023, Gareth Penny, Chairman of EnQuest, stepped into the role as interim Chair of the Committee. This is not recommended under Code Provision 32 which stipulates that the chair of a company may not chair a remuneration committee. The Governance and Nomination Committee considered the matter very carefully and considered whether a current member of the Board was a suitable candidate for the role. On reviewing internal capabilities and also availability of time to devote to the position, it was decided that the Chairman of EnQuest should chair the Remuneration and Social Responsibility Committee on an interim basis until an external candidate, with the relevant experience, was found. It is intended that Rosalind Kainyah be appointed as Chair of the Committee on election as a Director at the Company's AGM.

Senior Independent Director

Provision 12 of the Code recommends that a Senior Independent Director ('SID') be appointed, however, for a period of three months following the Company's AGM, the Company did not have a SID owing to the changes in Board composition. As part of its brief, Spencer Stuart was asked by the Committee to identify board candidates who were suitably experienced to take on this role. Karina Litvack had the appropriate experience and the Committee recommended to the Board that she be appointed as SID on appointment as a Director of the Company. As Karina subsequently resigned from the Board, it was decided to review the current Board members as to suitability for the role. After due consideration, it was agreed that Farina Khan be appointed Senior Independent Director.

Structured Board succession planning
EnQuest prides itself in delivering successful leaders and has prioritised succession planning to ensure its leadership remains diverse and well equipped to navigate the challenges of the evolving business landscape. Succession planning is an important part of the Committee and the Board's deliberations and is aimed at both senior management and the wider organisation, such as identifying and developing high potential individuals. This ensures that the Board has oversight of the Group's talent pipeline and future leaders and can progress and support development within the organisation.

In considering a Board composition which best serves the strategy, Values and Company Purpose into the future, the Board has adopted diversity targets. Its membership represents a spread of backgrounds and experiences which cover the oil and gas industry and other industries, including those supporting the energy transition. See pages 80 to 81 for biographies.

Given the need to facilitate energy transition ambitions, the Group established Veri Energy ('Veri') in December 2023. Veri is a wholly owned subsidiary of the Group, focused on progressing decarbonisation and new energy projects, including carbon capture and storage, green hydrogen, and electrification by leveraging Sullom Voe Terminal to create a best-in-class new energy hub in Shetland. The Board recommended Salman Malik, to take on the role of CEO of Veri, enabling him to provide focused leadership to deliver a meaningful contribution to a just energy transition. To best serve Veri, Salman will step down as an Executive Director of EnQuest PLC at the 2024 AGM.

The Board and the Governance and Nomination Committee remain satisfied that the individuals currently fulfilling key executive and senior management positions in the Group have the requisite depth and breadth of skills, knowledge and experience to ensure that orderly succession to the Board and Executive Committee can take place. The Board and the Committees are also satisfied that the establishment of Veri Energy is within the Group's strategy and are excited to see the benefits of a focused new energy business. The Group continues to work to identify capability strengths and development gaps and to develop the process for encouraging and supporting high-potential employees.

Board performance review
The 2023 Board performance review was conducted internally via online questionnaire, supported by BoardClic, an online evaluation portal. The next external performance review will take place in 2024. The results from the review, which were discussed in detail at the February 2024 Board meeting, reflect the strategic changes that occurred during the year and provide a clear guide to the priorities in 2024. The Board agreed that the key themes for development were: value creation and strategy; diversity within the organisation; employee engagement, talent and culture and ongoing monitoring of Board composition. It was concluded that the Directors worked well together and contributed effectively to the Company.

Farina Khan, SID of EnQuest led the Chairman's review. The Chairman, appointed in December 2022, is considered to be an effective and collaborative member of the Board who has positively impacted the Company since his appointment.

The key areas from the 2022 review were kept under review and progressed during the year. These included setting the new strategy; ensuring that the Board had access to good quality information; improvement of the governance processes and structures, which resulted in the Sustainability Committee being established; and developing and clarifying the succession planning process.

Re-election to the Board
Following a review of the effectiveness of the Board, the Governance and Nomination Committee confirms that it is satisfied with both the performance and the time commitment of each Director throughout the year. The Committee also remains confident that each of them is in a position to discharge their duties to the Company in the coming year and that together they continue to bring the necessary skills required to the Board. Board approval is required should a Director wish to accept a further external role. Detailed biographies for each Director, including their skills and external appointments, can be found on pages 80 to 81.

Priorities for the coming year
The main focus of the Committee in 2024 will be continued oversight of Board and Committee composition.

Boardroom diversity
The Group's Diversity and Inclusion Policy can be found on the Group's website at www.enquest.com/environmental-social-and-governance/social/people. The Policy aligns with the Company's Values, which incorporate both respect and openness. The Group seeks diversity in its employee base, recognising that those from different backgrounds, experience and abilities can bring fresh ideas, perspectives and innovation to improve the business and working practices. In February 2024, the Board considered the diversity of the organisation, targets and the means to improve diversity. This will be discussed more fully in the 2024 Annual Report.

The Board Diversity Policy is aligned with the expectations of Listing Rule 9.8.6R (9). As at 31 December 2023 (being the reference date chosen for the purposes of Listing Rule 9.8.6R (9) (c)) at least 40% of the individuals on the Board are women (42.86%); the role of CEO, CFO, Chair or SID is a woman (the SID is Farina Khan); and at least one individual is from a minority ethnic background (four members). Recent appointments have been made with diversity of age, gender, ethnicity, sexual orientation, disability or educational, professional and socio-economic backgrounds in mind. There is currently no specification as to diversity of the Committees due to the size of the Board, however, this will be reviewed going forward.

Although not a FTSE 350, The Board and Committee is cognisant of the FTSE Women Leaders Review targets and remains ahead of the Parker Review target with respect to minority ethnic representation.

The tables below set out information, as required by Listing Rule 9.8.6R(10), at 31 December 2023. Data was gathered by asking each Director and member of the Executive Committee to self-report via email their response to the information required by the Listing Rule.

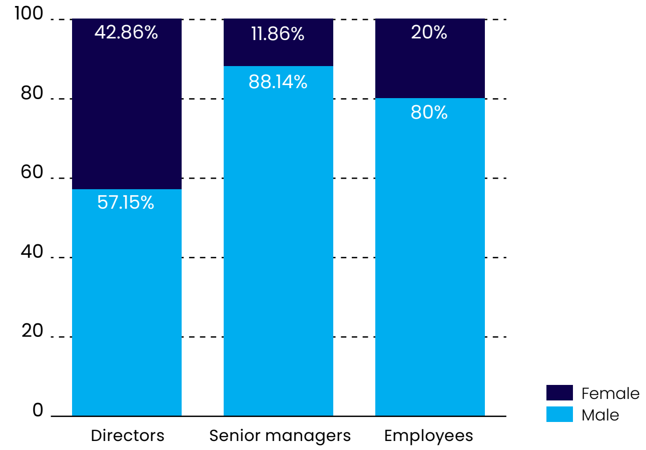
	Number of board members	Percentage of the board	Number of senior positions on the board (CEO, CFO[1], SID and Chair)	Number in executive management	Percentage of executive management
Men	4	57.15%	2	5	100%
Women	3	42.86%	1	0	0%
Not specified/prefer not to say	–	–	–	–	–

	Number of board members	Percentage of the board	Number of senior positions on the board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
White British or other White (including minority-white groups)	3	42.86%	1	4	80%
Mixed/Multiple Ethnic Groups	–	–	–	–	–
Asian/Asian British	3	42.86%	1	1	20%
Black/African/Caribbean/Black British	–	–	–	–	–
Other ethnic group, including Arab	1	14.28%	1	–	–
Not specified/prefer not to say	–	–	–	–	–

Note:
1 CFO is a member of the Executive Committee and will be appointed to the Board, subject to shareholder approval, at the 2024 AGM

It is intended that Rosalind Kainyah and Jonathan Copus are appointed as Directors at the 2024 AGM and that Liv Monica Stubholt, Rani Koya and Salman Malik stand down. The Committee is cognisant that this will change the gender and diversity composition of the Board and is seeking to appoint another Director.

The chart below illustrates gender breakdown of EnQuest's Directors and workforce as at 31 December 2023[1].



Note:
1 Breakdown of percentages: Directors (3 female, 4 male); senior managers (7 female, 52 male); employees (123 female, 492 male). Senior management and total employee figures include EnQuest's employees in Dubai, Malaysia and the UK

Gareth Penny
Chairman of the Governance and Nomination Committee
27 March 2024

"The Committee has continued to provide robust review and challenge of the Group's financial reporting, system of internal controls and the wider risk management framework."

Farina Khan
Chair of the Audit Committee

Dear fellow shareholder

I am pleased to present the Audit Committee report for the year ended 31 December 2023, covering our activities over the course of the year.

The Audit Committee oversees and monitors the Group's financial reporting (including reporting on the financial aspects related to climate change), external and internal audit, the effectiveness of the risk management framework and system of internal controls.

More information on the role and responsibilities of the Committee and its terms of reference, which are reviewed annually, can be found at www.enquest.com/investors/corporate-governance.

In addition to the standing agenda items for the year, the Committee also considered a variety of other focus areas including: assessing and supporting the Group's ongoing evolution and strengthening of its capital structure and business development activities; reviewing the impact of the introduction of the Energy Security Investment Mechanism ('ESIM') to the UK Energy Profits Levy ('EPL'); reviewing corporate governance updates, including the Financial Reporting Council's ('FRC') thematic reviews and the introduction of additional climate-related reporting in the UK; the evolving cyber security landscape and the Group's response; internal audit resourcing; and simplification of the Group's legal entity structure. While the UK corporate reform proposals through Companies Act 2006 amendments were withdrawn in October 2023, the Committee and management are conscious of changes to the UK Corporate Governance Code (the 'Code') and remain committed to driving improvements in the Group's control environment and external reporting.

There was continued challenge on and review of the finance function's resourcing requirements and progress against improvements identified in conjunction with the Group's external auditor. It was pleasing to see that significant progress during the year was made in this regard by management, including enhanced processes and controls and additional resource being added to the finance team with the recruitment of new team members.

A recruitment exercise was undertaken during 2023 to recruit a new Internal Audit Manager with the internal audit function having been outsourced to PricewaterhouseCoopers LLP ('PwC') to complete the 2023 audit plan. The appointment in October 2023 of a Certified Internal Auditor with extensive experience across a range of industries, including energy, and risk management, will strengthen the Group's internal audit function.

As previously announced at EnQuest's Annual General Meeting ('AGM') in June 2023, Carl Hughes and Howard Paver retired from the Board and Committee. Liv Monica Stubholt has also notified the Board of her intention to step down from the Board and the Committee following the 2024 AGM. I would like to thank Carl, Liv Monica and Howard for their contributions during their tenure and specifically to Carl in his role as Chair of the Committee since the start of 2017. While a recruitment process is underway to find a replacement for Liv Monica, Mike Borrell, who brings a wealth of experience from his extensive career in the oil and gas industry, was appointed a member of the Audit Committee in December 2023. I look forward to working with Mike in the coming years as we continue to support and challenge management in its drive for continuous improvement in the Group's financial reporting and control environment. I would also like to thank James Leigh, the retiring lead audit partner, for his contribution since Deloitte LLP were appointed external auditor in 2020, and welcome David Paterson as EnQuest's lead audit partner for 2024 and beyond.

As discussed within the Corporate governance statement, the Committee is pleased to confirm that the actions of the Committee were, and continue to be, in compliance with the Code and that it is satisfied with the formal and transparent policies and procedures in place. Furthermore, the Committee ensured that key judgements and estimates made in the financial statements, such as the recoverable value of the Group's assets, were carefully assessed.

Farina Khan
Chair of the Audit Committee
27 March 2024

Committee composition

As required by the Code published in July 2018, the Committee exclusively comprises Non-Executive Directors, biographies of whom are set out on pages 80 and 81. The Board is satisfied that the Chair of the Committee, Farina Khan, previously Chief Financial Officer at PETRONAS Chemical Group Berhad, and a Fellow of the Institute of Chartered Accountants in Australia and New Zealand, meets the requirement for recent and relevant financial experience.

Membership of the Committee, appointment dates and attendance at the five meetings (including one unscheduled) held during 2023 is provided in the table below:

Member	Date appointed Committee member	Attendance at meetings during the year
Carl Hughes[1]	1 January 2017	3/3
Howard Paver[1]	1 May 2019	3/3
Farina Khan[1]	1 November 2020	5/5
Liv Monica Stubholt	15 February 2021	4/5
Michael Borrell	6 December 2023	n/a

Note:
1 Following EnQuest's Annual General Meeting on 5 June 2023 both Carl Hughes and Howard Paver stepped down from the Board of Directors and their positions on the Audit Committee. On that date, Farina Khan assumed the Chair of the Audit Committee
2 Liv Monica Stubholt was unable to attend the additional March 2023 meeting due to other commitments

Meetings are also normally attended by the General Counsel and Company Secretary, the Chief Financial Officer, the external auditor, the internal auditors and other key finance team members as required. The Chief Executive and the Chairman of the Board also attend the meetings when invited to do so by the Committee. PwC, in its role as internal auditor during 2023, attended the meetings as appropriate. The Chair of the Committee regularly meets with the external lead audit partner and internal audit (which for 2023 comprised both the internal audit manager and the PwC partner) to discuss matters relevant to the Company.

The Committee continues to monitor its own effectiveness and that of the functions it supports on a regular basis. Through the review of the terms of reference of the Committee, regular meetings with the internal and external auditors and key management personnel, the Committee has concluded that its core duties in relation to financial reporting, internal controls and risk management systems, whistleblowing and fraud, internal audit, external audit and reporting responsibilities are being performed well.

Fair, balanced and understandable

A key requirement of the Group's Annual Report and Accounts is for the report to be fair, balanced and understandable. In addition, the Annual Report should contain sufficient information to enable the position, performance, strategy and business model of the Company to be clearly understood and details of measurable key performance indicators and explanations of how the Company has engaged with all of its stakeholders (as set out in the Group's Section 172 Statement on page 76). The Committee and the Board are satisfied that the Annual Report and Accounts meet these requirements, with appropriate weight being given to both positive and negative developments in the year.

With regard to these requirements, the Committee has considered the robust process which operates when compiling the Annual Report and Accounts, including:

- Clear guidance and instructions are provided to all contributors;
- Revisions to regulatory requirements, including the Code, are communicated and monitored;
- A thorough process of review, evaluation and verification of the content of the Annual Report and Accounts is undertaken to ensure accuracy and consistency;
- External advisers, including the external auditors, provide advice to management and the Audit Committee on best practice with regard to the creation of the Annual Report and Accounts; and
- A meeting of the Committee was held in March 2024 to review and approve the draft 2023 Annual Report and Accounts in advance of the final sign-off by the Board.

Audit Committee meetings

There were five Committee meetings in 2023. A summary of the main items discussed in each meeting is set out in the table below:

Agenda item	March 2023	Additional March 2023	May 2023	August 2023	December 2023
Audit Committee self-evaluation assessment of its effectiveness including review of actions identified in previous effectiveness review			✓		
Audit Committee terms of reference			✓		
Significant matters arising from completed internal audits	✓		✓	✓	✓
Internal audit progress against 2023 plan, including findings since last meeting	✓		✓	✓	✓
Independence and objectivity of internal audit					✓
Joint venture audit plan for 2023, including summary findings since last meeting	✓		✓	✓	✓
Cyber security update	✓		✓	✓	✓
Capital structure and business development	✓		✓	✓	
Annual external audit plan					✓
External (Deloitte) audit fees subject to the audit plan	✓		✓		✓
Level of non-audit service fees for Deloitte including review of policy				✓	
Quality, independence and objectivity of Deloitte	✓		✓	✓	
Effectiveness of Deloitte as external auditors			✓		
Evaluate the viability assessment	✓	✓			
Appropriateness of going concern assumption	✓	✓		✓	
Review of half-year or full-year regulatory press release and results statements	✓	✓		✓	
Briefings on regulatory developments including corporate governance, fraud risk assessment, FRC thematic reviews and climate-related matters					✓
Key risks, judgements and uncertainties, including the consideration of climate change, impacting the half-year or year-end financial statements (reports from both management and external auditor)	✓			✓	✓
Presentation on the reserves audit and evaluation of the Competent Person's independence and objectivity	✓				
Tax strategy, policy and compliance					✓
Impact of UK Energy Profits Levy and other tax topics	✓	✓		✓	✓
Management's response to significant audit findings, recommendations and notable control weaknesses, including potential improvements and agreed actions	✓		✓	✓	✓
Review of process and controls relating to the development of the Group's internal control framework	✓		✓	✓	✓
IT resourcing and controls progress against IT audit findings			✓	✓	✓

Financial reporting and significant financial statement reporting issues

The primary role of the Committee in relation to financial reporting is to assess, amongst other things:

- The appropriateness of the accounting policies selected and disclosures made, including whether they comply with International Financial Reporting Standards; and
- Those judgements, estimates and key assumptions that could have a significant impact on the Group's financial performance and position, or on the remuneration of executive and senior management.

These items are considered by the Committee, together with reports from both management and its external auditor at each relevant Committee meeting. The significant accounting and reporting areas considered, including those related to EnQuest's 2023 Consolidated Financial Statements, are set out below:

Significant financial statement reporting issue	Consideration
Going concern and viability The Group's assessments of the going concern assumption and viability are based on detailed cash flow, covenant and the reserves-based lending borrowing base forecasts. These are, in turn, underpinned by forecasts and assumptions in respect of: • Production and costs for the next three years, based on the Group's approved 2023 business plan and forecasts; and • The oil price assumption, based on a forward curve of \$80/bbl (2024), \$75/bbl (2025) and \$75/bbl (2026).	The Committee reviewed and considered the Directors' half-year and full-year statements with respect to the going concern basis of accounting. The Board also regularly reviews the liquidity projections of the Group. The detailed going concern and longer-term viability analysis, including sensitivity analysis and stress testing, along with explanations and justifications for the key assumptions made, were presented at the March 2024 meeting. This analysis was considered and challenged by the Committee, including, but not limited to, the appropriateness of the period covered, planning scenarios, including production volume expectations, macroeconomic assumptions, including those associated with oil prices and inflation, stress tests and the achievability of any mitigations that may be required in a Downside Case scenario to ensure that the Group would have sufficient headroom to continue as a going concern. The Committee supported the going concern basis of accounting. The disclosures in the Annual Report concerning the viability statement and going concern assumption (see pages 29 to 30) were reviewed and approved at the March 2024 meeting for recommendation to the Board.
Potential misstatement of oil and gas reserves The Group has total proved and probable reserves as at 31 December 2023 of c.175 MMboe. The estimation of these reserves is essential to: • The valuation of the Company; • The assessment of going concern and viability; • Impairment testing; • Decommissioning liability provisions; and • The calculation of depreciation.	During the March 2024 meeting, management presented the Group's 2P reserves, together with the report from Gaffney, Cline & Associates, the Group's reserves auditor. The Committee considered the scope and adequacy of the work performed by Gaffney, Cline & Associates and their independence and objectivity and concurred that the estimation of reserves had been consistently applied to the financial statements.
Impairment of tangible and intangible assets The recoverability of asset carrying values is a significant area of judgement. These impairment tests are underpinned by assumptions regarding: • 2P reserves; • Oil price assumptions (based on an internal view of future prices of \$80/bbl (2024), \$80/bbl (2025), \$75/bbl (2026) and \$75/bbl real thereafter); • Life of field production profiles and opex, capex and abandonment expenditure; and • A post-tax market discount rate derived using the weighted average cost of capital methodology. For more details, see also note 2 critical accounting judgements and key sources of estimation uncertainty: recoverability of asset carrying values, and notes 10, 11 and 12. Impairment testing has been performed resulting in a pre-tax non-cash impairment charge of \$117.4 million.	At the March 2024 meeting, management presented the key assumptions made in respect of impairment testing and the result thereof to the Committee. The Committee considered and challenged these assumptions, including the oil price and discount rate used, and potential impacts of climate change and energy transition, in line with the challenges performed as part of the going concern and viability review. Sensitivity analysis and disclosures estimating the effect of oil price reductions were reviewed. Consideration was also given to Deloitte's view of the work performed by management.

Significant financial statement reporting issue	Consideration
Contingent consideration Any contingent consideration included in the consideration payable for a business combination or asset acquisition is recorded at fair value at the date of acquisition. These fair values are generally based on risk-adjusted future cash flows discounted using appropriate discount rates. The Group calculates contingent consideration payable in respect of its Magnus acquisition. See note 22 for further details.	At the March 2024 meeting, the key judgements and estimates and result of the fair value calculations, explanation of movements in the year and the associated disclosures, including sensitivity analysis, were presented to and challenged by the Committee, noting the key assumptions, other than the discount rate which is specific to the liability, were aligned with those used in the Group's impairment testing and tax estimates. Consideration was also given to Deloitte's view of the work performed by management. The Committee concluded that the assumptions and inputs for contingent consideration payable were reasonable and consistent with other relevant judgements and estimates made and the related liabilities recorded were appropriate.
Climate change in financial reporting While the Group's view of evolving climate risks continues to develop, appropriate disclosure is an area of focus for the Committee. Climate change and the transition to a lower carbon economy may have significant impacts on the currently reported amounts of the Group's assets and liabilities and on similar assets and liabilities that may be recognised in the future. See note 2 Use of judgements, estimates and assumptions: Climate change and energy transition.	The Committee considered financial statement disclosures, including TCFD and CFD reporting, and how the Group's climate change scenarios are reflected in the Group's key judgements and estimates used in the preparation of the Group's 2023 financial statements. The Committee also reviewed the results of testing the Group's resilience under the International Energy Agency's Announced Pledges scenario and Net Zero Emissions by 2050 scenario. The Committee, recognising the evolving nature of climate change risks and responses, concluded that climate change has been appropriately considered by management in key judgements and estimates and concurred with the disclosures proposed by management.
Appropriateness of the decommissioning provision The Group's decommissioning provision of $755.8 million at 31 December 2023 is based upon a discounted estimate of the future costs and timing of decommissioning of the Group's oil and gas assets. Judgement exists in respect of the estimation of the costs involved, the discount and inflation rates assumed, and the timing of decommissioning activities. See note 2 Critical accounting judgements and key sources of estimation uncertainty: Provisions.	The Committee reviewed the report by management summarising the key inputs and their impact on the provision. The Committee and the Group's external auditor focused on cost assumptions, as well as the inflation and discount rates used, alongside sensitivity analysis and disclosure estimating the effect of a change in discount rates given the uncertain macroeconomic environment. Regard was also given to the observations made by Deloitte as to the appropriateness of the estimates made.
Taxation At 31 December 2023, the Group carried deferred tax balances comprising $540.1 million of tax assets (primarily related to previous years' tax losses) and $77.6 million of tax liabilities primarily related to deferred taxes associated with the UK Energy Profits Levy. The recoverability of the tax losses has been assessed by reference to future profit estimates derived from the Group's impairment testing. Ring-fence losses totalling $2,007.9 million ($695.9 million tax-effected) have been recognised. Given the complexity of tax legislation, risk exists in respect of some of the Group's tax positions.	The Committee received a report from the Group's Head of Tax, outlining all uncertain tax positions, and discussed management's assumptions of future profit estimates and evaluated the amount of deferred tax assets recognised. It was noted that the assumptions are consistent with those used in the impairment assessment (see above). The Committee also took into account the views of Deloitte as to the adequacy of the Group's tax balances. An evaluation of the transparency of the Group's tax exposures was undertaken, reviewing the adequacy and appropriateness of tax disclosures, including those related to the EPL, presented by management. Regard was also given to the observations made by Deloitte as to the appropriateness of the disclosures made.

Risk management
The Code requires that the Board monitors the Company's risk management and, at least annually, carries out and reports on the results of a review of their effectiveness. The Board has oversight of risk management within EnQuest for the Company's emerging and principal risks. Pages 46 to 48 provide more detail on how the Board, and its Sustainability Committee, has discharged its responsibility in this regard.

Internal control
Responsibility in respect of financial internal control is delegated by the Board to the Committee. The effectiveness of the Group's internal control framework is reviewed continually throughout the year. Key features include:
- Clear delegations of authority to the Board and its sub-Committees, and to each level of management;
- Setting of HSEA, operational and financial targets and budgets which are subsequently monitored by management and the Board;
- A comprehensive risk management process with clear definition of risk tolerance and appetite. This includes a review by the Sustainability Committee of the effectiveness of management controls and actions which address and mitigate the most significant risks;
- An annual risk-based internal audit programme developed in conjunction with management. Findings are communicated to the Audit Committee and follow-up reviews are conducted where necessary; and
- Further objective feedback provided by the external auditors and other external specialists.

Obtaining assurance on the internal control environment
The Committee was conscious of the need to ensure an ongoing programme of assurance and maintain internal audit's independence while recruitment for a new Internal Audit Manager was undertaken. As such, PwC undertook the full internal audit programme with the new Internal Audit Manager appointed in October 2023. The Committee received reports from internal audit at each scheduled Committee meeting in 2023 and meets privately with the internal auditor from time to time. In order to ensure independence and objectivity, the primary reporting line of all assurance providers, including the Group's internal audit function, is to the Chair of the Committee, day-to-day management oversight being provided by the General Counsel. The purpose, scope and authority of internal audit are defined within its charter which is approved annually by the Committee. The internal audit function maintains an internal quality assurance and improvement programme covering all aspects of internal audit's activities and evaluates the conformance of these activities with the Chartered Institute of Internal Auditors' Standards.

The Group's system of internal control, which is embedded in all key operations, provides reasonable rather than absolute assurance that the Group's business objectives will be achieved within the risk tolerance levels defined by the Board. Regular management reporting, which provides a balanced assessment of key risks and controls, is an important component of assurance. In October 2023, the UK Government withdrew secondary legislation on changes to the UK Corporate Governance Code relating to a material fraud statement, capital maintenance disclosures, the Audit and Assurance Policy and the resilience statement. A subsequent policy announcement by the FRC in November 2023 stated that several of its previously proposed amendments would no longer be pursued. However, the requirement for boards to make a specific declaration within the ARA as to the effectiveness of a company's risk management and internal control systems will remain, and come into effect from 1 January 2026. As such, the Committee will continue to monitor the development of an Audit and Assurance Policy and consider FRC guidance on the required control declaration to focus attention on the level of assurance relating to all material controls, with specific attention being paid to cyber security given its impact on the wider control environment. Management has also continued its assessment of the potential for fraud risk across the business, ensuring mitigating controls are in place and operating as expected as well as identifying and implementing specific actions to ensure the Group maintains a strong control environment following the 'failure to prevent fraud' offence receiving Royal Assent in October 2023.

In respect of the work performed by internal audit, an internal audit plan is approved by the Committee each year. When setting the plan, recommendations from management and internal audit are considered, and take into account the particular risks impacting the Company, which are reviewed by the Board and the Sustainability Committee. During 2023, internal audit activities were undertaken for various areas, including reviews of:
- Cyber security;
- 'Purchase to pay' (Maximo) upgrade project (readiness for go-live);
- HSSE and asset integrity – maintenance processes;
- Malaysia contract compliance; and
- Internal control processes of the Financial Accounting and Reporting function

Detailed results from internal audit were presented to management and a summary of the findings was presented to the Committee, together with copies of all internal audit reports. Where potential control enhancements were identified as being required, the Committee agreed appropriate actions with management and assessed management's response to the findings. Throughout the year, the Committee is kept appraised of management's progress against the agreed actions, with the majority of actions closed in accordance with the agreed schedule.

External audit
One of the Committee's key responsibilities is to monitor the performance, objectivity and independence of the external auditor. Each year, the Committee ensures that the scope of the auditor's work is sufficient and that the auditor is remunerated fairly. When agreeing the annual audit fees, the Committee noted the significant change in the regulatory environment in recent years, including significant changes in auditing standards and the level of scrutiny on auditors from the FRC resulting in an increase in the required investment in audit quality. In addition, the impact of inflation in a competitive job market has continued to have a material impact on fees across the audit profession. The annual process for reviewing the performance of the external audit process involves an interview or questionnaire with key members of the Group who are involved in the audit process to obtain feedback on the quality, efficiency and effectiveness of the audit, alongside a report from the auditor to the Committee confirming their independence. Additionally, Committee members take into account their own view of the external auditor's performance and independence, including the level of professional scepticism displayed, when determining whether or not to recommend reappointment. The Committee also held several private meetings with the external auditor during the year.

The Committee considered the external audit plan, in particular to gain assurance that it was tailored to reflect changes in circumstances from the prior year. The significant audit risks addressed during the course of the 2023 audit were:

- Impairment of oil and gas assets and goodwill;
- Contingent consideration;
- Decommissioning provision;
- Deferred tax;
- Revenue recognition – crude oil cut-off; and
- Management override of controls.

Deloitte regularly updated the Committee on the status of their procedures during the year, including how they had challenged the Group's assumptions. The Committee and Deloitte discussed how risks to audit quality were addressed, key accounting and audit judgements, material communications between Deloitte and management and any issues arising from them.

Taking into account management's review and its own experiences with the external auditor, the Committee concluded that the audit team was providing the required quality in relation to the provision of audit services in its fourth year as auditor and has maintained its independence and objectivity. As required under UK auditing standards, Deloitte confirmed their independence to the Committee.

In 2023, the external lead audit partner notified the Committee of his plan to retire in 2024. As such, an experienced replacement was introduced to the Committee and management, and will assume the role of lead audit partner at the conclusion of the 2023 audit.

The Committee considers the reappointment of the external auditor each year, including consideration of the advisability and potential impact of conducting a tender process for the appointment of a different independent public accounting firm. The Committee is also responsible for making a recommendation to the Board for it to put to the Company's shareholders for approval at the AGM, to appoint, reappoint or remove the external auditor. At the AGM in June 2023, the shareholders approved a resolution to reappoint Deloitte as external auditor, with the same resolution to be proposed for the 2024 AGM. The Company has complied with the Code and FRC Guidance in respect of audit tendering and rotation, under which the Company will be required to tender for the audit no later than the 2030 financial year. The Committee regularly reviews auditor performance and may elect to carry out the tender earlier than the 2030 financial year if it determined it would be in the interests of the Company's shareholders to do so.

Use of external auditors for non-audit services

The Committee is responsible for EnQuest's policy on non-audit services and the approval of non-audit services. The Committee and Board believe that the external auditor's independence and objectivity can potentially be affected by the level of non-audit services to EnQuest. However, the Committee acknowledges that certain work of a non-audit nature is best undertaken by the external auditor given their working knowledge of the Group. To ensure objectivity and independence, and to reflect best practice in this area, the Company's policy on non-audit services reflects the UK Regulations. As part of the Committee's process in respect of the provision of non-audit services, the external auditor provides the Committee with information about its policies and processes for maintaining independence and monitoring compliance with current regulatory requirements.

The key features of the non-audit services policy, the full version of which is available on the Group's website (www.enquest.com; under Corporate Governance within the Investors section), are as follows:

- A pre-defined list of prohibited services has been established;
- A schedule of services where the Group may engage the external auditor has been established and agreed by the Committee;
- Any non-audit project work which could impair the objectivity or independence of the external auditor may not be awarded to the external auditor; and
- Fees for permissible non-audit services provided by the external auditor are to be capped at no more than 70% of the average Group audit fee and the UK audit fee for the preceding three years.

The Committee continues to review non-audit services and reviews the scope of work to ensure its close link to audit services. The Committee regularly reviews reports from management on the audit and non-audit services reported in accordance with the policy or for which specific prior approval from the Committee is being sought. In each case where the audit or non-audit service contract does not exceed the relevant threshold, the matter is approved by management by delegated authority from the Committee and is subsequently presented for approval by the Committee at the next meeting. Delegated authority by the Committee for the approval of non-audit services by the external auditor is as follows:

Authoriser	Value of services per non-audit project
Chief Financial Officer	Up to £50,000
Chairman of the Audit Committee	Up to £100,000
Audit Committee	Above £100,000

The scope of the non-audit services contracted with the external auditor in 2023 consisted mainly of the interim review, debt facility activities and G&A assurance.

Directors' Remuneration Report

"The Committee's focus remains on ensuring reward programmes incentivise employees to deliver EnQuest's strategy and performance goals."

Gareth Penny
Chairman and interim Chair of the Remuneration and Social Responsibility Committee

Dear fellow shareholder

On behalf of the Board and the Remuneration and Social Responsibility Committee, I am pleased to present EnQuest's Directors' Remuneration Report ('DRR') for the financial year ended 31 December 2023.

Overview

During the year the Committee has continued to ensure the appropriateness of the Group's overall reward package available for Executive Directors and to reflect on the effectiveness of the Directors Remuneration Policy (the 'Policy') against the UK Corporate Governance Code (the 'Code') and market best practice. These core principles of appropriate and effective reward were at the forefront when the Committee set the compensation of Jonathan Copus as the new Chief Financial Officer ('CFO') of the Group in 2023.

We carefully consider all components of Executive Directors' and Executive Committee members' reward to ensure that they remain competitive with the remuneration practices in companies of a similar size and scope. Ahead of the proposed recommendations for salary changes in 2024, the Committee robustly examined benchmarking data with the ongoing support of an independent remuneration adviser, in addition to considering both the increases made across the wider workforce and the personal performance contributions of each executive.

The Committee believes that the current remuneration structure remains clear, simple and closely aligned with the Group's strategy, risk appetite and culture, and that incentives are appropriately capped.

In line with the Company's DRR since 2019, the chosen calculation for the 2023 Chief Executive Officer ('CEO') pay ratio has been calculated in line with single figure methodology, also known as 'Option A', resulting in a CEO pay ratio of 11:1 in 2023.

Within the Strategic report, the Group has set out its intent to contribute positively towards the objective under the UK's current legislation to achieve net zero emissions by 2050. Emission reduction targets continue to form a key performance condition of three-year Performance Share Plan ('PSP') awards.

The DRR has three sections:

1. This annual summary statement;
2. Details of the Policy presented for approval at the 2024 AGM; and
3. The Annual Report on Remuneration of the Executive Directors and Non-Executive Directors for 2023, which will be subject to an advisory shareholder vote at the 2024 AGM.

Executive Director changes

Following the announcement in late 2023, Salman Malik has transitioned into the role of Chief Executive Officer of Veri Energy and Jonathan Copus was appointed as CFO Designate of EnQuest. Jonathan joined the Company on 7 December 2023 after a rigorous selection process and became CFO on 1 February 2024. His remuneration is set at a level I aligned to a group of external comparators that reflect the role, size of the Company and Jonathan's experience. Further information on Jonathan's remuneration can be found on pages 100, 106 and 115.

Committee changes

As announced at the AGM on 5 June 2023, Howard Paver stood down as a Non-Executive Director of the Board, Senior Independent Director and as Chair of the Committee. He was succeeded as Chair of the Committee by Karina Litvack, who joined EnQuest's Board of Directors as a Non-Executive Director and the Senior Independent Director on 15 September 2023.

As detailed on pages 105, 107 and 108 of this report, Ms Litvack unfortunately needed to step down from the Board on 18 December 2023. Gareth Penny shall act as the interim Chair of the Committee until a suitable replacement can be appointed.

Directors' Remuneration Policy

As part of our required triennial review of the Policy, the Committee has engaged independent advisers to review the existing Policy and help the Committee set an appropriate path for the future. After detailed reflection of the appropriateness of the current Policy, and in light of the ongoing work to establish a suitable management incentive plan to implement for Veri Energy, we propose that the existing Policy is brought back to shareholders for approval at the AGM in 2024 when the current Policy expires. In 2021, the Policy was approved by 95.4% of shareholders and we believe the Policy remains effective in driving our business strategy and is largely reflective of best practice.

We propose to operate the Policy in 2024 in exactly the same way as we have done for the past three years, while also committing to bring a further revised Policy to discuss with shareholders within the next 12 months. The revised Policy will include enhancements to acknowledge changes in the market and best practices since the last review as well as the proposed management incentive for our new subsidiary, Veri Energy.

Performance and remuneration outcomes for 2023

Group production in 2023 averaged 43.8 Kboed, in line with the mid-point of guidance. Significantly, the Company has also continued to de-lever, with debt reduced by $236 million in 2023 to $481 million by the end of the year, providing a strong foundation from which the business can pivot to focus on the future. During 2023, we have continued to demonstrate our commitment to reducing emissions on our producing assets with an impressive 22% reduction in flaring over the year. We have continued to make strong progress in our Growth agenda across Upstream and in the Infrastructure and New Energies sphere in 2023, with the delivery of a number of projects that position us well for future growth.

2023 annual bonus – payable in 2024

The Executive Directors' annual bonus awards are based on a combination of financial and operational results and the achievement of key accountability objectives. The bonus attainment for Amjad Bseisu and Salman Malik was based on achievement against the Company Performance Contract ('CPC').

In 2023, the target and maximum bonus potential for the Executive Directors remained unchanged at 75% and 125% of salary, respectively, with the final bonus award being equal to 83.4% of base salary (66.7% of the maximum award). The Committee believes that the awards are appropriate and representative of the performance of the Executive Directors and senior management when balanced against the shareholder and employee experience, and that further discretionary adjustment outside of the HSE&A performance deductor was not required. Full details of how these awards were determined are included on page 109 of this report.

Performance Share Plan ('PSP')

The PSP is the primary long-term incentive awarded to Executive Directors, senior management and other key talent in the Company. The three-year performance period for the PSP awarded in 2021 ended on 31 December 2023 and for which was based 80% on EnQuest's total shareholder return ('TSR') performance relative to a group of sector comparators and 20% on reduction of emissions over the performance period. Over this period, EnQuest's TSR ranked below the threshold performance level, whereas the emissions reduction exceeded the stretch target. As a result, 20.0% of the original award will vest for Executive Directors in April 2024. In line with the current Policy, vested awards will be subject to a mandatory two-year holding period commencing on 25 April 2024 and further details are included on page 110 of this report.

During the year, a PSP award calculated at 250% of salary for Amjad Bseisu and Salman Malik was granted on 10 July 2023, measuring 80% against relative TSR and 20% against the achievement of an emission reduction target.

Executive Director shareholding

Executive Directors are expected to build up and hold a shareholding of 200% of salary. Amjad Bseisu comfortably meets this requirement and, as relatively new Executive Directors, Salman Malik and Jonathan Copus, are expected to build up to this level within five years of appointment.

Executive Director remuneration in 2024

2024 base salaries

For 2024, the Committee has increased Amjad Bseisu's salary to be more consistent with market median by 17%, to £600,000; While we recognise that this is significantly above the average increase for the UK workforce, the increase is considered necessary to align the CEO's salary with the Policy and market median. The Committee explored a range of options when discussing the salary for the CEO, including phasing the increase over time, but on balance of historic increases for the CEO being below the workforce average (Amjad's salary has risen at an equivalent of 2.4% since 2010), bottom quartile market position of his salary and misalignment to Policy, the Committee felt this was the best outcome for the Company. Further information is included on pages 113 to 115. The salary of Salman Malik will not be increased in 2024 pending a further review of his remuneration package as CEO of Veri Energy. Additionally, Jonathan Copus' salary set on his appointment in December 2023 is considered well aligned to the market and Policy and shall not be increased further in 2024.

2024 annual performance bonus

For 2024, the annual bonus for the CEO will be based 100% on the 2024 CPC outcome and for the CFO will be based 50% on the 2024 CPC outcome, and 50% on additional objectives. Both have a target level of 75% of salary and a maximum of 125% of salary. Details of the performance measures and weightings are set out on page 116. For Salman Malik, the annual performance bonus will initially remain aligned to the existing Policy, pending a further review that will include shareholder consultation.

2024 PSP awards

In accordance with the Policy, PSP awards for Executive Directors are typically granted with a face value of 250% of salary. For 2024, in order to reflect the volatility of the Company's share price and ensure Executive Directors do not benefit from potential future 'windfall gains', the grant level will be scaled back c.26% to c.185% of salary (reflecting the fall in EnQuest's average share price between Q4 2022 and the same period in 2023). Vesting of these awards will continue to be measured 80% on the basis of TSR performance relative to a peer group (the constituents of which have been slightly revised for 2024), and 20% on emissions reduction over the performance period. Further details are set out on page 116.

Conclusion

We continue to appreciate the benefits of transparency and proactive interaction with major shareholders. We welcome your input and are always open and ready to listen and take on board suggestions that help EnQuest to continue to develop and improve.

The Committee and I wish to thank all our shareholders for their ongoing support over the years. I hope you will support and vote for this DRR and proposed Policy at the forthcoming AGM.

Gareth Penny
Chairman and Interim Chair of the Remuneration and Social Responsibility Committee
27 March 2024

Governance

The Directors' Remuneration Report has been prepared in accordance with the requirements of the Companies Act 2006 and Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 as amended in August 2013. It also describes the Group's compliance with the 2018 UK Corporate Governance Code (the 'Code') in relation to remuneration. The Committee has taken account of the new requirements for the disclosure of Directors' remuneration and guidelines issued by major shareholder bodies when setting the remuneration strategy for the Group.

2024 Directors' Remuneration Policy

The forthcoming 2024 AGM marks the third anniversary of the approval of the Directors' Remuneration Policy (the 'Policy') and as such, we are required to put a new Policy to a binding shareholder vote. The Policy is the framework on which Executive Directors and the broader senior management team are remunerated and the Committee has focused a significant proportion of its time in the year in reviewing the existing Policy. In conducting the review, the Committee was conscious of the launch of subsidiary Veri Energy and the potential impact this could have on the Group's approach to remuneration with Salman Malik remaining as an Executive Director of the Group. Save for minor wording amendments to enhance clarity and readability, and to remove references to pre-2020 legacy arrangements, there are no changes proposed to the existing Policy for 2024. This allows the Committee to establish during 2024 greater clarity on how to best structure remuneration relating to Executive Directors and the Committee will take this opportunity to put a new Policy to a shareholder vote ahead of the typical three-year anniversary.

Remuneration principles and objectives of the Policy

The previous Policy was approved by shareholders at the 2021 AGM with 95.35% voting in favour and operated from 2021 to 2023.

In reapplying the Policy from 2024, we believe EnQuest's remuneration principles remain clear and simple: to ensure that the Group operates with the appropriate culture, strengthening the link between reward and performance and emphasising the importance of its purpose and Values.

In summary, the Policy is operating as intended and well aligned to the principles of remuneration in the Corporate Governance Code with a core understanding that remuneration for Executive Directors should:

- Support alignment of executives with stakeholders;
- Be fair, reflective of best practice, and be market competitive;
- Comprise fixed pay set around the median and variable pay capable of delivering remuneration at upper quartile against a comparator group; and
- Reward performance with a balance of short-term and long-term elements, with the emphasis on longer-term reward.

The table below sets out how the principles of the Code relating to the design of remuneration policies and practices have been applied:

Clarity	Simplicity	Risk	Predictability	Proportionality	Alignment to culture
Ensure a strong link between pay and performance and the remuneration structure is designed to be appropriately logical and transparent. The Group engages in shareholder consultation when considering material changes to Policy or process. The Group believes its remuneration arrangements, and the principles underpinning them, are clear and well understood by its stakeholders.	Remuneration for Executive Directors is comprised of distinct elements: • Salary; • Pension and other benefits aligned with the wider UK workforce (in accordance with Provision 38 of the Code); • Annual bonus; and • Long-term incentive awards to reward sustainable long-term performance.	Remuneration arrangements ensure that the risks from excessive rewards are easily identified and mitigated. Salaries are reviewed annually and consider a variety of factors, including external benchmarking and salary increases across the wider workforce. Variable pay elements are linked directly to Group performance.	Target ranges and potential maximum payments under each element of remuneration are disclosed within the DRR. The Committee operates a high degree of discretion over variable pay elements and can adjust any pay outcomes that the Committee deems are inconsistent with the performance of the Group.	The Committee has ensured that appropriate safeguards are incorporated into the Policy. The annual bonus is directly aligned to Group objectives, and the Committee retains discretion to adjust outcomes that are considered disproportionate to the experience of other stakeholders.	The Group's Business performance metrics and remuneration structure are aligned to its culture and Values, with specific non-financial measures included in performance metrics. The Committee keeps all performance metrics under review and retains the flexibility to introduce further culture and Values measures into its annual bonus plan.

Remuneration Policy for Executive Directors

General approach

The remuneration of the Executive Directors comprises base salary, participation in an annual bonus plan (paid partly in cash and partly in deferred shares), a long-term incentive plan (referred to as the PSP), private medical insurance, life assurance, personal accident insurance, and a cash allowance in lieu of pension aligned to the wider workforce.

When setting remuneration for the Executive Directors, the Committee takes into account the performance and experience of the Director, as well as the performance of the Group, employment conditions for other employees in the Group, and the external marketplace. Comparative data for our sector is obtained from a variety of independent sources.

The following table details EnQuest's Remuneration Policy which will become binding from 30 May 2024, subject to approval at the 2024 AGM.

Component	Purpose and operation/ key features	Maximum potential opportunity	Applicable performance measures
Base salary	To enable the recruitment and retention of Executive Directors who possess the appropriate experience, knowledge, commercial acumen and capabilities required to deliver sustained long-term shareholder value. • Set at or below median when compared to a comparator group generally of the same size and industry as EnQuest and who have a similar level of enterprise value. • Salaries are typically reviewed by the Remuneration Committee in January each year.	Typically, the conditions and pay of all employees within the Company are factors considered by the Committee in its review. Increases in excess of the general workforce may be made where there is a significant change in duties, contribution to Company performance, personal performance, or external market conditions.	None.
Pension and other benefits	Provide market competitive employee benefits that are in line with the marketplace and enable EnQuest to attract and retain high-calibre employees, as well as providing tax-efficient provision for retirement income. • Pension delivered as cash in lieu, with remaining benefits provided by the Group. • Executive Directors may participate in the HMRC-approved Sharesave Scheme and benefit from share price growth. • Benefits reviewed periodically by the Remuneration Committee and adjusted to meet typical market conditions. • Additional benefits offered when required, in line with local practice. • Any reasonable business-related expenses (including tax thereon) which are determined to be a taxable benefit can be reimbursed.	The maximum pension allowance that may be offered is the lesser of 10% of salary or £50,000, plus private medical insurance, life assurance and personal accident insurance, the costs of which are determined by third-party providers.	None.
Annual bonus	Incentivises and rewards short-term performance (over no more than one financial year) through the achievement of pre-determined annual targets which support Company strategy and shareholder value. • Bonus in excess of 100% of salary deferred into EnQuest shares for two years, otherwise paid in cash. • The Committee has discretion to allow Executive Directors to receive dividends that would otherwise have been paid on deferred shares at the time of vesting. • Cash and share elements subject to malus and clawback in the event of a material misstatement of the Company's accounts, errors in the calculation of performance, or gross misconduct by an individual for up to three years following the determination of performance.	• Target payout at 75% of salary. • Maximum payout is 125% of salary.	• A scorecard is set annually by the Committee to include key performance objectives such as financial, operational, project delivery, HSEA targets and net debt. The Committee agrees the specific objectives and appropriate weightings. • Performance against key objectives has threshold, target and stretch components. • Where the threshold level of performance is met for each element, bonuses will begin to accrue on a sliding scale from 0%.

Component	Purpose and operation/ key features	Maximum potential opportunity	Applicable performance measures

Performance Share Plan ('PSP')	Encourages alignment with shareholders on delivery of the longer-term strategy of the Company. Enhances delivery of shareholder returns by encouraging higher levels of Company performance. Encourages executives to build a shareholding.
	• Awarded annually and may take account of the performance of the Company and the Executive Director in the prior year.
	• Awards vest after three years provided performance conditions have been achieved.
	• Awards vesting are subject to an additional two-year holding period which, unless the Committee determines otherwise, will apply up to the fifth anniversary of the date of grant.
	• Dividend equivalent on unvested awards will accrue in shares only.
	• The Committee has discretion to allow Executive Directors to receive dividends that would otherwise have been paid on shares at the time of vesting.
	• Awards may take the form of conditional awards, nil cost options or joint interests in shares. Where joint interests in shares are awarded, the participants and the Employee Benefit Trust ('EBT') acquire separate beneficial interests in shares in the Company.
	• Awards are subject to malus or clawback in the event of:
	  • Material misstatement of the Company's accounts;
	  • Errors in the calculation of performance;
	  • Gross misconduct by an individual for up to three years following the determination of performance;
	  • Material error in the information on which the size of awards or the extent of achievement of performance conditions was based;
	  • Material risk management failure;
	  • Material corporate failure;
	  • Fraud and financial impropriety;
	  • Serious reputational damage or material loss caused by the participant's actions;
	  • Material contravention by the participant of the Company's Values and ethics.
		• Normal maximum: 250% of salary.
		• Exceptional maximum: 350% of salary.
			• Vesting of awards will be based on a blend of measures including, but not limited to, relative TSR and ESG measures.
			• Maximum of 25% vesting at threshold.
			• Performance conditions applied to awards granted in the year under review and for the awards to be granted in the forthcoming year are set out in the Annual Report on Remuneration.
			• The number, type and weighting of performance measures may vary for future awards to help drive the business strategy.
			• The Committee will normally consult with major shareholders before introducing any material new metrics.

Shareholding requirements	To ensure sustained alignment between the interests of Executive Directors and our shareholders. • Executive Directors are required to maintain a shareholding of at least 200% of salary, with a requirement that this level is attained within five years of appointment. • Shareholding to be retained for a period of two years post-employment at the lower of the actual shareholding and the in-post requirement (200% of salary), including both vested and unvested shares.	n/a	None.
Chairman and Non-Executive Director fees	To attract Non-Executive Directors of the calibre and experience required for a company of EnQuest's size. • Fees for the Non-Executive Directors are reviewed annually by the Chairman and Executive Directors and take into account typical practice at other companies of a similar size and complexity, the time commitment required to fulfil the role, and salary increases awarded to employees throughout the Company. • Non-Executive Directors receive a base fee, with additional fees being paid to the Senior Independent Director and Committee Chairs, to reflect the additional time commitments and responsibilities these roles entail. • Additional fees may be paid if there is a material increase in time commitment and the Board wishes to recognise this additional workload. • Any reasonable business-related expenses (including tax thereon) which are determined to be a taxable benefit can be reimbursed. • The Non-Executive Directors are not eligible to participate in any of the Company incentive schemes. • The Chairman's fee is set by the Committee and consists of an all-inclusive fee.	• Reviewed periodically and limited by the Company's Articles of Association.	None.

Performance measures and targets

Annual bonus

The key performance indicators in the Group scorecard that also determine a significant proportion of the annual bonus of Executive Directors include, but are not limited to, the following categories:

- Environmental, social and governance ('ESG');
- Financial (including operating expenditure ('opex'), capital expenditure ('capex') and EnQuest net debt);
- Operational performance/production;
- Project delivery;
- Reserves additions; and
- Objectives linked to key accountabilities.

The measures in each category are selected by the Committee to support the creation of shareholder value. These criteria are also aligned with the longer-term strategy of the Group and the performance conditions of the Group's PSP. In addition to measuring performance against objectives, the Committee will consider the overall quality of the Group's financial performance and other factors, particularly HSEA, when determining annual performance pay awards.

Bonus objectives for EnQuest's CEO are typically based solely on the Group scorecard, referred to as the Company Performance Contract ('CPC') of EnQuest. Bonus objectives for other Executive Directors are also primarily based on the CPC for EnQuest, but may also include up to 50% based on additional objectives that cover specific key accountabilities and responsibilities of these roles.

Annual performance bonus and share deferrals

Executive Directors will normally receive any applicable annual performance bonus in cash and deferred shares, with any amount above the equivalent of 100% of salary converted into EnQuest shares (without further performance conditions) and deferred for two years, subject to continued employment. In exceptional circumstances, these awards may be settled in cash, but only with the pre-approval of the Remuneration Committee.

Performance Share Plan

The PSP is typically awarded annually and has a minimum vesting period of three years. Since 2019, awards granted have been subject to an additional two-year holding period which, unless the Committee determines otherwise, will apply up to the fifth anniversary of the date of grant.

Approach to recruitment remuneration

In the event that the Company appoints a new Executive Director, either internally or externally, when determining appropriate remuneration arrangements, the Committee will take into consideration a number of factors including, but not limited to: quantum relating to prior arrangements; the remuneration of other Executive Directors in the Company; appropriate benchmarks in the industry; and the financial condition of the Group. On the appointment of a new Chair or Non-Executive Director, the fees will be set taking into account the experience and calibre of the individual. This ensures that the arrangements are in the best interests of both the Company and its shareholders without paying more than is necessary to recruit an executive of the required calibre.

Salaries for new hires (including internal promotions) will be set to reflect their skills and experience, the Group's intended pay positioning and the market rate for the role. If it is considered appropriate to appoint a new Director on a below-market salary initially (for example, to allow them to gain experience in the role), their salary may be increased to a median market level over a period by way of increases above the general rate of wage growth in the Group and inflation.

The remuneration package for a new Executive Director would be set in accordance with the terms of the Group's approved Policy at the time. Different performance objectives may be set for the year of joining the Board for the annual bonus and PSP, taking into account the individual's role and responsibilities and the point in the year the executive joined.

Benefits and pensions for new appointees to the Board will be provided in line with those offered to other executives and employees taking into account corporate governance requirements and local market practice, with relocation expenses/arrangements provided for, if necessary. Tax equalisation may also be considered if an executive is adversely affected by taxation due to their employment with EnQuest. Legal fees and other relevant costs and expenses incurred by the individual may also be paid by the Group.

In the case of an internal promotion, any outstanding variable pay awarded in relation to the previous role will be allowed to continue according to its terms of grant.

The Committee may make additional awards on appointing an Executive Director to 'buy out' remuneration arrangements forfeited on leaving a previous employer. Any such payments would be based solely on remuneration lost when leaving the former employer and would reflect (as far as practicable) the delivery mechanism, time horizons and performance requirement attached to that remuneration. The Group's existing incentive arrangements, including the 2020 Restricted Share Plan ('RSP'), will be used to the extent possible for any buyout (subject to the relevant plan limits), although awards may also be granted outside of these schemes, if necessary, and as permitted under the Listing Rules.

Service contracts

Each Executive Director entered into their service agreement (which are available for inspection at the Group's London office) with the Company which are terminable by either party giving not less than 12 months' written notice. The Company may terminate their employment without giving notice by making a payment equal to the aggregate of the Executive Director's base salary and the value of any contractual benefits for the notice period including any accrued but untaken holiday. Such payments may be paid monthly and would be subject to mitigation.

Executive Directors[1]	Date of appointment	Notice period
Amjad Bseisu	22 February 2010	12 months
Salman Malik	15 August 2022	12 months
Jonathan Copus	7 December 2023	12 months

Note:
1 Jonathan Copus was employed by the Group from 7 December 2023 and became CFO of the Group on 1 February 2024. The notice period shown will be implemented on confirmation of appointment as an Executive Director of the Board

The Chairman and Non-Executive Directors have letters of appointment, the details of which are provided below.

Non-Executive Directors' letters of appointment[1]	Date of appointment	Notice period	Initial term of appointment
Gareth Penny	6 December 2022	3 months	3 years
Farina Khan	1 November 2020	3 months	3 years
Liv Monica Stubholt	15 February 2021	3 months	3 years
Rani Koya	1 January 2022	3 months	3 years
Michael Borrell	5 September 2023	3 months	3 years

Note:
1 Carl Hughes, John Winterman and Howard Paver stood down as Non-Executive Directors on 5 June 2023. Karina Litvack stood down as Non-Executive Director on 18 December 2023

External directorships

EnQuest recognises that its Executive Directors may be invited to become non-executive directors of companies outside the Company and exposure to such non-executive duties can broaden experience and knowledge, which would be of benefit to EnQuest. Any external appointments are subject to Board approval (which would not be given if the proposed appointment required a significant time commitment; was with a competing company; would lead to a material conflict of interest; or could otherwise have a detrimental effect on a Director's performance). Executive Directors will be permitted to retain any fees arising from such appointments, details of which will be provided in the respective companies' Annual Report on Remuneration.

Policy on payment for loss of office

The Company's policy is for all Executive Directors to have contracts of service which can be terminated by either the Director concerned or the Company on giving 12 months' notice of termination. In the event of termination by the Company (other than as a result of a change of control), the Executive Directors would be entitled to compensation for loss of base salary and cash benefit allowance and insured benefits for the notice period up to a maximum period of 12 months. Such payments may be made monthly and would be subject to mitigation (noting no such payments were made in 2023). The Company may also enable the provision of outplacement services to a departing Executive Director, where appropriate.

When Executive Directors leave the Company with good leaver status, and they have an entitlement to unvested shares granted under the Deferred Bonus Share Plan ('DBSP') and PSP, any performance conditions associated with each award outstanding would remain in place and be tested as normal at the end of the original performance period. Shares would also normally then vest on their original vesting date in the proportion to the satisfied performance conditions and are normally pro-rated for time. Awards held by Executive Directors who are not good leavers would lapse.

An annual bonus would not typically be paid to Executive Directors when leaving the Company. However, in good leaver circumstances, the Committee has the discretion to pay a pro-rated bonus in cash, in consideration for performance targets achieved in the year. Deferred bonus shares held by good leavers will normally vest at the normal vesting date.

Similar provisions related to the treatment of incentive awards would apply on a change of control, with performance conditions normally tested at the date of the change of control and with pro-rating for time, although the Committee has discretion to waive pro-rating (but not the performance conditions) where it feels this is in the best interests of shareholders.

The Non-Executive Directors do not have service contracts but their terms are set out in a letter of appointment. Their terms of appointment may be terminated by either party giving three months' notice in writing. During the notice period, Non-Executive Directors will continue to receive their normal fee.

Remuneration and Social Responsibility Committee discretion and determinations

The Committee will operate the annual bonus scheme, DBSP, PSP, RSP and Sharesave Scheme according to their respective rules and in accordance with the Listing Rules and HMRC requirements, where relevant. The Committee, consistent with market practice, retains discretion over a number of areas relating to the operation and administration of these arrangements. These include, but are not limited to, the following:

- Who participates in the plans;
- The timing of grant of award and/or payment;
- The size of an award and/or payment;
- Discretion relating to the adjudication of performance against targets in the event of a change of control or reconstruction;
- Applying good leaver status in circumstances such as death, ill health and other categories as the Committee determines appropriate and in accordance with the rules of the relevant plan;
- Discretion to disapply time pro-rating in the event of a change of control or good leaver circumstances;

- Discretion to settle any outstanding share awards in cash in exceptional circumstances;
- Adjustments or variations required in certain circumstances (for example, rights issues, corporate restructuring, change of control, special dividends and other major corporate events); and
- The ability to adjust existing performance conditions and performance targets for exceptional events so that they can still fulfil their original purpose.

If an event occurs which results in any applicable performance conditions and/or targets being deemed no longer appropriate (for example, a material acquisition or divestment), the Committee will have the ability to adjust appropriately the measures and/or targets and alter weightings, provided that the revised conditions or targets are not materially less difficult to satisfy.

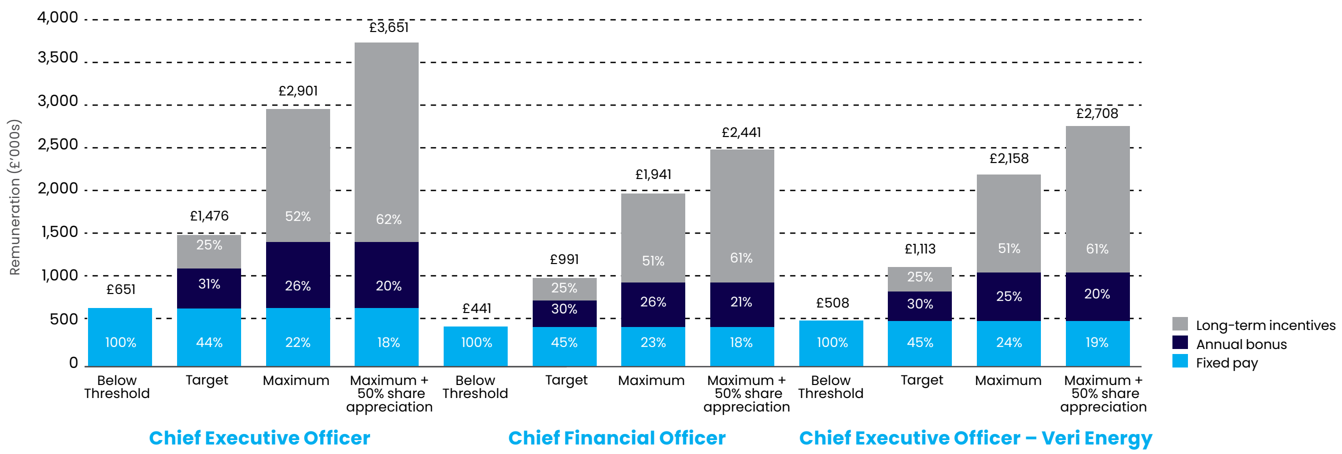
If tax liabilities arise from an error or omission by the Group that is outside of the control of the Executive Directors, the Committee will have the ability to reimburse any such tax liabilities.

Legacy awards
For the avoidance of doubt, authority is given to the Committee to honour any commitments entered into with current or former Directors (such as the payment of a pension or the unwind of legacy share schemes) that have been disclosed to shareholders in this or any previous DRRs or subsequently agreed in line with the approved Policy in force at that time. Details of any payments to former Directors will be set out in the Annual Report on Remuneration as they arise.

Remuneration outcomes in different performance scenarios
The charts below set out an illustration of the remuneration arrangements for 2024 in line with the proposed Policy. These charts provide an illustration of the proportion of total remuneration made up of each component of the Policy and the value of each component.

In accordance with the remuneration reporting requirements, four 2024 scenarios are illustrated for each Executive Director:

Below threshold performance	• Fixed remuneration • Zero annual bonus • No vesting under the PSP
Target performance	• Fixed remuneration • 75% of annual base salary as annual bonus • 25% of maximum vesting under the PSP at threshold performance (62.5% of base salary)
Maximum performance	• Fixed remuneration • 125% of annual base salary as annual bonus (maximum payout) • Full vesting under the PSP (250% of base salary)
Maximum performance plus 50% share appreciation	• Fixed remuneration • Maximum payout under the annual bonus • Full vesting under the PSP plus assumed 50% share price appreciation at vesting (equivalent to 375% of base salary)



Notes:

For the CEO of EnQuest, Amjad Bseisu, fixed pay comprises salary from 1 January 2024, a pension allowance of £50,000 plus medical insurance benefit of £1,252.

For the CFO, Jonathan Copus, fixed pay comprises salary from 1 January 2024, a pension allowance of £40,000 plus medical insurance benefit of £1,252.

For the CEO – Veri Energy, Salman Malik, fixed pay comprises salary from 1 January 2024, a pension allowance of £44,000, international medical insurance benefit of £12,594 with an additional £11,168 in respect of grossing up the value of this premium in respect of taxation.

In 2024, the PSP awards granted will be scaled back by c.26% to 185% of base salary.

Statement of consideration of employment conditions elsewhere in the Group
The remuneration arrangements for the Executive Directors are consistent with the remuneration principles that have been established and are similar to those of the other employees of EnQuest.

The key differences are as follows:
- Executive Directors and members of the Executive Committee have their fixed pay set below or at market median for the industry; other employees typically have their salaries positioned at market median. Specific groups of key technical employees may have their salaries set above median for the industry;
- All employees are offered a non-contributory pension scheme. Executive Directors have opted to receive cash in lieu of pension. Non-Executive Directors do not participate in any pension or benefits arrangements;
- Non-Executive Directors do not participate in the annual bonus scheme;
- If applicable, Executive Directors have an element of the annual bonus automatically converted to shares and deferred; and
- All other employees may be invited to participate in the DBSP where they can elect to defer a defined proportion of their annual bonus and receive a matching amount of shares that vest over the following three years. Executive Directors are not eligible to receive matching share awards under this plan.

During the annual remuneration review, the Committee receives a report which details the remuneration arrangements of other executives and senior management as well as the overall spend versus budget for all employees. This report helps to act as a guide to the Committee as to the levels of reward being achieved across the organisation so that they can ensure the Directors' pay does not fall out of line with the general trends.

Employees have not previously been directly consulted about the setting of Directors' pay, although the Committee will take into consideration any developments in regulations in operating this Policy.

Statement of shareholder views
The Remuneration and Social Responsibility Committee welcomes and values the opinions of EnQuest's shareholders with regard to the structure and levels of remuneration for Directors.

Annual Report on Remuneration for 2023

Terms of reference
The Committee's terms of reference are available either on the Group website, www.enquest.com, or by written request from the Company Secretariat team at the Group's London headquarters. The remit of the Committee embraces the remuneration strategy and policy for the Executive Directors, the Executive Committee, senior management and, in certain matters, for the whole Group.

Meetings in 2023
The Committee has four scheduled meetings per year. During 2023, it met on four occasions to review and discuss the Policy renewal, appropriate compensation for Jonathan Copus as the incoming CFO, base salary adjustments for 2024, the setting of Group performance conditions and related annual bonus for 2022, PSP performance conditions, UK Corporate Governance Code provisions and the approval of share awards.

Committee members, attendees and advisers

Member	Date appointed Committee member	Attendance at scheduled meetings during the year
Howard Paver[1]	1 May 2019	2 of 2
Farina Khan	1 November 2020	4 of 4
Gareth Penny	15 February 2023	4 of 4
Karina Litvack[2]	15 September 2023	1 of 1

Notes:
1 Howard Paver stepped down as Non-Executive Director and as a Chair of the Committee on 5 June 2023
2 Karina Litvack was appointed as a Non-Executive Director and Chair of the Committee on 15 September 2023 and resigned as a Non-Executive Director on 18 December 2023

Advisers to the Remuneration and Social Responsibility Committee
The Committee invites individuals to attend meetings to provide advice to ensure that the Committee's decisions are informed and take account of pay and conditions in the Group as a whole. Those individuals, who are not members but may attend by invitation, include, but are not limited to:
- The Chief Executive;
- The Chief Financial Officer;
- The Company Secretary;
- A representative from the Group's Human Resources department; and
- A representative from Ellason LLP, appointed as remuneration adviser by the Committee in April 2022.

No Director takes part in any decision directly affecting their own remuneration.

Information subject to audit

Directors' remuneration: the 'single figure'

In this section of the report, payments made to the Executive and Non-Executive Directors of EnQuest for the year ended 31 December 2023, together with comparative figures for 2022 are set out.

Single total figure of remuneration – Executive Directors

		'Single figure' of remuneration – £'000s[1]							
Director	Year	Salary and fees	All taxable benefits	Pension[3]	Total fixed pay	Annual bonus[4]	LTIP[5]	Total variable	Total fixed and variable
Amjad Bseisu	2023	513	1	50	565	428	215	643	1,208
	2022	494	1	50	545	458	779	1,237	1,782
Salman Malik[2]	2023	440	77	44	561	367	34	401	962
	2022	207	53	20	280	156	143	299	579
Total	2023	953	78	94	1,126	795	249	1,044	2,169
	2022	701	54	70	825	614	922	1,536	2,361

Notes:
1 Rounding may apply on the numbers provided
2 Salman Malik was appointed CFO on 15 August 2022 and his salary, benefits and variable incentives for 2022 are shown on a pro-rata basis, with the LTIP value based on an award made prior to his appointment. Taxable benefits for Salman Malik in 2022 and 2023 include international private medical insurance grossed-up for income tax and National Insurance
3 Cash was provided in lieu of a company pension contribution.
4 The amount stated is the full amount (including any portion deferred). Any amount that is above 100% of their salary is paid in EnQuest PLC shares, deferred for two years, and subject to continued employment
5 PSP awarded on 27 April 2021 that vests on 25 April 2024: the LTIP value shown in the 2023 single figure is calculated by taking the number of performance shares that will vest (20%) multiplied by the average value of the EnQuest share price between 1 October 2023 and 31 December 2023 (14.5 pence), as the share price that will apply on 27 April 2024 is not known at the time of this report. As the share price declined over the period, none of the value above is attributable to share price appreciation. This number of shares has been adjusted in line with the open offer dated 26 July 2021
The PSP awarded on 10 September 2020 which vested on 11 September 2023: the LTIP value shown in the 2022 single figure is calculated by taking the number of performance shares that vested (74.8%) multiplied by the actual opening share price of 14.7 pence on the next business day following the vesting date of 11 September 2023. The 2022 value of the vested shares in the remuneration table has been updated from last year's value to represent the actual value received on the date of vesting

Single total figure of remuneration – Non-Executive Directors

The remuneration of the Non-Executive Directors for the year ended 31 December 2023 was as follows, together with comparative figures for 2022:

	'Single figure' of remuneration – £'000s					
Director	Salary and fees 2023	Salary and fees 2022[7]	All taxable benefits 2023	All taxable benefits 2022	Total for 2023	Total for 2022
Gareth Penny[1]	200	14	–	–	200	14
Howard Paver[2]	54	105	–	–	54	105
Carl Hughes[2,3]	47	95	–	–	47	95
John Winterman[2]	47	95	–	–	47	95
Farina Khan	66	85	–	–	66	85
Liv Monica Stubholt	60	85	–	–	60	85
Rani Koya[4]	70	88	–	–	70	88
Michael Borrell[5]	19	–	–	–	19	–
Karina Litvack[6]	20	–	–	–	20	–
Total	585	567	–	–	585	567

Notes:
1 Gareth Penny was appointed as Non-Executive Chairman on 6 December 2022
2 Howard Paver, Carl Hughes and John Winterman stepped down from their roles as Non-Executive Directors on 5 June 2023
3 After stepping down from the Board, Carl Hughes began a separate short-term consultancy agreement with EnQuest that ended on 31 December 2023 to provide ad-hoc support on general finance and audit matters, as well as to enable a smooth transition of responsibilities. The total fee for this separate engagement paid to Mr Hughes was £30,000 and is not included in the single figure above as it was compensation received after leaving the Board
4 Rani Koya was appointed Chair of the Sustainability Committee on 1 September 2022
5 Michael Borrell was appointed to the Board on 5 September 2023
6 Karina Litvack was appointed to the Board on 15 September 2023 and stepped down from the Board on 18 December 2023. Her fee includes the additional fees payable as the Senior Independent Director and Chair of the Remuneration and Social Responsibility Committee
7 Non-Executive Directors were each paid an additional one-off fee of £25,000 in July 2022. Further details were provided in the 2022 Annual Report

Annual bonus 2023 – paid in 2024

The Committee's belief is that any short-term annual bonus should be tied to the overall performance of the Group. An Executive Director's annual bonus may also be tied to additional objectives that cover their own specific area of key accountabilities and responsibilities. The maximum bonus entitlement for the year ended 31 December 2023 as a percentage of base salary was 125% for Amjad Bseisu and Salman Malik.

For both Amjad Bseisu and Salman Malik, the annual bonus reported in the single figure table for 2023 was wholly based on the CPC results.

Company Performance Contract ('CPC')

The details of the CPC for both Amjad Bseisu and Salman Malik in 2023 are set out in the following tables, showing the performance conditions and respective weightings against which the bonus outcome was assessed.

Any payout against the CPC may be subject to an additional underpin based on the Committee's assessment of the Group's HSEA performance. Following below-target performance in relation to HSEA metrics in 2023, it was the view of the Committee that the scorecard outcome should be adjusted in line with HSEA performance for the Group.

The annual bonus summary for the Executive Directors for 2023 is shown in the table below based on the achievement of the performance conditions against the CPC for both Amjad Bseisu and Salman Malik.

		Performance targets				
Performance measure	Weighting	Threshold	Target	Maximum	Actual outturn	Actual outturn (% of maximum)[1]
Production (Kboed)	25.0%	42.0	44.0	46.0	43.8	57.0%
Expenditure[2] Cash opex/capex/abex ($ million)	15.0%	715.0	650.0	617.5	604.0	100.0%
ESG, culture and D&I Emissions: reduce flaring on producing assets against 2022	5.0%	2.5% reduction	5.0% reduction	7.5% reduction	22.0% reduction	100.0%
ESG, culture and D&I Manage voluntary employee attrition rates	5.0%	12.0%	8.0%	6.0%	9.8%	33.0%
Liquidity management Reduce leverage year-on-year from 2022, whilst maintaining adequate liquidity ($ million)	20.0%	717.0	514.0	463.0	481.0[3]	92.9%
Upstream organic and inorganic growth Deliver projects that contribute to ongoing growth of the Company	15.0%	Deliver one	Deliver two	Deliver three of more	Delivered two	60.0%
Infrastructure and New Energy growth projects	10.0%	Deliver one	Deliver two	Deliver three of more	Delivered two	60.0%
Alignment to strategic objectives Based on report by corporate broker	5.0%	Red/ 0.0	Amber/ 1.0	Green/ 1.5	Between threshold and target	30.0%
Total bonus outturn before HSE&A deductor (% of maximum)						**71.0%**
HSE&A performance deductor						94.0%
Total bonus outturn (% of maximum)						**66.7%**

Notes:
1 Rounding has been applied to percentages
2 In relation to the financial measures, threshold, target and stretch performance pays out at 0%, 60% and 100% of maximum respectively and on a straight-line basis in between threshold and target performance and between target and stretch performance. For other measures, threshold performance pays out at 30% of maximum
3 Final outturn included the creation of a term loan during 2023

2023 Annual bonus outcome

Name	Salary	Maximum annual bonus (% of salary)	Total bonus outturn (% of maximum)	Total bonus outturn (% of salary)	Total 2023 bonus (£)	Paid as cash (£)	Deferred in shares (£)
Amjad Bseisu	£513,300	125.0%	66.7%	83.4%	£428,150	£428,150	£0
Salman Malik	£440,000	125.0%	66.7%	83.4%	£367,009	£367,009	£0

2021 PSP awards that vest in 2024

The LTIP award made to Executive Directors on 24 April 2021 was based on the performance to the year ended 31 December 2023 and will vest on 25 April 2024.

Targets applying to the 2021 PSP award were set by the Committee in March 2021.

The performance targets for this award and actual performance against those targets over the three-year financial period were as follows:

Measure	Weighting	Threshold (25% vesting)	Maximum (100% vesting)	Performance outcome	Vesting outcome (% of maximum)
Relative TSR over the period 1 January 2021 to 31 December 2023	80.0%	50th percentile	75th percentile	30th percentile	0.0%
Emission reduction over the period 1 January 2021 to 31 December 2023	20.0%	10% reduction	12% reduction	24% reduction	100.0%
Total vesting outcome					20.0%

Note:
The TSR comparators for the 2021 PSP cycle are shown in the table on page 111

The table below shows the number of nil cost options awarded on 24 April 2021 that will vest on 24 April 2024 and their value as at 31 December 2023. This figure is calculated by taking the average closing share price on each trading day of the period 1 October 2023 to 31 December 2023 and is used as the basis for reporting the 2023 'single figure' of remuneration. The actual value of these shares recorded in the remuneration table will be updated in 2024 to represent the actual value received on the day of vesting.

Name	Original number of shares	Adjusted number of shares[1]	Portion vesting	Number of shares vesting	Average share price £	Value at 31 Dec 2023 £
Amjad Bseisu	7,407,792	7,442,048	20.0%	1,488,409	0.1446	215,151
Salman Malik[2]	1,157,869	1,163,223	20.0%	232,644	0.1446	33,629

Notes:
1. Following an adjustment made in relation to the open offer of 26 July 2021
2. Awards made to Salman Malik were under the relevant terms applicable for his role before he was appointed as an Executive Director in August 2022 and are not subject to the mandatory two-year holding period

April 2023 PSP award grant

After due consideration of Business performance in 2022, the Remuneration and Social Responsibility Committee awarded the Executive Directors the following performance shares on 10 July 2023:

	Face value (% of salary)	Face value at date of grant £	Number of shares[1]	Performance period
Amjad Bseisu	250.0%	1,233,777	8,102,723	1 Jan 2023–31 Dec 2025
Salman Malik	250.0%	1,100,002	7,224,166	1 Jan 2023–31 Dec 2025

Note:
1 Based on the average middle market quote for the three days preceding the date of grant on 10 July 2023 of 15.23 pence

Summary of performance measures and targets – April 2023 PSP grant

The 2023 PSP share awards granted on 10 July 2023 will be measured 80% against a relative TSR performance condition over a three-year financial performance period and 20% based on emission reduction over the same period. Vesting is determined on a straight-line basis between threshold and maximum for the performance condition. The performance period for the award will be 1 January 2023 to 31 December 2025 and thereafter subject to a mandatory two-year holding period.

2023 PSP – schedule for vesting in 2026

Measure	Weighting	Threshold (25% vesting)	Maximum (100% vesting)
Relative TSR over the period 1 January 2023 to 31 December 2025	80.0%	50th percentile	75th percentile or higher
Emission reduction over the period 1 January 2023 to 31 December 2025	20.0%	10% reduction	12% reduction or more

Note:
1 Linear between threshold and maximum

PSP measure – base levels

The table below summarises the historical base levels that emission reduction performance is measured from, for a three-year period for each annual PSP grant, up to and including the PSP award granted in 2023:

Year of grant	Emissions – base level
2021 80% relative TSR/20% emission reduction	1,343 ktCO_2e
2022 80% relative TSR/20% emission reduction	1,145 ktCO_2e
2023 80% relative TSR/20% emission reduction	1,052 ktCO_2e

The comparator group companies for the TSR performance condition relating to the 2021 and 2022 awards are as follows:

Africa Oil	DNO	Hurricane Energy[4]	Orrön Energy[3]
Aker BP ASA	Energean	Jadestone	Pharos Energy
BW Energy	Genel Energy	Kosmos	Santos
Capricorn Energy[1]	Harbour Energy[2]	Maurel & Prom	Serica
Diversified Energy	Hibiscus Petroleum	Okea	Tullow Oil

2023 PSP award TSR comparator group

Africa Oil	Energean	Hurricane Energy[4]	Maurel & Prom
Aker BP	Genel Energy	Ithaca Energy	OKEA
BW Energy	Gulf Keystone Petroleum	Jadestone Energy	Pharos Energy
Capricorn Energy[1]	Harbour Energy[2]	Kistos	Serica Energy
DNO	Hibiscus Petroleum	Kosmos Energy	Tullow Oil

Notes:
1 Capricorn Energy formerly known as Cairn Energy
2 Harbour Energy formerly known as Premier Oil
3 Orrön Energy formerly known as Lundin Petroleum. It was tracked as a comparator until June 2022 and thereafter the median of the remaining comparator group is tracked instead
4 Hurricane Energy was tracked as a comparator until delisting in June 2023 when it was acquired by Prax Group. Thereafter the median of the remaining comparator group is tracked instead

The number of PSP awards outstanding as at 31 December 2023 is as follows:

	Total shares awarded	Adjusted shares awarded[1]	Performance period	Performance conditions (and weighting)	Vesting date
Grant date – April 2021					
Amjad Bseisu	7,407,792	7,442,048	1 Jan 2021–31 Dec 2023	TSR (80%)	25 Apr 2024
Salman Malik	1,157,869	1,163,223		Emission reduction (20%)	
Grant date – April 2022					
Amjad Bseisu	3,343,689	n/a	1 Jan 2022–31 Dec 2024	TSR (80%)	25 Apr 2025
Salman Malik	1,619,078	n/a		Emission reduction (20%)	
Grant date – July 2023					
Amjad Bseisu	8,102,723	n/a	1 Jan 2023–31 Dec 2025	TSR (80%)	25 Apr 2026
Salman Malik	7,224,166	n/a		Emission reduction (20%)	

Note:
1. Total shares awarded are shown following an adjustment made in relation to the open offer of 26 July 2021

Pension allowance

Executive Directors who do not participate in the EnQuest pension plan instead receive cash in lieu. Amjad Bseisu received £50,000, and Salman Malik received £44,000 in 2023. This was equivalent to 9.7% of Amjad Bseisu's 2023 salary and 10.0% of Salman Malik's 2023 Executive Director salary.

Statement of Directors' shareholding and share interests
The interests of the Directors in the share capital of the Company as at 31 December 2023 are shown below:

PSP	31 December 2022	Granted	Lapsed	31 December 2023	Vesting period	Expiry date
Amjad Bseisu	7,090,042		1,786,691	5,303,351	10 Sep 2020–9 Sep 2023	9 Sep 2030
	7,442,048			7,442,048	27 Apr 2021–25 Apr 2024	26 Apr 2031
	3,343,689			3,343,689	25 Apr 2022–24 Apr 2025	24 Apr 2032
		8,102,723		8,102,723	25 Apr 2023–24 Apr 2026	25 Apr 2033

PSP	31 December 2022	Granted	Lapsed	31 December 2023	Vesting period	Expiry date
Salman Malik	1,303,405		328,459	974,946	10 Sep 2020–9 Sep 2023	9 Sep 2030
	1,163,223			1,163,223	27 Apr 2021–26 Apr 2024	26 Apr 2031
	1,619,078			1,619,078	25 Apr 2022–24 Apr 2025	24 Apr 2032
		7,224,166		7,224,166	25 Apr 2023–24 Apr 2026	24 Apr 2033

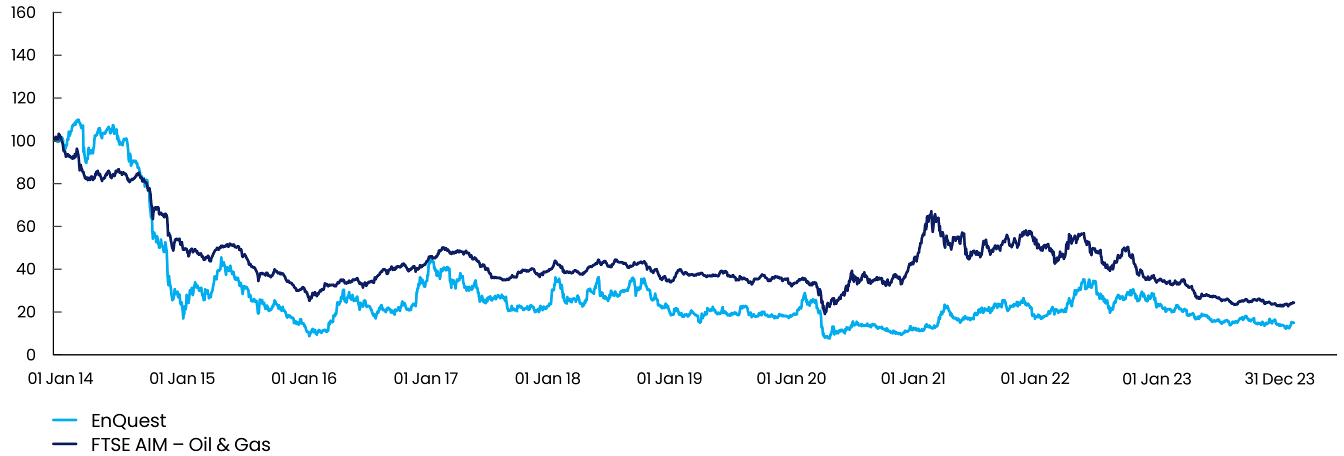
The table above shows for the unvested awards the maximum number of shares that could be released if awards were to vest in full. These awards first vest on the third anniversary of the award date, subject to the achievement of performance conditions (as described elsewhere in this report). Awards are subject to an additional two-year holding period which, unless the Committee determines otherwise, will apply up to the fifth anniversary of the date of grant.

Statement of Directors' shareholdings and share interests
Executive Directors are currently required to build up and hold shares in the Company worth 200% of salary and are expected to retain 50% of shares from vested awards under the PSP (other than sales to settle any tax or social security withholdings due) until they hold at least 200% of salary in shares (this includes shares which are beneficially owned directly or indirectly by family members of an Executive Director).

	Legally owned (number of shares)	Value of legally owned shares as % of salary[1]	Unvested and subject to performance conditions under the PSP	Vested but not exercised under the PSP	Vested but not exercised under the RSP	Sharesave	Executive deferrals	Total at 31 December 2023	Value of shareholding as a % of salary[1,2]
Amjad Bseisu[3]	234,732,857	6,610%	12,934,821	9,907,361	–	–	72,475	257,647,514	6,751%
Salman Malik	565,705	19%	9,075,888	1,419,032	–	–	–	11,060,625	42%
Gareth Penny[4]	137,047	n/a	n/a	n/a	n/a	n/a	n/a	137,047	n/a
Farina Khan	211,235	n/a	n/a	n/a	n/a	n/a	n/a	211,235	n/a
Liv Monica Stubholt	–	n/a	n/a	n/a	n/a	n/a	n/a	–	n/a
Rani Koya	–	n/a	n/a	n/a	n/a	n/a	n/a	–	n/a
Michael Borrell	–	n/a	n/a	n/a	n/a	n/a	n/a	–	n/a

Notes:
1 Shares are valued by taking the average closing share price on each trading day of the period 1 October 2023 to 31 December 2023
2 The value of shareholding as a percentage of salary is calculated by combining the number of legally owned shares with a forward projection that 50% of unvested share awards will vest. The resultant projected number of shares is then valued by applying the share valuation process detailed in note 1 above
3 As at 31 December 2023, 201,881,058 shares were held by Double A Limited, a company beneficially owned by the extended family of Amjad Bseisu. 32,674,840 shares were also held by The Amjad and Suha Bseisu Foundation and the remaining 176,959 shares were held by Amjad Bseisu directly
4 62,500 shares are held by Gareth Penny, 74,547 shares are held by Kate Penny, his wife

Information not subject to audit
Total Shareholder Return and Chief Executive total remuneration
The following graph shows the Company's performance, measured by TSR, compared with the performance of the FTSE AIM All-Share Oil & Gas, also measured by TSR. The FTSE AIM All-Share Oil & Gas index has been selected for this comparison as it is the index whose constituents most closely reflect the size and activities of EnQuest.



Historical Chief Executive pay – 'single figure' history
The table below sets out details of the Chief Executive's pay for 2023 and the previous nine years and the payout of incentive awards as a proportion of the maximum opportunity for each period. The Chief Executive's pay is calculated as per the 'single figure' of remuneration shown elsewhere in this report. During this time, Amjad Bseisu's total remuneration has been:

	2014	2015	2016	2017	2018	2019	2020	2021	2022	**2023**
'Single figure' of total remuneration (£'000s)	817	884	941	998	1,306	1,275	1,244	1,658	1,782[1]	1,208[2]
Annual bonus (as a % of maximum)	24	27	33	57	79	81	60	65	74	67
Long-term incentive vesting rate (as a % of maximum PSP)	79	77	56	11	56	50	64	44	75	20

Notes:
1 Confirmed outcome updated after applying share price on PSP vesting date in 2023
2 Forecast outcome based on applying three-month average share price to expected PSP awards scheduled to vest in April 2024

CEO pay ratio 2023
The CEO pay ratio has been calculated using the 'Option A' methodology which compares the single total figure of remuneration ('STFR') of the CEO to UK employees for the 12 months ending 31 December 2023 on a full-time equivalent basis. This methodology has been chosen as it offers the most accurate and preferred approach for companies to apply based on institutional investor guidelines.

			CEO pay ratio		
Financial year	Methodology		P25 (lower quartile)	P50 (median)	P75 (upper quartile)
2023			13:1	11:1	9:1
2022			25:1	20:1	17:1
2021	A	STFR	15:1	13:1	11:1
2020			14:1	12:1	10:1
2019			23:1	14:1	11:1

Total remuneration is as defined in the single total figure of remuneration for Executive Directors. EnQuest has determined the P25, P50 and P75 individuals with reference to a ranking of total remuneration and by identifying those employees with the most typical pay structure of a UK-based employee. All employees have been included as at 31 December 2023, with remuneration of part-time employees and those employees on statutory leave included on a full-time equivalent basis. The reduction in the CEO pay ratio in 2023 can be attributed to the lower value of the PSP at vest driven by the lower share price and the reduced performance outturn of the 2021 PSP award relative to the 2020 PSP award in the prior year.

Data points reflect the 25th, 50th and 75th percentile of all UK employees' total remuneration as follows:

Financial year	Methodology		CEO[1]	UK STFR P25 (lower quartile)	P50 (median)	P75 (upper quartile)
2023			£1,207,852	£96,054	£109,402	£129,382
2022			£2,355,344	£95,589	£115,917	£136,877
2021	A	STFR	£1,418,141	£92,108	£106,862	£128,860
2020			£1,118,892	£78,729	£92,508	£110,817
2019			£1,448,480	£62,717	£104,769	£129,558
2023			£513,300	£86,474	£96,917	£100,320
2022			£493,510	£71,268	£71,675	£71,966
2021	A	Base salary	£479,136	£65,500	£69,960	£89,920
2020			£455,179	£52,346	£75,833	£70,874
2019			£469,741	£51,952	£76,503	£87,941

Note:
1 The single total figure of remuneration shown above is based on the forecast PSP outcome as reported in the relevant Directors' Remuneration Report at the time and has not been updated after vesting

In setting both the CEO remuneration and the remuneration structures for the wider UK workforce, EnQuest has adopted a remuneration structure which includes the same elements for employees at all levels (base pay, benefits, pension, cash bonus and share awards). While all employees receive a base salary that is market competitive for their role and commensurate with our business size, differences exist in the quantum of variable pay that is achievable by the senior executive team and by individuals at senior management levels within the Group. At these levels, where there is a greater opportunity to influence Group performance, there is a greater emphasis on aligning executives with shareholders. Based on this distinction, the Group believes that the median pay ratio is consistent with the wider pay, reward and progression policies impacting UK employees.

Relative spend on pay

The table below shows the actual expenditure of the Group on total employee pay, as well as profitability and distributions to shareholders, and the change between the current and previous years:

	2022 $ million	**2023 $ million**
Adjusted EBITDA[1]	979	**825**
EnQuest net debt	717	**481**
Distribution to shareholders	0	**0**
Total employee pay	93	**88**

Note:
1 Adjusted EBITDA has been chosen as an appropriate measure of return to shareholders and net debt as a measure of EnQuest's commitment to its lenders (see Glossary – Non-GAAP measures on page 193 for how these are calculated)

Change in Directors' pay relative to the workforce

	Base salary/fees %				Bonus %				Benefits %			
	2022 to 2023	2021 to 2022	2020 to 2021	2019 to 2020	**2022 to 2023**	2021 to 2022	2020 to 2021	2019 to 2020	**2022 to 2023**	2021 to 2022	2020 to 2021	2019 to 2020
Amjad Bseisu	**4**	3	5	(3)	**(7)**	17	9	(25)	**10**	0	0	0
Salman Malik[1]	**6**	–	–	–	**18**	–	–	–	**(27)**	–	–	–
Gareth Penny[2]	**0**	–	–	–	**–**	–	–	–	**–**	–	–	–
Farina Khan[3]	**(23)**	42	–	–	**–**	–	–	–	**–**	–	–	–
Liv Monica Stubholt[3]	**(29)**	42	–	–	**–**	–	–	–	**–**	–	–	–
Rani Koya[3]	**(20)**	–	–		**–**	–	–	–	**–**	–	–	–
Michael Borrell[4]	**–**	–	–	–	**–**	–	–	–	**–**	–	–	–
UK employees (average)[5]	**4**	3	0	3	**10**	(7)	3	(21)	**10**	0	0	3

Notes:
UK employees have been chosen as the most appropriate comparator group as the majority of the EnQuest workforce is UK based and their pay structure is comparable to the Directors' pay based on annualised amounts paid in 2022 and 2023. Benefits include employer pension contribution and/or allowance.

1 Salman Malik became an Executive Director in July 2022 and the change in pay is calculated on a full-year equivalent amount
2 Gareth Penny was appointed to the Board in December 2022 and the change in pay is calculated on a full-year equivalent amount
3 Non-Executive Directors were each paid an additional one-off fee of £25,000 in 2022; the percentage change in fee from 2022 to 2023 reflects this payment
4 Michael Borrell was appointed to the Board in September 2023
5 The vast majority of UK-based employees directly support the North Sea business and have a proportion of their bonus based on the performance of the business unit reflected in their annual bonus payment

Statement of implementation of the Remuneration Policy for the year ending 31 December 2024

Base salary and 2024 pay review

As stated in the annual statement to this report, the remuneration for the Executive Directors is geared towards variable pay linked to long-term performance targets, with base salaries currently set in relation to benchmarks for the energy industry and comparable sized companies. In the view of the Committee, it is therefore important to ensure that the base salaries of the Executive Directors are reviewed annually and that any increase reflects the change in scale and complexity of the role, as well as the performance of the Executive Director. The table below shows the changes applied to salaries for 2024.

Name	Salary for 2023 £	Salary for 2024 £	Increase %
Amjad Bseisu	513,300	600,000	16.9%
Salman Malik	440,000	440,000	0.0%
Jonathan Copus[1]	400,000	400,000	0.0%

Note:
1 Jonathan Copus will be nominated as an Executive Director from the AGM in 2024. His salary is included here for completeness

The salary for EnQuest's CEO, Amjad Bseisu, will be increased in 2024 to be more consistent with the market median. As part of the review process, the Committee commissioned a benchmarking study to review the competitiveness of the current remuneration arrangements. The analysis suggested that the remuneration package is notably below market for both similarly sized UK-listed peers and other peers operating in the sector. The CEO's salary in particular is bottom quartile when compared to market and whilst a competitive long-term incentive opportunity partially makes up for this, the result is a fair value 'Total Remuneration' package that sits below the 25th percentile. The below market salary positioning of the CEO reflects a number of factors. Amjad is a long-serving executive by FTSE standards, with his salary increases generally tracking below those awarded to the broader workforce. Since listing in 2010, Amjad's salary has risen as an equivalent of 2.4% per annum, including four years of salary freezes. Over this period, the Committee believes the CEO has performed strongly as a leader as the scope and complexity of his role has evolved, whilst executive pay across the wider FTSE market has been on an upward trajectory.

The average salary uplift for Group employees was 3.9%, although individual uplifts varied according to market position, and individual experience and performance.

Joining arrangements for Jonathan Copus

Jonathan began employment with EnQuest on 7 December 2023 as CFO Designate and became CFO on 1 February 2024. Subject to shareholder approval, he will be appointed an Executive Director of the Group at the 2024 AGM. The Committee approved the remuneration package as described in this section that came into effect from his appointment. His remuneration was set in accordance with the Policy in place.

Jonathan's annual base salary has been set at £400,000 and he will be entitled to an annual performance bonus and PSP awards aligned to the Policy for Executive Directors as described in this report. In addition, Jonathan will receive the other standard benefits including private medical insurance, life assurance cover and payment in lieu of a pension contribution equal to 10% of his annual base salary that apply to other Executive Directors. There was no requirement for joining or other buy-out awards to secure Jonathan's appointment with the Group.

Pension and other benefits

The Group will continue to pay a cash benefit in lieu of pension of the lesser of 10% of salary or £50,000 (the CEO receives the pension benefit at the capped level). The Group will also continue to pay private medical insurance, life assurance and personal accident insurance, the costs of which are determined by third-party providers. The Company pays for international private medical insurance for Salman Malik and his family to reflect the multi-country residence of his dependents.

Annual bonus

For the year ended 31 December 2024, the annual bonus opportunities for the Executive Directors will remain unchanged and in line with the proposed Policy of 75% of salary at target and 125% of salary at maximum.

The annual bonus scheme for 2024 is structured as follows:
- Awards will be determined based on a balanced combination of financial and operational performance measures;
- Executive Directors (and other executive management) will have threshold, target and stretch performance levels attributed to key performance objectives;
- Executive Directors' bonuses will be determined predominantly by the performance of the Group;
- Each part of the bonus will represent a discrete element which will be added together to determine the performance award for the year; and
- Stretching targets will continue to apply to achieve maximum payout.

The 2024 metrics and weightings, which will determine the level of short-term incentive awards for the Executive Directors, are set out below.

Group 2024 performance measures scorecard

Metric	Weighting
Production	20.0%
Expenditure	10.0%
Regulatory, ESG and culture	12.5%
Liquidity management	10.0%
Balance sheet management	10.0%
Growth	37.5%

Notes:
Precise targets are commercially sensitive and are not being disclosed in advance at this time
Performance in HSEA is central to EnQuest's overall results. This category may be used as an overlay on overall Group performance

Maximum bonus will be payable only when performance significantly exceeds expectations. To the extent that the targets are no longer commercially sensitive, they will be disclosed in next year's report.

Any amount of bonus earned above 100% of salary will be deferred into EnQuest shares for two years, subject to continued employment.

Performance share awards

2024 PSP awards

In order to reflect the volatility of the Company's share price and ensure Executive Directors do not benefit from 'windfall gains', the grant level of the PSP awards in 2024 will be scaled back c.26% to c.185% of salary (reflecting the fall of the Company's average share price between Q4 2022 and the same period in 2023.

Summary of 2024 PSP performance measures and targets

In line with recent awards, the PSP share awards granted in 2024 will have two performance metrics, both measured over a three-year financial period starting 1 January 2024:

- 80% of the award relates to relative TSR against a comparator group of 20 oil and gas companies; and
- 20% relates to emission reduction over three years.

2024 PSP – scheduled for 2027 vesting

Measure	Weighting	Threshold (25% vesting)	Maximum (100% vesting)
Relative TSR over the period 1 January 2024 to 31 December 2026	80.0%	50th percentile	75th percentile or higher
Emission reduction over the period 1 January 2024 to 31 December 2026	20.0%	10% reduction	12% reduction or more

2024 PSP award TSR comparator group

Africa Oil	Energean	Ithaca Energy	Maurel & Prom
Aker BP	Genel Energy	Jadestone	OKEA
BW Energy	Gulf Keystone Petroleum	Jersey Oil and Gas[1]	Pharos Energy
Capricorn Energy	Harbour Energy	Kistos	Serica Energy
DNO	Hibiscus Petroleum	Kosmos Energy	Tullow Oil

Note:
1 New addition for 2024 comparator group

Non-Executive Directors

The fees for the Non-Executive Directors with effect from 1 January 2024 are:

	Fee
Chairman	£200,000
Director	£60,000
Senior Independent Director	£10,000
Committee Chair	£10,000

External benchmarking of Non-Executive Directors is carried out on an annual basis. The decision was taken to keep fees for Non-Executive Directors at the current 2023 levels following a benchmark review.

Advisers to the Committee

Ellason LLP, who were appointed in August 2022 following a competitive tender process, provided advice to the Remuneration and Social Responsibility Committee during 2023. The Committee satisfied itself that the advice given was objective and independent, with Ellason LLP being a signatory to the Remuneration Consultants Group Code of Conduct, which sets out guidelines for managing conflicts of interest. Ellason LLP do not provide any other services to the Group.

The fees paid to Ellason LLP in 2023 totalled £62,520 (excluding VAT). The fees were charged on the basis of the number of hours worked. In 2022, fees paid to the advisers to the Committee totalled £61,815 (excluding VAT).

Statement of voting at the Annual General Meeting

The table below summarises the voting at the AGM held on 5 June 2023 in respect of the Directors' Remuneration Report. The Remuneration Policy was last approved by shareholders at the 2021 AGM, receiving 95.35% support. The Group is committed to ongoing shareholder dialogue and takes an active interest in voting outcomes. Where there are substantial votes against resolutions in relation to Directors' remuneration, the reasons for any such vote will be sought, and any actions in response will be detailed here.

	Number of votes cast for	Percentage of votes cast for	Number of votes cast against	Percentage of votes cast against	Total votes cast	Number of votes withheld
Remuneration Report (2023)	**765,121,393**	**85.73%**	**127,331,465**	**14.27%**	**898,640,021**	**6,187,163**

The Directors' Remuneration Report was approved by the Board and signed on its behalf by Gareth Penny.

Gareth Penny
Chairman and Interim Chair of the Remuneration and Social Responsibility Committee
27 March 2024

Sustainability Committee report

> **"The Committee is enthused about the exciting opportunities for the Group in the energy transition."**
>
> Rani Koya
> **Chair of the Sustainability Committee**

Dear shareholders

In 2023, the Board approved the merger of the Group's Technical and Reserves Committee and the Safety, Sustainability and Risk Committee to be restructured as a single Sustainability Committee that would maintain focused oversight over areas that were previously segregated between the two committees. This approach is designed to enhance the efficiency of oversight by the Board whilst empowering relevant teams to conduct detailed work in relation to all technical matters, asset integrity, review of reserves as well as the key areas of energy transition, health and safety, environment, assurance and risk.

On behalf of the Board and my fellow Committee members, I am therefore pleased to present the report for the newly convened Sustainability Committee.

Climate, new energy and decarbonisation

During the year, the Committee continued to reflect and focus on climate change, and I am delighted to announce that in September 2023, the Board announced the Group's commitment to reach net zero for Scope 1 and Scope 2 emissions by 2040. In terms of emissions, the UK Government's North Sea Transition Deal requires the industry to deliver material CO_2 equivalent reductions progressively by 2025, 2027 and 2030, against a 2018 baseline. I am pleased to report the Group is well ahead of the 2025 and 2027 targets and on track to meet the required reduction by 2030. In addition, the Group is considering a strategic roadmap identifying the steps required to move towards net zero and is reviewing the suitability of a number of Scope 3 emission categories, thus allowing for further improvement in our emission reduction targets. A baseline has been developed for emissions associated with waste in 2023 under Scope 3 emissions.

The Committee has reviewed the plans for the Group's new energy and decarbonisation business, both in its emission reduction objectives and longer-term renewable energy opportunities. It sees exciting opportunities in this area for the Group, particularly with respect to the Group's ambition to play a pivotal part in the energy transition.

HSE & Asset Integrity ('HSEA')

The health and safety of our personnel remains a key priority for the Group. Throughout 2023, the Committee continued to undertake detailed analysis of specific risk areas to ensure that asset integrity and the safety of our personnel are not compromised.

The Committee believes that significant progress has been made in relation to this risk and it is evident that asset integrity management within the Group is risk based, proportionate and focused and relevant risks were indeed being considered in the budget process. Engagement with the Health and Safety Executive ('HSE') remained positive throughout the year and the HSE Improvement Notices ('INs') received in December 2022 and May 2023 were successfully closed out ahead of the agreed deadline. Whilst receiving INs is undoubtedly disappointing, it represents an opportunity for the Group to identify and drive further improvements. The North Sea business took part in a Process Safety Leadership inspection in 2023 and received positive feedback; it was noted that EnQuest is creating a foundation within the organisation on which to build on in terms of people, process and plant.

Whilst there has been some deterioration in HSEA performance during 2023, particularly in lagging indicators associated with routine tasks at site, the Committee considers that the learning culture within the Group ensures that the causes of incidents are established, shared and action plans implemented to prevent recurrence. Reflecting the desire for improved performance, the Group's integrated HSEA Continuous Improvement Plan focuses on the key areas to drive enhanced performance in 2024 and beyond.

Risk Management Framework

The Group has a robust Risk Management Framework, which the Committee reviews regularly to ensure that it adequately recognises the full extent of risks and associated controls in a complex and rapidly changing landscape for the sector. In 2023, the Committee incorporated enhancement in the Group's activity on safety, sustainability and risk in support of its strategic ambition to provide creative solutions through the energy transition. The Committee has also reviewed and approved risk management improvements in specific risk areas.

Technical and reserves

During the year, the Technical and Reserves Committee reviewed several business development opportunities, and the technical assumptions underpinning these and was satisfied with the process and outcome of the exercises. Additionally, the Committee also concluded the post-investment review of the 2021 Golden Eagle acquisition.

With the renewed focus of the Sustainability Committee, I am confident that this Committee will continue to make a very positive impact with regard to the Group's asset strategy, risk framework, investment opportunities and net zero ambition.

Rani Koya
Chair of the Sustainability Committee
27 March 2024

Sustainability Committee membership

Membership of the Committee, established 5 September 2023, and attendance at the one meeting held during 2023 is provided in the table below:

Member	Date appointed Committee member	Attendance at meetings during the year
Rani Koya	30 August 2023	1/1
Liv Monica Stubholt	30 August 2023	1/1
Mike Borrell	5 September 2023	1/1

Committee responsibilities

The main responsibilities of the Committee are to:
- Undertake in-depth analysis of specific risks, including emerging risks, in relation to the Group and consider existing and potential new controls;
- Support the implementation and progression of the Group's Risk Management Framework;
- Review the Group's HSEA performance and the effectiveness of its policies and guidelines in managing HSEA risks and reporting;
- Conduct detailed reviews of key non-financial risks not reviewed within the Audit Committee;
- Assess the Group's exposure to managing risks from climate change, sustainable business practice expectations, and the energy transition and review actions to mitigate these risks in line with its assessment of other risks;
- Review and monitor the Group's decarbonisation activities and emission reduction actions, including reviewing the adequacy of the associated framework and its alignment with the evolving regulatory environment;
- Review targets and milestones for the achievement of decarbonisation objectives;
- Review and monitor any material changes in reserves or changes in assumptions and/or forecasts and make appropriate Board recommendations;
- Review annually asset integrity matters within the Group; and
- Undertake such other specific actions as the Board may require in relation to technical, reserves, business development, HSE, risk and sustainability issues.

The Committee's full terms of reference can be found on the Group's website, www.enquest.com/investors/Corporate-Governance.

Committee activities during the year

Over the year, the Technical and Reserves Committee; Safety, Risk and Sustainability Committee; and the newly formed Sustainability Committee covered the following matters:
- Considered the impact of HSEA processes and culture and the Group's Risk Management Framework;
- Continued to refine the Group's Risk Management Framework and continuous improvement planning;
- Reviewed the Group Risk Register, assurance map and Risk Report (focusing on the most critical risks and emerging and changing risk profiles. This included obtaining assurance that the risks associated with climate change are appropriately assessed and incorporated within relevant risk areas);
- Undertook in-depth reviews of 'compliance with regulation, legislation and ethical conduct', 'IT security and resilience' and 'climate change risks', in each case identifying improvements to certain controls;
- Received routine updates on HSEA (including reviewing the Group's performance along with ongoing and planned HSEA activities), which continues to be a key focus area for the Committee;
- Received routine updates on the Group's emission reduction targets and strategy for further enhancing its contributions to the United Nations SDG 12;
- Received routine updates on the Group's reserves, business development efforts and business planning; and
- Received routine updates on the market opportunities to promote the Group's strategy.

For further information on these risks, please see the Risks and uncertainties section on pages 46 to 64.

Priorities for the coming year

In 2024, the Committee will continue to focus on detailed analysis of key risk areas, including those relating to the Group's activity on technical and reserves matters and safety, sustainability and risk in support of its strategic purpose to provide creative solutions through the energy transition.

Directors' report

"The Directors of EnQuest present their Annual Report together with the Group and Company audited financial statements for the year ended 31 December 2023."

Chris Sawyer
Company Secretary

Corporate governance statement

The Group's corporate governance statement is set out on pages 84 to 91 and is incorporated into the Directors' report by reference.

Directors

The biographical details of persons who served as Directors of the Company during the financial year ended 31 December 2023 are set out on pages 80 to 81. Michael Borrell, Rosalind Kainyah and Jonathan Copus will stand for election at the Annual General Meeting ('AGM') on 30 May 2024, with the other Directors offering themselves for re-election.

Directors' indemnity provisions

Under the Company's Articles, the Directors of the Company may be indemnified out of the assets of the Company against certain costs, charges, expenses, losses or liabilities which may be sustained or incurred in or about the execution of their duties. Such qualifying third-party indemnity provisions were in force during the financial year ended 31 December 2023 and remain in force as at the date of approving the Directors' report. Former Directors also received indemnities for the period for which they were Directors of the Company. Such indemnities are in a form consistent with the limitations imposed by law.

Substantial interests in shares

The table below shows the holdings in the Company's issued share capital, which had been notified to the Company in accordance with Chapter 5 of the Disclosure Guidance and Transparency Rules ('DTR'):

Name	Number of Ordinary shares held at 31 December 2023	% of issued share capital held at 31 December 2023[2]	Number of Ordinary shares held as at 27 March 2024[3]	% of issued share capital held as at 7 March 2024[3]
Bseisu consolidated interests[1]	234,732,857	12.27	234,732,857	12.25
Aberforth Partners LLP	153,772,216	8.04	153,772,216	8.03
Hargreaves Lansdown Asset Management	98,766,289	5.16	97,212,807	5.07
Cobas Asset Management	98,303,830	5.14	121,410,900	6.34
BlackRock Inc	75,603,519	3.95	56,406,167	2.95
Baillie Gifford & Co Ltd	74,008,480	3.87	72,963,091	3.81
Avanza Bank AB	66,137,102	3.46	64,217,101	3.35
Schroder Investment Management Ltd	64,104,521	3.35	64,854,521	3.39
Dimensional Fund Advisors	59,272,582	3.10	59,375,044	3.10

Notes:
1 201,881,058 shares are held by Double A Limited, a company beneficially owned by the extended family of Amjad Bseisu. 32,674,840 shares are also held by The Amjad and Suha Bseisu Foundation and 176,959 shares are held directly by Amjad Bseisu
2 Rounding applies
3 In February 2024, the share capital of the Company was increased (see page 121)

Directors' interests

The interests of the Directors and their connected persons in the Ordinary shares of the Company, which are unchanged between 31 December 2023 and 27 March 2024, are shown below:

Name	At 31 December 2023	**At 27 March 2024**
Amjad Bseisu[1]	234,732,857	**234,732,857**
Gareth Penny[2]	137,047	**137,047**
Michael Borrell	–	**–**
Farina Khan	211,235	**211,235**
Rani Koya	–	**–**
Salman Malik	565,705	**565,705**
Liv Monica Stubholt	–	**–**

Note:
1 201,881,058 shares are held by Double A Limited, a company beneficially owned by the extended family of Amjad Bseisu. 32,674,840 shares are also held by The Amjad and Suha Bseisu Foundation and 176,959 shares are held directly by Amjad Bseisu
2 62,500 shares are held by Gareth Penny, and 74,547 shares are held by his wife, Kate Penny

Share capital

The Company's share capital during the year consisted of Ordinary shares of £0.05 each ('Ordinary shares'). Each Ordinary share carries one vote. At the start of 2023, there were 1,885,924,339 Ordinary shares in issue. In December 2023 26,379,774 shares were issued at par to the Employee Benefit Trust ('EBT'), resulting in a total of 1,912,304,113 Ordinary shares in issue at the year end. 3,620,226 shares have been issued subsequent to the year end. All of the Company's issued Ordinary shares have been fully paid up. Further information regarding the rights attaching to the Company's Ordinary shares can be found in note 20 to the financial statements on page 170. No person has any special rights with respect to control of the Company.

The Company's Ordinary shares are listed on the London Stock Exchange. At the start of 2023, Ordinary shares were also listed on Nasdaq Stockholm. However, on 5 September 2023 the Company announced its intention to delist the Ordinary shares from Nasdaq Stockholm and this process was formally completed on 19 December 2023.

The Company was authorised by shareholders at the 2023 AGM to purchase its own Ordinary shares in the market of up to a limit of 10% of its issued share capital, subject to certain conditions laid out in the authorising resolution. The Company did not purchase any of its own shares during 2023 or up to and including 27 March 2024, being the date of this Directors' report. At the 2024 AGM, shareholders will be asked to renew authorities relating to the issue and purchase of Company shares. Details of the resolutions are contained in the Notice of AGM, which can be found on the Company's website at www.enquest.com/shareholder-information/annual-general-meetings.

Company share schemes

The trustees of the EBT subscribed for 43,905,387 Ordinary shares in the Company at par during 2023. At year end, the EBT held 1.41% of the issued share capital of the Company (2022: 1.36%) for the benefit of employees and their dependants. The voting rights in relation to these shares are exercised by the trustees. Subsequent to the year end, the EBT was allotted a further 3,620,226 shares.

Employee engagement

Employees are informed about significant business issues and other matters of concern via country-level Town Hall meetings, Global Town Hall meetings (whereby staff in all geographic locations are invited to attend), email and other in-person and electronic communications, particularly the Company's intranet and internal 'Viva Engage' channel.

Face-to-face briefing meetings are used along with virtual communications to ensure all employees have the opportunity to participate. Appropriate consultations take place with employees when business change is undertaken.

Gareth Penny replaced Rani Koya as Designated Director for Employee Engagement during the year. During his time as Designated Director, Gareth has met staff in Aberdeen and London offices and has had discussions with Employee Forum representatives across the organisation. As a Designated Director, Gareth has the responsibility to ensure the Board gets a clear understanding of the views of employees in accordance with the requirement of the Corporate Governance Code. Further details are given on page 84.

EnQuest offers employees the opportunity to participate directly in the success of the Company through participation in share schemes, such as the Save As You Earn ('SAYE') Share Scheme. 52.6% of eligible employees currently participate in 2023 SAYE. Eligibility for participation in other share schemes depends on a number of factors, such as seniority within the Company.

Articles of Association

The Company's Articles of Association may only be amended by special resolution at a General Meeting of shareholders. The Company's Articles, found on the Company's website at www.enquest.com/corporate-governance, contain provisions on the appointment, retirement and removal of Directors, along with their powers and duties.

The Company only has Ordinary shares in issue. In accordance with the Company's Articles, any share in the Company may be issued with such rights (including preferred, deferred or other special rights) or such restrictions whether in regard to dividend, voting, return of capital or otherwise as the Company may from time to time by ordinary resolution determine (or in the absence of such determination, as the Directors may determine). There are no specific rights or obligations attaching to the Ordinary shares and there are no restrictions on the transfer of shares.

Annual General Meeting
The Company's AGM will be held at Ashurst LLP, London Fruit & Wool Exchange, 1 Duval Square, London, E1 6PW United Kingdom on 30 May 2024. Formal notice of the AGM, including details of special business, is set out in the Notice of AGM which accompanies this Annual Report. It will be available on the Group's website at www.enquest.com/shareholder-information/annual-general-meetings.

Registrars
The Company's Ordinary shares are traded on the London Stock Exchange. The Company's share registrar is Link Asset Services, details of which can be found in the Company information section on the inside back cover of the Annual Report. Shares that were traded on Nasdaq Stockholm and not transferred to London are no longer tradeable.

Political donations
At the 2023 AGM, a resolution was passed giving the Company authority to make political donations and/or incur political expenditure as defined in Sections 362 to 379 of the Companies Act 2006. Although the Company does not make and does not intend to make political donations or to incur political expenditure, the legislation is very broadly drafted and may catch such activities as funding seminars or functions to which politicians are invited, or may extend to bodies concerned with policy review, law reform and representation of the business community that the Company and its subsidiaries might wish to support.

No political donations were made in 2023 by the Company, or any of its subsidiaries (2022: no donations).

Dividends
The Company has not declared or paid any dividends since incorporation. However, the Board of Directors are proposing making an up to $15.0 million share buy-back, to be executed during 2024. This distribution will be below the limit granted at the 2023 AGM allowing the Company to purchase up to 10% of its issued Ordinary share capital in the market. Any future shareholder distributions will be reviewed in the context of the Company's expected future cash flows and the Board's aims of preserving a balanced programme of value-led and growth-focused organic and inorganic investment. Future distributions remain subject to the earnings and financial condition of the Company meeting the conditions for shareholder distributions which the Company has agreed with its lenders and such other factors as the Board of Directors of the Company consider appropriate.

Change of control agreements
The Company (or other members of the Group) are not party to any significant agreements which take effect, alter or terminate upon a change of control of the Company following a takeover bid, except in respect of:

(a) the senior facility agreement, which includes provisions that, upon a change of control, permit each lender not to provide certain funding under that facility and to cancel its commitment to provide that facility and to require repayment of the credit which may already have been advanced to the Company and the other borrowers under the facility;

(b) the term loan facility agreement, which includes provisions that, upon a change of control, permit each lender not to provide certain funding under that facility and to cancel its commitment to provide that facility and to require repayment of the credit which may already have been advanced to the borrower (EnQuest Heather Limited) under the facility;

(c) the deeds of indemnity, originally dated 10 June 2021 (as amended and restated on 28 February 2023), pursuant to which the sureties have agreed to consider requests to issue, procure or participate in surety bonds, each include provisions that, upon a change of control, permit each surety to require the indemnitors to provide cash cover in respect of the liability assumed by the sureties (and costs and fees of the sureties) in relation to the Company and the other indemnitors under the deeds;

(d) the indenture governing the Company's high yield notes originally due 2027, which at the date of this report have an aggregate nominal amount of approximately $305.0 million, under which if the Company undergoes certain events defined as constituting a change of control, each holder of the high yield notes may require the Company to repurchase all or a portion of its notes at 101% of their principal amount, plus any accrued and unpaid interest.

Directors' statement of disclosure of information to auditor
The Directors in office at the date of the approval of this Directors' report have each confirmed that, so far as they are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditor is unaware, and each of the Directors has taken all the steps he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Responsibility statements under the DTR
The Directors who held office at the date of the approval of the Directors' report confirm that, to the best of their knowledge, the financial statements, prepared in accordance with UK-adopted IFRS, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and the Directors' report, Operating review and Financial review, which together constitute the management report (for the purposes of DTR 4.1.8R), include a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Independent auditor
Having reviewed the independence and effectiveness of the auditor, the Audit Committee has recommended to the Board that the existing auditor, Deloitte, be reappointed. Deloitte has expressed its willingness to continue as auditor. An ordinary resolution to reappoint Deloitte as auditor of the Company and authorising the Directors to set its remuneration will be proposed at the forthcoming AGM. Information on the Company's policy on audit tendering and rotation is on page 98.

Going concern
The Group's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic report on pages 02 to 78. The financial position of the Group, its cash flow, liquidity position and borrowing facilities are described in the Financial review on pages 26 to 30. The Board's assessment of going concern and viability for the Group is set out on pages 30 and 31. In addition, note 28 to the financial statements on page 178 includes: the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk.

Greenhouse gas ('GHG') emissions
EnQuest has reported on all of the emission sources within its operational control required under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 and The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. These sources fall within the EnQuest consolidated financial statements. EnQuest has used the principles of the GHG Protocol Corporate Accounting and Reporting Standard (revised edition), ISO 14064-1 and data gathered to fulfil the requirements under the 'Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance March 2019'. The Streamlined Energy & Carbon Reporting ('SECR') report includes assets which are in the operational control of EnQuest.

Emissions		2023 SECR	2022[5, 6] SECR	2018 baseline
	Total emissions tCO_2e[2]	1,042,610	1,051,869	1,704,893
Scope 1	Extraction emissions tCO_2e[2]	894,844	949,275	1,562,507
Scope 2	Extraction emissions tCO_2e[2]	679	796	1,515
Scope 3	Extraction emissions tCO_2e[2]	567	N/A	N/A
	Extraction intensity ratio $kgCO_2e$/Boe[2]	44.70	45.01	47.54
Scope 1	Terminal (SVT) emissions tCO_2e[2, 3]	72,229	29,794	54,859
Scope 2	Terminal (SVT) emissions tCO_2e[2, 3]	74,113	72,003	86,011
Scope 3	Terminal (SVT) emissions tCO_2e[2, 3]	177	N/A	N/A
	Terminal (SVT) intensity ratio $kgCO_2e$/Boe[8] throughput[2,3]	3.42	2.28	4.65

Energy Consumption[4]		2023 SECR	2022 SECR
	Total kWh	4,353,231,637	4,455,083,433
Scope 1	Extraction kWh	3,678,072,239	3,924,133,320
Scope 2	Extraction kWh	1,855,745	2,548,727
Scope 3	Extraction kWh	0	N/A
	Extraction intensity ratio kWh/Boe[2]	183.67	186.04
Scope 1	Terminal (SVT) kWh[2, 3]	270,349,367	116,158,249
Scope 2	Terminal (SVT) kWh[2, 3]	402,954,286	412,243,137
Scope 3	Terminal (SVT) kWh[2, 3]	0	N/A
	Terminal (SVT) intensity ratio kWh/Boe8 throughput[2,3]	15.72	11.84

UK and Overseas Breakdown		2023 SECR (operational control) scope	2022 SECR (operational control) scope
Scope 1	UK onshore tCO_2e	72,242	29,823
	UK offshore tCO_2e	618,587	637,070
	Non-UK tCO_2e	276,243	312,176
Scope 2	UK onshore tCO_2e	74,377	72,384
	UK offshore tCO_2e	0	0
	Non-UK tCO_2e	416	416
Scope 3	UK onshore tCO_2e	187	N/A
	UK offshore tCO_2e	453	N/A
	Non-UK tCO_2e	105	N/A
Scope 1	UK onshore kWh	270,417,800	116,302,182
	UK offshore kWh	2,488,418,862	2,599,376,955
	Non-UK kWh	1,189,584,945	1,324,612,431
Scope 2	UK onshore kWh	404,226,950	414,208,783
	UK offshore kWh	0	0
	Non-UK kWh	583,081	583,081
Scope 3	UK onshore kWh	0	N/A
	UK offshore kWh	0	N/A
	Non-UK kWh	0	N/A

Notes:
1 When it is considered that the portfolio of assets under a company's operational control has changed significantly, the baseline, which is based on verified scope data, is recalculated to an appropriate comparative period for which good data is available. As such, the baseline is currently 2018
2 tCO_2e = tonnes of CO_2 equivalent. $kgCO_2e$ = kilogrammes of CO_2 equivalent. Boe = barrel of oil equivalent. EnQuest is required to report the aggregate gross (100%) emissions for those assets over which it has operational control. As such, the extraction intensity ratio is calculated by taking the aggregate gross (100%) reported Scope 1 and 2 $kgCO_2e$ from those assets divided by the aggregate gross (100%) hydrocarbon production from the same assets. The throughput ratio is calculated by taking the aggregate gross (100%) reported Scope 1 and 2 $kgCO_2e$ from SVT divided by the aggregate total throughput at the terminal
3 Note on uncertainty: The uncertainty for total emissions within the verified scope is calculated as 3.01%. SVT emissions in isolation are not within 5% due to the steam and electricity meters for SVT not having supportable uncertainties
4 Kilo-watt hour (kWh) data is reported on a net calorific value basis throughout
5 Scope 3 emission Category 5 'waste generated in operations' is reported for the first time in 2023. Prior year data is unavailable
6 2022 was the first year that the PM8/Seligi (Malaysian) asset was included within the verified scope due to availability of supportable metering uncertainty documentation. The 2018 baseline figures in the tables above are quoted for all assets in the operational control of EnQuest but it is declared for transparency that the PM8/Seligi asset contribution was not verified for the 2018 baseline
7 Scope 3 emission Category 5 'waste generated in operations' is reported for the first time in 2023. As this is a waste category, there is no associated kWh measure.
8 Intensity ratios are calculated against Scope 1 and Scope 2 emissions only and, as such, exclude Scope 3 emissions

Directors' report continued

Energy efficiency strategy
EnQuest recognises that industry, alongside other key stakeholders such as governments, regulators and consumers, must contribute to reducing the impact on climate change of carbon-related emissions. The Group is committed to playing its part in the achievement of national emission reduction targets and the drive to net zero. EnQuest aims to reduce emissions generated through its operations by utilising a detailed project delivery process. The status of emission reduction opportunities and projects is discussed at regular Emissions Reduction Workshops and reviewed at Board level via the Sustainability Committee. Emission reduction projects managed through this established process include compressor re-mapping at the Greater Kittiwake Area, the commissioning of waste heat recovery units on Kraken and the delivery of both a flare purge reduction and a flare passing valve replacement programme on Magnus. In the longer term, Veri Energy, EnQuest's wholly owned subsidiary, is developing cost-effective and efficient plans to repurpose the terminal site and connected offshore infrastructure to fulfil its ambition of creating a new energy and decarbonisation hub at the Sullom Voe Terminal ('SVT').

SECR (operational control) scope
EnQuest has a number of financial interests (for example, joint ventures and joint investments), as covered in this Annual Report for which it does not have operational control. In line with SECR and ISO 14064-1 guidance, only those assets where EnQuest has operational control greater than 50% are captured within the SECR reporting boundary. Where EnQuest has less than 50% operational control of an asset, it is not included within the SECR reporting boundary. Hence, the SECR operational control boundary is different to EnQuest's financial boundary. In line with SECR guidance, this is fully disclosed.

ISO-14064 verified scope
EnQuest has voluntarily opted to have emissions reported within the SECR scope verified to the internationally recognised ISO 14064-1 standard by a UKAS accredited verification body. This increases the robustness of the reported emissions and provides the reader with more confidence in the stated figures. This goes beyond the minimum requirements of the SECR guidance.

Further disclosures
The Company has set out disclosures in the Strategic report in accordance with Section 414C(11) of the Companies Act (2006) – information required by Schedule 7 to the Accounting Regulations to be contained in the Directors' report. These disclosures and any further disclosure requirements as required by the Companies Act 2006, Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, The Companies (Miscellaneous Reporting) Regulations 2018 and the FCA's Listing Rules and DTR are found on the following pages of the Company's Annual Report and are incorporated into the Directors' report by reference:

Disclosure	Page number
Future developments	06-13
Acquisitions and disposals	19, 28
Fair treatment of disabled employees	43
Anti-slavery disclosure	65
Corporate governance statement	84-91
Gender diversity	43, 91
Financial risk and financial instruments	178
Important events subsequent to year end	n/a
Branches outside of the UK	29
s.172 statement and stakeholder engagement	76-77
Research and development	n/a
Related party transactions	27

The Directors' report was approved by the Board and signed on its behalf by the Company Secretary on 27 March 2024.

Chris Sawyer
Company Secretary

Statement of Directors' Responsibilities for the Group Financial Statements

The Directors are responsible for preparing the Annual Report and the Group financial statements in accordance with applicable United Kingdom law and regulations. Company law requires the Directors to prepare Group financial statements for each financial year. Under that law, the Directors are required to prepare Group financial statements under International Financial Reporting Standards ('IFRS') as adopted by the UK.

Under Company law, the Directors must not approve the Group financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that period. In preparing the Group financial statements, International Accounting Standard 1 ('IAS') requires that the Directors:

- Properly select and apply accounting policies;
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Provide additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's financial position and financial performance; and
- Make an assessment of the Group's ability to continue as a going concern.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the Group financial statements comply with the Companies Act 2006 and Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for preparing the Strategic Report, Directors' report, the Directors' Remuneration Report and the Corporate governance statement in accordance with the Companies Act 2006 and applicable regulations, including the requirements of the Listing Rules and the Disclosure and Transparency Rules.

Fair, balanced and understandable
In accordance with the principles of the UK Corporate Governance Code, the Directors are responsible for establishing arrangements to evaluate whether the information presented in the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy, and making a statement to that effect. This statement is set out on page 93 of the Annual Report.