Executive Committee

Richard Hall

Managing Director – Global Operations and Developments

Key strengths and experience
- Significant international experience
- Senior positions held in operations, field development, business development and project roles for both operators and service companies

Richard rejoined EnQuest in December 2020 as Managing Director in Malaysia and now has overall responsibility for the Group's operations and development projects.

Richard previously worked for EnQuest as part of the Executive Committee as Head of Major Capital Projects where he was instrumental in taking Kraken from project concept stage through to production. Prior to joining EnQuest, Richard held roles at Petrofac, including: vice president of operations & developments; and general manager in Malaysia, where he started Petrofac Malaysia. Richard went on to be co-founder and CEO of Malaysia-focused Nio Petroleum and has also been chairman and CEO of the private equity backed service company Influit. He was also one of four founders and operations director of the service company UWG Ltd.

Janice Doyle

Director of People, Culture and Diversity

Key strengths and experience
- Strong experience in the energy sector
- A Fellow of the Chartered Institute of Personnel and Development

Janice joined the Executive Committee in August 2020 after two years as UK Head of Human Resources. She has held HR leadership roles in a variety of sectors, including oil and gas and transportation. Prior to joining EnQuest, Janice was head of HR for Repsol Sinopec Resources. She also holds a masters of law degree in employment law and a BA in hospitality management.

In recent years, Janice has overseen the Group's 2020 transformation programme and the institution of EnQuest's Diversity and Inclusion Policy.

Martin Mentiply

Business Development Director

Key strengths and experience
- Over 25 years' experience in senior technical and commercial roles
- Extensive geographical experience

Martin joined EnQuest in 2016 and is responsible for all business development-related activities across the Group. He has over 25 years of broad international oil and gas operator experience. Throughout his career he has gained significant technical and commercial expertise in field development planning, project execution, reservoir management and investment assurance across the value chain, from upstream through to LNG.

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 and Company Secretary and Chief Risk Officer.

Note:
Chief Executive Officer and Chief Financial Officer are also members of the Executive Committee. You can see their profiles on page 66

Board of Directors

G R

Gareth Penny

Non-Executive Chairman

Appointed 06 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 chairman of Ninety One Plc and Ltd, having previously been 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. Gareth 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 Officer

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. Amjad was British Business Ambassador for Energy from 2013 to 2015.

Principal external appointments

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

Salman Malik

Chief Financial Officer

Appointed 15 August 2022

Key strengths and experience
- Significant capital markets and mergers and acquisitions experience
- Retains role as Managing Director, Infrastructure and New Energy, overseeing EnQuest's renewable energy and decarbonisation business

Salman joined EnQuest in 2013 and is a CFA charter holder, with extensive experience in investment management, investment banking and private equity in Canada and the Middle East. Prior to his appointment as CFO, Salman has been a key member of the senior leadership team, responsible for EnQuest's global strategy and business development. This includes the creation of a renewable energy and decarbonisation hub at the Group's Shetland operation, which Salman continues to oversee. With his extensive experience in structured finance, acquisitions, post-acquisition management and divestitures across the energy value chain, Salman brings a drive to ensure that EnQuest's investment and growth ambitions are delivered.

Principal external appointments

None.

R A G T

Howard Paver

Senior Independent Director

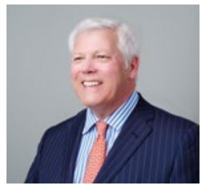
Appointed 1 May 2019

Key strengths and experience
- 40 years' global experience in exploration, development and production, including 20 years at senior executive level

Howard is a petroleum engineer and began his professional career at Schlumberger before moving to Mobil and then BHP Petroleum, where he was regional president, Europe, Russia, Africa & Middle East, before becoming president, global exploration & alliance development. He most recently served as SVP, strategy, commercial & business development at Hess, a role he took up in July 2013, having joined the company in 2000 as senior vice president, North Sea/international. Between 2005 and 2013 he held the position of SVP, global new business development.

Principal external appointments

Non-executive director of OGL Geothermal Ltd.



A S

Carl Hughes

Non-Executive Director

Appointed 1 January 2017

Key strengths and experience
- Substantial audit and accounting experience in the energy sector

Carl is a Fellow of the Institute of Chartered Accountants in England and Wales, and a Fellow of the Energy Institute. Carl joined Arthur Andersen in 1983 and became a partner in 1993. Throughout his professional career he specialised in the oil and gas, mining and utilities sectors, becoming the head of the UK energy and resources industry practice of Andersen in 1999 and subsequently of Deloitte in 2002. When Carl retired from the partnership of Deloitte in 2015, he was a vice-chairman, senior audit partner and leader of the firm's energy and resources business globally.

Principal external appointments

Board member of the Audit Committee Chairs' Independent Forum. Member of the General Synod of the Church of England. Deputy chairman of the finance committee of The Archbishops' Council.

Committees key

- A Audit
- G Governance and Nomination
- R Remuneration and Social Responsibility
- S Safety, Sustainability and Risk
- T Technical and Reserves
- Denotes Committee Chair

A R

Farina Khan

Non-Executive 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. She started her career in 1994 with Coopers & Lybrand, Australia, before returning to Malaysia in 1997 to join PETRONAS, where she held various senior positions. Farina was chief financial officer of PETRONAS Carigali Sdn. Bhd, one of the largest subsidiaries of PETRONAS with operations in over 20 countries and has also been chief financial officer at PETRONAS Exploration and Production. From 2013, Farina was the chief financial officer 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 Icon Offshore Berhad.

S T

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 is CEO of OGL Geothermal Ltd. and has 25 years' experience working within large multinational, independent and start-up energy companies. These include Shell International, Hess and Tullow 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 of OGL Geothermal Ltd., Fellow of the Energy Institute, Fellow of the Institution of Mechanical Engineers & 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 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 rejoined 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 in 2015.

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 as chairperson of Hafslund Oslo Celsio (formerly Fortum Oslo Varme AS), Silex Gas Norway and Morrow Batteries.

T S

John Winterman

Non-Executive Director

Appointed 7 September 2017

Key strengths and experience
- Extensive technical leadership experience in global exploration, business development and asset management

John is a member of the American Association of Petroleum Geologists. John joined Occidental in 1981 as a geologist with the company and had a strong record of exploration success globally, with over two billion barrels of oil equivalent discovered in the Philippines, Indonesia, Bangladesh, Malaysia, Russia, the US and Yemen. After a 20+ year technical career, John moved into executive roles, including high-level executive leadership positions. John left Occidental in 2013 and since then has provided strategic, technical and performance management advice to oil and gas companies.

Principal external appointments

Non-executive director of CC Energy.

Chairman's letter

"Corporate governance is an essential part of our overall framework, supporting both risk management and the Group's core Values."

Gareth Penny
Chairman

Dear shareholder

On behalf of the Board of Directors (the 'Board'), I am pleased to introduce EnQuest's Corporate governance report.

I was appointed to the Board on 6 December 2022 and am delighted to join an independent energy company with an advantaged business model suitable for the energy transition. I would like to extend my thanks and appreciation to Martin Houston, who stepped down from the Board on 6 December 2022. Much was achieved during his time with the Group.

We have had several planned changes in Board membership during the year. As reported last year, on 1 January 2022, we welcomed Rani Koya as a Non-Executive Director, while Philip Holland stepped down from the Board following EnQuest's AGM on 17 June 2022, having served on the Board for nearly seven years. Jonathan Swinney notified the Board of his intention to step down from the Board as Chief Financial Officer ('CFO') and Executive Director in March, and it was agreed that Salman Malik, who had long been identified as a potential CFO successor, would succeed Jonathan. Salman was appointed as CFO and Executive Director on 15 August 2022. It is always gratifying to see succession from within the organisation; Salman has been with EnQuest since 2014 and is a member of the Executive Committee, also holding the position of Managing Director, Corporate Development, Infrastructure and New Energy. On behalf of the whole Board, I extend thanks to Jonathan and Philip for their contributions over many years.

Following Martin Houston's resignation in June 2022, the Governance and Nomination Committee, on behalf of the Board, appointed a sub-Committee led by Howard Paver, Senior Independent Director, to undertake the replacement Chair search. The Committee also reviewed our Board Committee composition during the year to reflect better the expertise and time commitments of the Non-Executive Directors. Key changes to the Committees included the appointment of Rani Koya to the Technical and Reserves Committee and as Chair to the Safety, Sustainability and Risk Committee (formerly the Safety, Climate and Risk Committee). Rani's appointment as Committee Chair followed Liv Monica Stubholt, who we had previously reported as intending to take on the role of Chair, reflecting on the role requirements and confirming she was unable to give it the time commitment she thought appropriate. The report of the Governance and Nomination Committee work during 2022 follows on immediately from this Corporate Governance Statement.

A significant amount of time was spent on reviewing the Group's refinancing activities and I am delighted that we successfully reduced our gross debt by c.$483 million over the year and materially extended our debt maturity profiles to 2027 through a combination of strong cash flow generation and the refinancing of each of our debt instruments. Against a volatile macroeconomic and geopolitical backdrop, it is important to note that EnQuest was able to access additional support from its syndicate of lender banks, including the introduction of institutions attracted to the opportunities presented by the Group's Infrastructure and New Energy business. This was a significant achievement which has rebalanced the Group's capital structure.

There is a strong commitment across the organisation to create a more diverse and inclusive workplace, with the Group-wide diversity and inclusion ('D&I') strategy alongside the D&I Policy firmly embedded in the business. During the year, the Board considered diversity of talent and agreed to adopt the FTSE Women Leaders Review targets and reviewed and supported work being undertaken throughout the organisation to create a more inclusive workplace.

Having undertaken an externally facilitated Board evaluation in 2021, for 2022 it was appropriate to undertake the evaluation internally. The changes in Board composition during the year undoubtedly impacted on the survey results, which were discussed at the January 2023 Board meeting and for which we have a clear action plan for development, as outlined further on page 69.

The Board considers that strong and appropriate governance leads to better decision making that reflects the interests of the Group's stakeholders. To that end, during the year the Board initiated a review of its governance processes and how decisions are taken. This is discussed on page 76. The governance review was well received by the Board and gives me confidence that we will build on the lessons identified.

Employee engagement continues to be an important part of the Board's work. An example of engagement in action was when the members of the Technical and Reserves Committee visited the office in Aberdeen to review operations and took the opportunity to meet with technical staff, have dinner with a group of mainly new employees, and host a breakfast with high-potential employees. More about our other employment engagement activities can be found on page 70.

I am delighted to have joined the Board of EnQuest and look forward to working with my colleagues and the Company to achieve our strategic objectives over the coming years and firmly cementing EnQuest's position as an energy transition company.

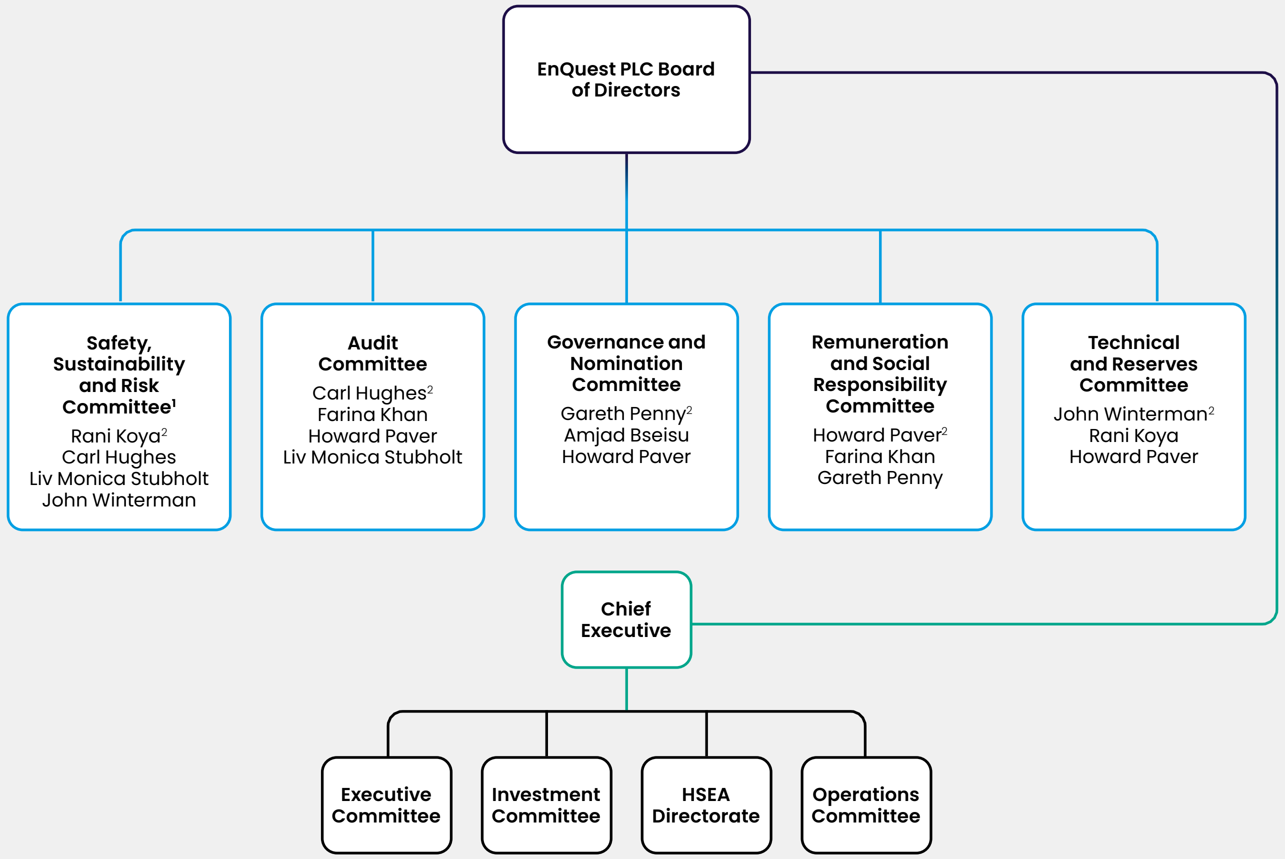
Gareth Penny
Chairman
4 April 2023

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 of Gareth Penny as Chairman of EnQuest PLC and as Chair of the Governance and Nomination Committee • Appointment of Salman Malik to the Board as CFO and Executive Director • Appointment of Rani Koya to the Board as a Non-Executive Director and as Chair of the Safety, Sustainability and Risk Committee and a member of the Technical and Reserves Committee
Refinancing activity	Strengthening the balance sheet, ensuring appropriate funding for future activities	• Successful refinancing of the Group's debt instruments with an improved mix of debt and extended maturities
Governance review	Challenging our way of working to ensure greater transparency and adherence to best practice	• Review of the way in which decisions are taken, with learnings to be implemented during the year
Strategy enhancement	More clearly defining the role EnQuest will play in the energy transition	• The Group's strategy was enhanced to include a focus on repurposing assets for potential new energy and/or decarbonisation opportunities prior to entering their decommissioning phase

Further details of the Board's activities and how they support compliance with the Code are shown in the table on page 74

ENQUEST STRUCTURE



1 During the year, the Safety, Climate and Risk Committee changed its name to the Safety, Sustainability and Risk Committee
2 Committee Chair

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 are cognisant of 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 ('2022 ARA'). The Section 172 Statement can be found on page 62. 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 Provision 33 of the Code, details of which may be found on page 73. 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. In order to avoid duplication, cross-references to appropriate sections within the 2022 ARA are provided.

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 70) • Strategic report (page 04)
Division of responsibilities	• Corporate governance statement (page 72)
Composition, succession and evaluation	• Governance and Nomination Committee report (page 75)
Audit, risk and internal control	• Strategic report (page 40) • Audit Committee report (page 78) • Safety, Sustainability and Risk Committee report (page 103)
Remuneration	• Directors' Remuneration Report (page 85)

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 on pages 04 to 05.

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 culture. The Board believes that engaged and committed employees are integral to the delivery of the Group's business plan and, to assist this, an employee survey is held on a regular basis. The survey is used by the Board as a baseline from which to enhance and improve the culture of the Group. In addition, the Global Employee Forum (the 'Forum') met three times over the year. The Board received updates following each forum meeting from the designated Directors for employee engagement.

During the year, the Board reviewed the purpose of the Forum and determined that its purpose had changed and its primary function was now for the raising of non-strategic issues. As such, the Board agreed that it should continue under the direction of the Director of People, Culture and Diversity. The designated Directors for employee engagement now undertake a wider programme of formal and informal engagement with employees in line with the requirements of the Code to understand the views of the workforce.

EnQuest's Code of Conduct underpins the governance and ethos 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 Group's Values complement the behaviours contained within the Code 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 Chairman 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. With the gradual lifting of COVID-19 related restrictions, there was a return to face-to-face meetings and engagement activities, although the Company's stakeholders also continued to conduct virtual meetings for speed and efficiency.

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 refinancing of its secured and unsecured debt facilities, performance against guidance and overall debt management strategy;
- A selection of the Group's larger shareholders in relation to the search for a new Board Chair; and
- Retail investors at the Company's AGM.

The Group also delivered presentations alongside its half-year and full-year results, copies of which are available on the dedicated section of the Group's website, which can be found 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 in the UK and Euroclear in Sweden, also have teams 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 pages 64 to 66 for more details).

Board agenda and key activities throughout 2022

During 2022, the Board resumed face-to-face meetings following the lifting of restrictions imposed during the COVID-19 pandemic. However, the Board also took advantage of the speed and efficiency of virtual meetings where appropriate to ensure that business was conducted in a time-effective and environmentally sensitive manner. Regular Board agenda items and key activities are shown on page 72.

Directors' attendance at Board meetings in 2022

	Meetings attended
Scheduled meetings 2022	
Executive Directors	
Amjad Bseisu	6/6
Jonathan Swinney[1]	3/3
Salman Malik[2]	3/3
Non-Executive Directors	
Martin Houston[3]	5/5
Gareth Penny[4]	1/1
Farina Khan	6/6
Howard Paver	6/6
Philip Holland[5]	3/3
Carl Hughes	6/6
Rani Koya[6]	6/6
Liv Monica Stubholt	6/6
John Winterman	6/6

1 Jonathan Swinney stood down as Chief Financial Officer and Executive Director on 15 August 2022
2 Salman Malik was appointed as Chief Financial Officer and Executive Director on 15 August 2022
3 Martin Houston stood down as Chairman and Non-Executive Director on 6 December 2022
4 Gareth Penny was appointed as Chairman and Non-Executive Director on 6 December 2022
5 Philip Holland stood down as Non-Executive Director on 17 June 2022
6 Rani Koya was appointed as Non-Executive Director on 1 January 2022

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 2022

Strategy	Operations	Governance	Stakeholders
• Key projects, their status and progress made • Strategy • Key transactions • Financial reports and statements • Liquidity	• HSEA • Production • Operational issues and highlights • HR issues and developments • Key legal updates	• Succession planning • Assurance and risk management	• 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 operated 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 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 52 and in the Code of Conduct which is available on the Group's website.

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, anti-corruption and bribery, responsibilities under the Market Abuse Regulations and on corporate governance matters pertinent to the discharge of Non-Executive Directors' duties.

2022 Annual Report and Accounts

The Directors are responsible for preparing the 2022 ARA and consider that, taken as a whole, the 2022 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.

Division of responsibilities

There is a clear division of responsibilities between the leadership of 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. During the year, the SID led the process for recruiting a new Chairman following the resignation of Martin Houston in June.

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 nine Directors, consisting of two Executive Directors and seven independent Non-Executive Directors (including the Chairman).

During the year, the Non-Executive Directors spent significant additional time on Company business and, having taken advice from the Company's remuneration advisers, the Board agreed to award the Non-Executive Directors an additional fee as permitted under the Remuneration Policy. Following this decision, the Board initiated a review of its approval processes. The review concluded that the Board's decision making was consistent with law and the Company's Articles of Association (the 'Articles'). However, the process for approving the additional fees for Non-Executive Directors differed from the specific process set out in the Remuneration and Social Responsibility Committee's terms of reference in that the full Board, rather than the Chairman and Executive Directors, approved the additional fee to the Non-Executive Directors. Further, it noted that that while the process to increase the Chairman's fees was consistent with the Company's Articles, it did not comply with Provision 33 of the Code in that the Board, rather than the Remuneration and Social Responsibility Committee, approved the additional fee to the Chairman.

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 and 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 66 and 67.

Committees

The Board has five Committees which meet on a regular basis and report back to the Directors at each Board meeting. This allows for the Board to be apprised 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. 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 78 to 84.

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. It reviews and takes note of institutional shareholder guidelines. During 2023, the Committee will be reviewing the existing shareholder-approved Remuneration Policy ahead of issuing the Remuneration Policy for shareholder vote in 2024. The Committee also reviews the Group's social responsibility programme, both external (how the Group engages in its communities) and internal (employee engagement and a positive workforce culture). The work of the Remuneration and Social Responsibility Committee is set out on pages 85 to 102.

Safety, Sustainability and Risk Committee

The Safety, Sustainability and Risk 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 40 to 51 of the Strategic report. The work of the Committee, which includes monitoring HSEA issues and oversight of decarbonisation matters, is on pages 103 to 104.

Technical and Reserves Committee

The Technical and Reserves Committee provides the Board with additional technical insight when making Board decisions. The work of the Committee can be found on 105.

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. 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 page 76.

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	• Clear understanding of European energy security issues and the impact of the Russia/Ukraine crisis • The Board discusses growth opportunities at every Board meeting, including at the opportunity costs of pursuing ventures • Corporate governance training, anti-corruption and bribery training and training on Directors' responsibilities
• Establishing and aligning purpose, Values and strategy with culture	• Culture, Values and ESG are included in Company Performance Indicators • Board discussed impact of COVID-19 on working arrangements	• Discussed the need to keep diversity training refreshed and relevant • The Board agreed flexible initiatives for returning to work, reflecting local requirements and 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
• 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 • Engagement on impact of UK Energy Profits Levy • Debt investor engagement
• Ensuring workforce policies and practices are consistent with the Company's Values	• Diversity and inclusion	• The Board adopted aspirational diversity targets and approved the approach to enhancing inclusion
• Appointments are subject to formal rigorous and transparent procedure with effective succession plan for Board and senior management	• Use of external consultants for chair appointment • Appointment of CFO as part of internal succession planning	• Detailed discussions on succession planning and review of roles and accountabilities of Executive Committee • Approved use of external agent to benchmark senior employees' readiness for succession

Governance and Nomination Committee membership

The Governance and Nomination Committee comprises the Chairman of the Company, the SID and the Chief Executive. Both the Chairman and SID are deemed independent.

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

Member	Date appointed Committee member	Attendance at meetings during the year
Martin Houston[1]	1 October 2019	5/5
Amjad Bseisu	22 February 2010	5/5
Howard Paver	15 October 2019	5/5
Gareth Penny[2]	6 December 2022	0/0

Notes:
1 Martin Houston stepped down from the Board as Chairman and Non-Executive Director on 6 December 2022
2 Gareth Penny joined the Board and the Governance and Nomination Committee on 6 December 2022

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. Currently, the Board consists of seven Non-Executive Directors and two Executive Directors, who collectively bring a diverse mix of skills and experience to the Company, collaborating with each other to provide strong leadership.

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 five times in 2022. Its key activities included:

Appointment of Non-Executive Chairman
The Committee launched a Board search process in the summer of 2022 to recruit a Non-Executive Director to take on the role of Chair. A sub-Committee, comprising Howard Paver, as SID, and Liv Monica Stubholt, was formed to manage the recruitment process. The Company appointed Spencer Stuart & Associates ('Spencer Stuart') to support the sub-Committee to ensure that a wide range of candidates were considered.

Spencer Stuart met with each continuing Director to understand fully the Company's requirements, including diversity profiles, and the cultural fit necessary to succeed in the role. It presented a long list of clients for the sub-Committee to consider before interviewing candidates.

Throughout the selection process, the sub-Committee actively considered Board diversity in all its forms as part of its thorough review of each candidate, including the balance of skills, knowledge and level of independence each would bring to the Board. In addition, it considered any potential conflicts of interest that would arise from the appointment and gave careful consideration to other existing commitments the candidates had and whether they would be able to devote the appropriate amount of time in order to meet fully what was expected of them. The sub-Committee recommended the appointment of Gareth Penny to the Board, which unanimously approved his appointment.

Review of tenure of Non-Executive Directors
The Committee discussed the optimum length of service of Non-Executive Directors, noting that the average tenure across FTSE 150 companies was under five years and that the Code states that service beyond nine years could impair independence. As no independent Director was approaching nine years' service it was agreed that a formal policy on tenure was not, at this point, needed.

Committee composition
The composition of the Safety, Sustainability and Risk Committee ('SSRC') was discussed by the Committee. During the year, the Committee noted that Philip Holland would step down from the chairmanship of the SSRC when he left the Board following the Group's Annual General Meeting ('AGM') and that, for reason of capacity, Farina Khan also wanted to step down from the SSRC. The Committee initially considered that Liv Monica Stubholt would be an appropriate replacement for Philip but, following discussions with Liv Monica, agreed that she would be overcommitted and that it would be more appropriate for Rani Koya to Chair the SSRC. Accordingly, the Committee recommended to the Board that Rani take on the role following Philip Holland's departure.

Corporate governance statement continued

Global Employee Forum composition
The Committee considered the composition and purpose of the Global Employee Forum during the year. At the start of 2022, the designated Directors for employee engagement were Philip Holland and Farina Khan, and both attended the Global Employee Forum in that capacity. With Philip Holland stepping down from the Board, and Farina Khan wishing to step down as designated Director for employee engagement for reasons of capacity, the Committee recommended to the Board that Rani Koya and Howard Paver become the designated Directors for employee engagement. As noted on page 107, the focus of the Forum changed during the year and the designated Directors no longer participate in all its meetings. Instead, the designated Directors have instigated a programme of formal and informal events with employees to enable the Board to get a clear understanding of the views of employees.

Appointment of Executive Director
Jonathan Swinney notified the Board of his intention to step down from the Board as Chief Financial Officer ('CFO') and Executive Director in March, and it was agreed that Salman Malik, who had long been identified as an internal candidate to be a potential CFO successor, would succeed Jonathan. Salman had been a member of EnQuest's Executive Committee for several years and has a wealth of industry and financial experience, alongside developing the Group's Infrastructure and New Energy business. Given the Group's ongoing attention on deleveraging, refinancing, creative M&A and repurposing existing infrastructure to deliver EnQuest's decarbonisation ambitions, the Board is confident he has the necessary skills, experience and vision for the role.

Appointment of Company Secretary
The Committee oversaw an external search for a new Company Secretary to succeed Stefan Ricketts who notified his intention to resign from the Company. The Committee considered diversity in all its forms and met with a range of candidates to assess their skills, knowledge and experience before deciding to recommend the appointment of Chris Sawyer. Chris joined EnQuest from bp where he was assistant general counsel, oil regions and production and operations and a member of senior leadership teams responsible for upstream and low carbon energy.

Structured Board succession planning
Succession planning is an important part of both the Committee and the Board's deliberations. This includes for both senior management and the wider organisation, with regard to individuals who are considered as having high potential. 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 the composition of the Board which will best serve 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 and other industries, including those supporting the energy transition. See pages 66 to 67 for Board biographies.

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 Group continues to work to identify capability strengths and development gaps and to develop the process for encouraging and supporting high-potential employees.

Annual evaluation
Having carried out an external Board evaluation in 2021, supported by Grant Thornton, it was felt appropriate to undertake an internal Board evaluation in 2022. This evaluation was carried out with support from BoardClic and used the same online tool as in previous internal evaluations. The online survey was then supported by individual calls between the Directors and the Chairman.

The results from the evaluation, which were discussed in detail at the February 2023 Board meeting, reflect the changes that occurred on the Board during the year and provide a clear guide to the priorities in 2023.

The Board agreed that the key themes for development were:
- Ensuring that the Board has a good process for setting strategy;
- Ensuring that the Board gets good-quality information, both before and between meetings;
- Further improvement in governance processes and structures to assist the Board and its Committees in supporting the Executive Directors and management to deliver on the strategy of the Group; and
- Developing and clarifying the succession planning process.

As the Chairman was only appointed immediately before the evaluation, no separate assessment of the Chairman's performance was carried out. The SID will lead a review of the Chairman's performance during 2023.

The key areas from the 2021 external evaluation were kept under review during the year. These included Board dynamics, which have evolved as the composition of the Board has changed. The strategy has continued to be refined, with an increased focus on repurposing existing assets and infrastructure in support of the Group's decarbonisation ambitions. An increased amount of attention was given to the oversight of organisational culture, including appropriate training for managers and supervisors in creating inclusive cultures alongside assessing the impact of returning to the workplace for office-based staff based in the UK, Dubai and Malaysia.

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 66 to 67.

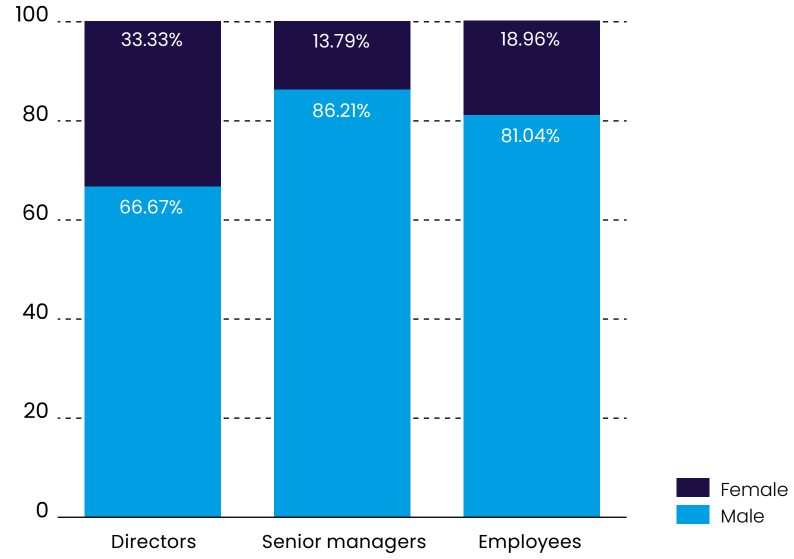
Priorities for the coming year
The main focus of the Committee in 2023 will be in supporting the Board to align our culture and succession plans with the delivery of our strategy.

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 Company has adopted the FTSE Women Leaders Review diversity targets of 40% female representation on the Board and at least one female Director holding the position of Chair, Senior Independent Director, CEO or CFO by 2026. As at 4 April 2023, none of these roles are held by females. The Board has also agreed diversity targets for leadership roles (including the Executive Committee, Aberdeen Leadership Team and Malaysia Leadership Team) by 2025 of: 30% of management roles to be occupied by women and 15–20% of executive management roles to be occupied by ethnic minorities. Data relating to gender and ethnicity is collected by the Group's Human Resources department, where disclosed by the individual.

In addition, the EnQuest Diversity and Inclusion 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. Activities within the Group to encourage awareness of diversity considerations include a staff-wide diversity survey and education of the workforce.

The chart below illustrates gender breakdown of EnQuest's Directors and workforce as at 31 December 2022[1].



Note:
1 Breakdown of percentages: Directors (3 female, 6 male); Senior managers (8 female, 50 male); Employees (135 female, 577 male). Senior management and total employee figures include EnQuest's employees in Dubai, Malaysia and the UK

Audit Committee report

"The Committee has continued to focus on the Group's disclosures as well as challenge the Group's financial reporting processes and system of internal controls while monitoring the Risk Management Framework and work of key functions."

Carl Hughes
Chairman of the Audit Committee

Dear fellow shareholder

I am pleased to present the Audit Committee report for the year ended 31 December 2022, 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 ('RMF') 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: monitoring the CFO transition, refinancing of the Group's debt, climate change disclosure recommendations, challenging management on control improvements, reviewing the impact of the UK Energy Profits Levy ('EPL') on EnQuest's business model and the wider competitive landscape, monitoring IT control improvement progress and reviewing cyber-security measures and the Group's IT resourcing model. It was pleasing to see a smooth CFO transition and the Group successfully refinance its debt, materially extending its maturities in what was a challenging market environment. The Committee was also pleased to see that in July 2022, in its Thematic Review: Judgements and Estimates Update, the Financial Reporting Council ('FRC') highlighted EnQuest's 2021 Annual Report and Accounts as an example of good practice with regard to disclosure of deferred tax sensitivities.

During the year, the Committee agreed to update its terms of reference to highlight its responsibilities more explicitly with regard to the IT control environment, with the first IT controls review held at the December Committee meeting. A significant amount of time, including an additional Committee meeting, was also spent reviewing the finance function's resourcing requirements and progress against improvements identified in conjunction with the Group's external auditor. A number of process and IT control improvements have been implemented in the lead-up to and during the 2022 year-end process, including developing granular timetables for significant processes, building flexibility into existing Excel finance models and incorporating peer reviews. In addition, the finance team has successfully implemented its succession plans and is building additional capacity into the team with the recruitment of new team members.

During the year, the FRC conducted a formal Audit Quality Review of the Deloitte audit of EnQuest's 2021 Annual Report and Accounts, the results of which were received in January 2023 with only limited improvements required. To ensure that Deloitte can incorporate the necessary actions into future audit plans, the Committee will work closely with Deloitte and management.

In June 2022, subsequent to the publication of the EnQuest Annual Report and Accounts 2021, EnQuest received a letter from the Board for Swedish Financial Reporting Supervision informing EnQuest that it had initiated an investigation into a potential breach under the provisions of the Securities Market Act regarding filing of financial information following the UK's exit from the European Union. The Committee was provided with updates of the investigation's progress at each subsequent meeting. In March 2023, EnQuest was informed that after consideration of EnQuest's responses the investigation had been closed. As part of this process, the Group reviewed its disclosure practices and has implemented the necessary updates to ensure ongoing compliance.

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.

Carl Hughes
Chairman of the Audit Committee
4 April 2023

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 66 and 67. The Board is satisfied that the Chairman of the Committee, Carl Hughes, previously an energy and resources audit partner of Deloitte, and a Fellow of the Institute of Chartered Accountants in England and Wales, 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 2022 is provided in the table below:

Member	Date appointed Committee member	Attendance at meetings during the year
Carl Hughes	1 January 2017	5/5
Howard Paver	1 May 2019	5/5
Farina Khan	1 November 2020	5/5
Liv Monica Stubholt[1]	15 February 2021	2/5

1 Liv Monica Stubholt was unable to attend certain meetings due to unforeseen travel disruption

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. PricewaterhouseCoopers LLP ('PwC'), in its role as internal auditor for certain specialist areas, such as cyber-security, attended meetings during 2022, as appropriate. The Chairman of the Committee regularly meets with the external audit partner (with such meetings including the independent review of the going concern and viability assessments) and internal audit (which for 2022 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 62). 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 2023 to review and approve the draft 2022 Annual Report and Accounts in advance of the final sign-off by the Board.

Audit Committee report continued

Audit Committee meetings

There were five Committee meetings in 2022. A summary of the main items discussed in each meeting is set out in the table below:

Agenda item	March 2022	May 2022	August 2022	November 2022	December 2022
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 2022 plan, including findings since last meeting	✓	✓	✓		✓
Independence and objectivity of internal audit		✓			
Internal audit and assurance plan for 2023					✓
Joint venture audit plan for 2022, including summary findings since last meeting	✓	✓	✓		✓
Cyber-security update	✓	✓	✓		
Annual external audit plan					✓
External (Deloitte) audit fees subject to the audit plan		✓			✓
Level of non-audit service fees for Deloitte	✓				
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 financial focus areas and climate-related matters					✓
Key risks, judgements and uncertainties, including consideration of climate change, impacting half-year or year-end financial statements (reports from both management and external auditor)	✓		✓		✓
Debt refinancing strategy and associated accounting		✓	✓		
Presentation on reserves audit and evaluation of Competent Person's independence and objectivity	✓				
Finance strategy and organisation update including CFO transition planning		✓	✓	✓	
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 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, among 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 Committee meeting. The significant accounting and reporting areas considered, including those related to EnQuest's 2022 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 reserve based lending borrowing base forecasts. These are, in turn, underpinned by forecasts and assumptions in respect of: • Production for the next three years, based on the Group's approved 2022 business plan and forecasts; and • The oil price assumption, based on a forward curve of \$78.5/bbl (2023), \$78.5/bbl (2024) and \$75/bbl (2025).	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 2023 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, and whether macroeconomic assumptions were realistic, stress tests were appropriate and mitigations achievable to ensure that the Group has sufficient headroom to continue as a going concern. Particular focus was applied to the implications of the EPL on the Group's investment plans and future cash flows. 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 25 to 26) were reviewed and approved at the March 2023 meeting for recommendation to the Board.
Assessment of oil and gas reserves The Group has total proved and probable ('2P') reserves as at 31 December 2022 of c.190 MMboe. The estimation of 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 2023 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 applied to the financial statements, where appropriate.
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 forward curve prices of \$84/bbl (2023), \$80/bbl (2024), \$75/bbl (2025) and \$70/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 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 \$81.0 million.	At the March 2023 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 potential impacts of the EPL, climate change and the 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 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 and Golden Eagle acquisitions. See note 22 for further details.	At the March 2023 meeting, the key assumptions and result of the fair value calculations, along with explanation of movements in the year, were presented to the Committee. 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 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 2022 financial statements. This included a review of management's best estimate of oil price assumptions for fair value less cost of disposal ('FVLCD') impairment testing, including 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 $691.6 million at 31 December 2022 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 rate 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 findings and their impact on the provision. Sensitivity analysis and disclosure estimating the effect of a change in discount rates was reviewed. Regard was also given to the observations made by Deloitte as to the appropriateness of the estimates made.
Taxation At 31 December 2022, the Group carried deferred tax balances comprising $705.8 million of tax assets (primarily related to previous years' tax losses) and $166.3 million of tax liabilities (primarily related to the recognition of deferred taxes associated with the UK Energy Profits Levy). The introduction of an Energy Profits Levy by the UK Government in 2022, chargeable on taxable profits from the production of oil and gas in the UK, resulted in an additional net deferred tax liability of $153.7 million at 31 December 2022 (see note 7). 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 $2,497.7 million ($902.1 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 40 to 42 provide more detail on how the Board, and its Safety, Sustainability and Risk Committee, has discharged its responsibility in this regard. The Audit Committee Chairman is also a member of the Safety, Sustainability and Risk Committee.

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 Safety, Sustainability and Risk 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 received reports from internal audit at each scheduled Committee meeting in 2022 and meets privately with the internal auditor from time to time. The Committee continued to review the effectiveness and capabilities of internal audit and monitor its independence during the year. During the latter half of 2022, the Internal Audit Manager transitioned into the Group Financial Controller role. In order to ensure an ongoing programme of assurance, the Committee agreed that PwC would undertake the full internal audit programme until a replacement can be found. 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, with day-to-day management oversight 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. As part of the Committee's self-evaluation assessment, it was noted that there remains an opportunity to begin the development of an Audit and Assurance Policy to focus attention on the level of assurance relating to all reported key financial and non-financial information.

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 Safety, Sustainability and Risk Committee. During 2022, internal audit activities were undertaken for various areas, including reviews of:
- Gender pay gap reporting and diversity and inclusion;
- HSEA KPIs;
- 'Purchase to pay' (Maximo) upgrade project (pre-execution);
- HSSE and asset integrity RMF Bowtie;
- HR RMF Bowtie and flexible working;
- Project execution RMF Bowtie; 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 have all resulted in 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. Additionally, Committee members take into account their own view of the external auditor's performance when determining whether or not to recommend reappointment. The Committee also held 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 2022 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 third year as auditor and has maintained its independence and objectivity. This was further confirmed by the results from the FRC's Audit Quality Review noted previously, which resulted in limited improvements required. As required under UK auditing standards, Deloitte confirmed their independence to the Committee.

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 2022, the shareholders approved a resolution to reappoint Deloitte as external auditor. 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 our 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, in light of the revised FRC Ethical Standards, 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.

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

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.

The scope of the non-audit services contracted with the external auditor in 2022 consisted mainly of the interim review and other assurance services associated with the Group's debt refinancing activities undertaken during the year.

Directors' Remuneration Report

"The Committee's focus remains on ensuring reward for Executive Directors, the Executive Committee and senior managers incentivises the delivery of EnQuest's strategy and performance goals."

Howard Paver
Chair of the Remuneration and Social Responsibility Committee

Dear fellow shareholder

On behalf of the Board and my fellow members of the Remuneration and Social Responsibility Committee, I am pleased to present EnQuest's Directors' Remuneration Report ('DRR') for the financial year ended 31 December 2022.

Overview

The Committee has remained focused on ensuring the appropriateness of the Group's overall reward package available for Executive Directors to maintain continued alignment with our own Remuneration Policy and the UK Corporate Governance Code (the 'Code'). These core principles were at the forefront when the Committee set the compensation of the new Chief Financial Officer ('CFO') in 2022.

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 2023, 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 Directors' Remuneration Reports since 2019, the chosen calculation for the 2022 Chief Executive Officer ('CEO') pay ratio was in line with single figure methodology, also known as 'Option A', resulting in a CEO pay ratio of 20:1 in 2022.

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. A summary of the Policy approved in 2021 which is presented for information only; and
3. The Annual Report on Remuneration of the Executive Directors and Non-Executive Directors for 2022, which will be subject to an advisory shareholder vote at the 2023 AGM.

Committee changes

As announced on 6 December 2022, Martin Houston stepped down as the Non-Executive Chair of the Board and as a member of the Committee. He was succeeded as Non-Executive Chairman by Gareth Penny, who also became a member of the Committee in February 2023. The all-inclusive fee for Gareth Penny as Chairman of the Board was discussed by the Committee and was maintained at the current level.

Chief Financial Officer succession

After Jonathan Swinney notified the Board of his intention to step down as CFO and Executive Director, the Board approved a successor. Salman Malik, who joined the Company in 2013, became CFO on 15 August 2022, with his remuneration set at a level that is aligned to an external comparator group and reflects his retained dual responsibility as Managing Director, Corporate Development, Infrastructure and New Energy. Acknowledging this broader role, Salman Malik's base salary was set at £440,000 per annum with a payment in lieu of pension contribution of 10% of base salary. His package complies fully with the 2020 Remuneration Policy that was approved by shareholders at the 2021 AGM. Further information on Salman's remuneration package since his appointment as CFO is provided on pages 93 and 101.

Since stepping down from the Board, Jonathan Swinney has been available to work closely with Salman Malik to ensure a smooth transition and provide assistance in relation to ongoing projects. Jonathan Swinney left the Company on 22 March 2023.

Jonathan Swinney's remuneration arrangements continued to be in line with his service contract and the Remuneration Policy.

Shareholder consultation

Continued open and transparent shareholder dialogue provides an invaluable contribution to the Committee.

The current 2020 Remuneration Policy was approved by 95.4% of shareholders and during 2022, shareholders continued to contribute to the Committee's ongoing work in ensuring our Policy continues to support and drive our business strategy. During 2022, we used shareholder feedback to further simplify the performance measures used in both the annual bonus and PSP, as well as to test support for the remuneration package for our new CFO.

In line with corporate governance standards, we intend to review the Policy during 2023 ahead of its submission for shareholder approval at the 2024 AGM. Shareholder consultation will form a key part of the Committee's review over the course of the coming year. Ensuring our Remuneration Policy supports and drives our business strategy remains a core requirement for the Committee.

Performance and remuneration outcomes for 2022

Production performance in 2022 was on target for the year and expenditure measures that included operating, capital and decommissioning expenditure exceeded stretch performance. This combination helped to drive an overall strong performance for the year. A key target for the year was to reset the capital structure and strengthen the balance sheet. The refinancing of the Group's retail bond, high yield bond and reserve based lending facility were all delivered despite challenging market conditions. An important ongoing environmental, social and governance ('ESG') objective for the Company is to ensure a marked reduction to the emissions from the assets within EnQuest's portfolio and in 2022 we are proud to have again exceeded our target. We have also exceeded our expectations with lower employee attrition than targeted and made good progress with the delivery of projects in our growth agenda.

2022 annual bonus – payable in 2023

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 (CEO) was based solely on achievement against the Company Performance Contract ('CPC'). For Salman Malik, his bonus for the period prior to being appointed as CFO was based on a combination of CPC outcome (50% of target) and individual performance objectives (the remaining 50% of target). From the date of his appointment as CFO in August 2022, Salman's annual bonus was also based entirely on the CPC outcome.

The 2022 target and maximum bonus potential for Amjad Bseisu was 75% and 125% of salary, respectively, with the final bonus award being equal to 92.88% of base salary (74.30% of maximum). From his appointment as CFO on 15 August 2022, Salman Malik's target and maximum bonus potential was also 75% and 125% of base salary, with the final award being applied pro rata to reflect his time in the role. The final award for Salman Malik in his role as CFO was equal to 35.4% of annual salary. The Committee believes that the payouts, which were generated directly from the CPC outcome, 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 was not required. Full details of how these awards were determined are included on pages 93 to 95 of this report. Following his resignation, Jonathan Swinney was not awarded an annual bonus for performance in 2022.

Performance Share Plan ('PSP')

The three-year performance period for the 2020 PSP ended on 31 December 2022. Vesting of these awards was based wholly on EnQuest's TSR performance relative to an agreed group of sector comparators. Over the performance period, EnQuest's TSR ranked between the median and upper quartile, resulting in 74.8% of the original award vesting. In line with the Directors' Remuneration Policy, vested awards will be subject to a mandatory two-year holding period commencing on 9 September 2023.

To mitigate any potential windfall gains on vesting, at the time the awards were made, the Committee applied its discretion and used the 12-month average share price at the date of award for Executive Directors.

During the year, a PSP award calculated at 250% of salary for Amjad Bseisu and 75% of salary for Salman Malik (before he was appointed as CFO) was granted on 27 April 2022, measured 80% against relative total shareholder return ('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 a new Executive Director, Salman Malik is expected to build up to this level within five years of his appointment.

Executive Director remuneration in 2023

2023 base salaries

For 2023, the Committee has increased the CEO's salary by 4%, slightly below the average increase for the UK workforce. The salary of the CFO, set on his appointment in August 2022, will not be increased in 2023.

The Committee is mindful of the market positioning of the CEO's fixed remuneration and its proximity to the CFO's, and has committed to review and recommend an appropriate course of action during 2023.

2023 annual bonus

For 2023, the annual bonus for the CEO and CFO will be based 100% on the 2023 CPC outcome, with 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 101.

2023 PSP awards

As with the annual bonus, there will be no change to the operation of the PSP in 2023, and Amjad Bseisu and Salman Malik will each receive an award of 250% of salary in April 2023. 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 2023), and 20% on emission reduction over the period 1 January 2023 to 31 December 2025. Further details are set out on pages 101 and 102.

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 at the forthcoming AGM.

Howard Paver
Chair of the Remuneration and Social Responsibility Committee
4 April 2023

Governance

General 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.

Remuneration Policy

The following sections of this report set out a summary of our Directors' Remuneration Policy (the 'Policy'), which was approved by shareholders at the 2021 Annual General Meeting ('AGM') in accordance with Section 439A of the Companies Act 2006.

Remuneration principles

In determining the Policy approved at the 2021 AGM and summarised below, the Group reviewed its overall remuneration principles to ensure that they continue to be aligned with the Group's strategy and stakeholder interests. EnQuest's strategic objective is to be the partner of choice for responsible management of existing energy assets, applying our core capabilities to create value through the transition.

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 principles underpinning the Policy are that remuneration for Executive Directors should:
- Support alignment of executives with stakeholders;
- Be fair, reflective of best practice, and market competitive;
- Comprise fixed pay set around the median and variable pay capable of delivering remuneration at upper quartile; 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 that our 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 2021 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.

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 modest cash allowance in lieu of pension.

When setting remuneration for the Executive Directors, the Committee takes into account the performance and experience of the Director, as well as the Group performance, 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 summarises EnQuest's Remuneration Policy which became binding on 12 May 2021 with 95.35% of votes cast in favour. The full policy can be viewed in the 2020 Annual Report which can be found on the Group's website, www.enquest.com:

Component	Operation/key features	Maximum potential opportunity	Applicable performance measures
Salary and fees	• Set at or below median when compared to a comparator group and reviewed by the Committee annually.	• Increases in excess of the general workforce by exception only.	None.
Pension and other benefits	• Pension delivered as cash in lieu, with remaining benefits provided by the Group. • Participation in Sharesave permitted. • Additional benefits offered when required, in line with local practice. • Reasonable business-related expenses permitted. • Benefits reviewed periodically.	• Maximum pension allowance is lesser of 10% of salary or £50,000[1]. • Private medical and personal accident insurance. • Life assurance.	None.
Annual bonus	• Bonus in excess of 100% of salary deferred into EnQuest shares for two years, otherwise paid in cash. • Committee discretion to allow dividend equivalent on deferrals. • Cash and share elements both subject to malus and clawback for up to three years post payment.	• Target award: 75% of salary. • Maximum award: 125% of salary.	• Scorecard including key performance objectives set annually by the Committee and measured against threshold, target and stretch levels with bonuses accruing on a sliding scale from 0% at threshold.
Performance Share Plan ('PSP')	• Awarded annually. • Three-year vesting dependent on achievement of performance conditions. • Further two-year holding period. • Awards can be conditional, nil cost options or joint interests in shares. • Dividend equivalent on unvested awards permitted in shares. • Subject to malus and clawback.	• Normal maximum: 250% of salary. • Exceptional maximum: 350% of salary.	• A blend of measures including, but not limited to, relative TSR and ESG measures. • Maximum of 25% vesting at threshold. • Performance conditions detailed in the Annual Report on Remuneration. • The number, type and weighting of measures may vary in the future in line with business priorities. • Shareholder consultation will normally take place before material changes are made.
Shareholding requirements	• Executive Director shareholding of at least 200% of salary, with a requirement that this level is achieved within five years of appointment. • Shareholding to be retained at the lower of actual shareholding or 200% of salary for two years post-employment, including both vested and unvested shares.	n/a	None.
Chairman and Non-Executive Director fees	• Reviewed annually considering comparator group fee levels, time commitment and employee salary increases. • Non-Executive Directors receive base fees with additional fees paid to Committee Chairs and the Senior Independent Director. • Additional fees can be paid if there is a material increase in time commitment. • Reasonable business-related expenses are permitted. • Not eligible for Group benefits or incentive schemes. • Chairman receives an all-inclusive fee set by the Senior Independent Director.	• Reviewed periodically and limited by the Company's Articles of Association.	None.

Note:
1 Pension allowance for Amjad Bseisu was 10.1% of salary in 2022 in line with the planned transition to pension contribution equivalence with the broader workforce started in 2021. From 2023, Amjad Bseisu will be aligned to this Policy with a pension allowance at 9.7% of salary

Changes to policy

No changes have been made to the Policy since its adoption at the 2021 AGM.

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 Amjad Bseisu are typically based solely on the Group scorecard, referred to as the Company Performance Contract ('CPC') of EnQuest. The CFO's bonus objectives are also primarily based on the CPC for EnQuest, but may also include up to 25% based on additional objectives that cover specific key accountabilities and responsibilities of this role.

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. Awards granted from 2019 onwards 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.

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

Amjad Bseisu and Salman Malik entered into service agreements 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

Note:
1 Jonathan Swinney stood down as an Executive Director in August 2022

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
Carl Hughes	1 January 2017	3 months	3 years
John Winterman	7 September 2017	3 months	3 years
Howard Paver	1 May 2019	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

Note:
1 Phillip Holland stood down as a Non-Executive Director on 17 July 2022 and Martin Houston stood down as Non-Executive Chairman on 6 December 2022

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. 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.

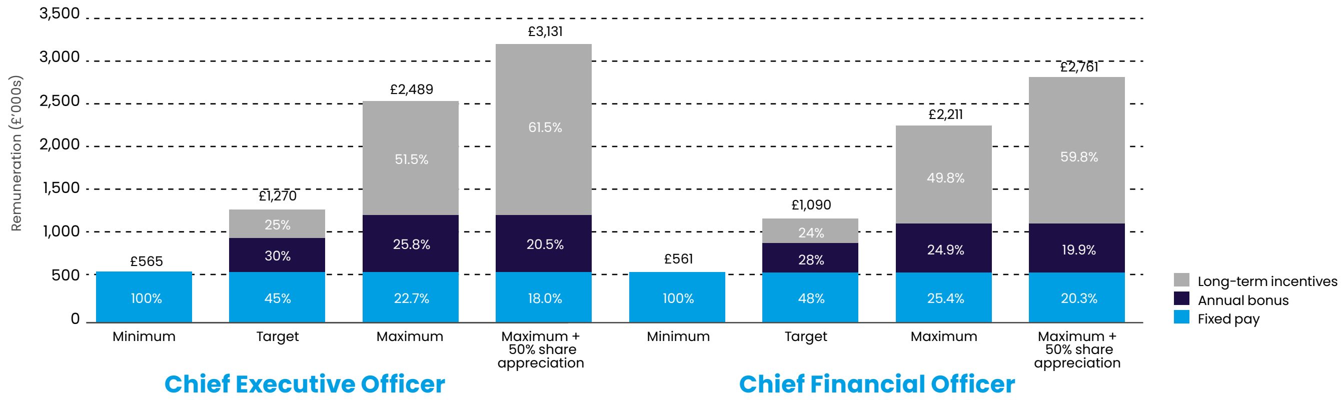
If tax liabilities arise from an error or omission by the Group that is outside of the control of the Executive Directors, the Committee will have the ability to reimburse any such tax liabilities.

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 2023 in line with the 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 2023 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 • 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, fixed pay comprises salary from 1 January 2023, a pension allowance of £50,000 plus medical insurance benefit of £1,133.
For the CFO, fixed pay comprises salary from 1 January 2023, a pension allowance of £44,000, international medical insurance benefit of £13,007 with an additional £13,884 in respect of grossing up the value of this premium in respect of taxation, plus a further fixed-term monthly allowance of £8,333 in respect of costs relating to relocating from the United Arab Emirates in 2022 (this allowance is scheduled to finish in June 2023).

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. The 2021 DRR was voted on at the AGM held in June 2022, where 86.13% of the votes cast were in favour. The Policy, where 95.35% of votes cast at the AGM held in May 2021 were in favour, incorporated shareholder feedback following consultation.

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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 2022
The Committee has four scheduled meetings per year. During 2022, it met on four occasions to review and discuss appropriate compensation for Salman Malik as incoming CFO, base salary adjustments for 2023, 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 May 2019	4 of 4
Martin Houston[1]	15 October 2019	3 of 4
Farina Khan	1 November 2020	4 of 4
Gareth Penny[2]	15 February 2023	n/a

Notes:
1 Martin Houston stepped down as Non-Executive Chairman and as a member of the Committee on 6 December 2022
2 Gareth Penny was appointed as a member of the Committee on 15 February 2023

Advisers to the Remuneration and Social Responsibility Committee
The Committee invites individuals to attend meetings to provide advice so as 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 (Amjad Bseisu);
- The Chief Financial Officer (Salman Malik);
- The Company Secretary;
- A representative from the Group's Human Resources department;
- A representative from Mercer Kepler, appointed as remuneration adviser by the Committee from 1 August 2017, and terminated in March 2022; and
- A representative from Ellason LLP, appointed as remuneration adviser by the Committee from 1 April 2022.

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 2022, together with comparative figures for 2021 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	**2022**	**494**	**1**	**50**	**545**	**458**	**1,352**	**1,810**	**2,355**
	2021	479	1	50	530	392	736	1,128	1,658
Salman Malik[2]	**2022**	**207**	**53**	**20**	**280**	**156**	**249**	**405**	**685**
Jonathan Swinney[6]	**2022**	**211**	**1**	**21**	**233**	**0**	**0**	**0**	**233**
	2021	338	1	34	373	277	516	793	1,166
Total	**2022**	**912**	**55**	**91**	**1058**	**614**	**1,601**	**2,215**	**3,273**
	2021	817	2	84	903	669	1,252	1,921	2,824

Notes:
1 Rounding may apply
2 Salman Malik was appointed CFO on 15 August 2022 and his salary, benefits and variable incentives are shown on a pro-rata basis, with the LTIP value based on an award made before his appointment. Taxable benefits for Salman Malik include grossed-up international private medical insurance and a fixed-term monthly allowance of £8,333 in respect of relocation costs (this allowance is due to terminate in June 2023)
3 Cash in lieu of 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 24 April 2020 which will vest on 9 September 2023: the LTIP value shown in the 2022 single figure is calculated by taking the number of performance shares that will vest (74.80%) multiplied by the average value of the EnQuest share price between 1 October 2022 and 31 December 2022 (25.50 pence), as the share price on 9 September 2023 is not known at the time of this report. This number of shares has been adjusted in line with the open offer dated 26 July 2021, further details of which are included on page 97.
The PSP awarded on 24 April 2019 which vested on 24 April 2022: the LTIP value shown in the 2021 single figure is calculated by taking the number of performance shares that vested (43.89%) multiplied by the actual share price of 31.90 pence on the next business day following the vesting date of 24 April 2022, as the vesting date was a weekend in the UK. The 2021 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
6 Jonathan Swinney stepped down as CFO on 15 August 2022 and his salary and benefits are shown on a pro-rata basis. Following his resignation, he was not entitled to any variable incentives

Single total figure of remuneration – Non-Executive Directors
The remuneration of the Non-Executive Directors for the year ended 31 December 2022 was as follows, together with comparative figures for 2021:

	'Single figure' of remuneration – £'000s					
Director	**Salary and fees 2022[7]**	Salary and fees 2021	**All taxable benefits 2022**	All taxable benefits 2021	**Total for 2022**	Total for 2021
Gareth Penny[1]	**14**	–	**–**	–	**14**	–
Martin Houston[2]	**264**	200	**–**	–	**264**	200
Howard Paver	**105**	80	**–**	–	**105**	80
Carl Hughes	**95**	70	**–**	–	**95**	70
Philip Holland[3]	**58**	70	**–**	–	**58**	70
John Winterman	**95**	70	**–**	–	**95**	70
Farina Khan[4]	**85**	60	**–**	–	**85**	60
Liv Monica Stubholt[5]	**85**	45	**–**	–	**85**	45
Rani Koya[6]	**88**	–	**–**	–	**88**	–
Total	**889**	595	**–**	–	**889**	595

Notes:
1 Gareth Penny was appointed as Non-Executive Chairman on 6 December 2022. His fees were pro-rated
2 Martin Houston stepped down from the role of Non-Executive Chairman on 6 December 2022. His fees were pro-rated
3 Philip Holland retired from the Board on 17 July 2022. His fees were pro-rated
4 Farina Khan became a member of the Remuneration and Social Responsibility Committee in February 2021
5 Liv Monica Stubholt was appointed to the Board on 15 February 2021. Her fees in 2021 were pro-rated
6 Rani Koya was appointed to the Board on 1 January 2022 and became a member of the Safety, Sustainability and Risk Committee and Technical Committee. On 1 September 2022, Rani became Chair of the Safety, Sustainability and Risk Committee and her additional fee as a Committee Chair was pro-rated in 2022
7 Non-Executive Directors were each paid an additional one-off fee of £25,000 in July 2022. Further details in the Governance section, page 73

Annual bonus 2022 – paid in 2023

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 2022 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 2022 was wholly based on the CPC results, with Salman's bonus pro-rated from the date of his appointment as CFO.

Company Performance Contract ('CPC')

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

Performance measure	Weighting	Performance targets and payout[1]		Amjad Bseisu and Salman Malik[2]
Production (Kboed)	25.00%	Threshold: 44.0 Target: 47.0 Maximum: 51.0	Maximum bonus % available	31.25%
		Actual: 47.3	**Actual % payout**	**19.75%**
Expenditure Cash opex/capex/abex ($ million)	15.00%	Threshold: 821.2 Target: 684.3 Maximum: 658.8	Maximum bonus % available	18.75%
		Actual: 576.1	**Actual % payout**	**18.75%**
ESG, culture and D&I Emissions: reduce diesel usage and flaring against 2021	5.00%	Threshold reduction: 5.0% Target reduction: 10.0% Maximum reduction: 15.0%	Maximum bonus % available	6.25%
		Actual: 12.0%	**Actual % payout**	**4.75%**
ESG, culture and D&I Improve on outcome of diversity and Inclusion pulse survey against 2021	5.00%	Threshold: holding position Target: improving Maximum: exceeding	Maximum bonus % available	6.25%
		Actual: Threshold	**Actual % payout**	**1.88%**
ESG, culture and D&I Manage voluntary employee attrition rates	5.00%	Threshold: 16.0% Target: 11.0% Maximum: 6.0%	Maximum bonus % available	6.25%
		Actual: 8.0%	**Actual % payout**	**5.25%**
Liquidity management Deliver appropriate funding (extension/refinancing of RBL, refinancing of retail and high yield bonds)	25.00%	Threshold: deliver one Target: deliver two Maximum: deliver three	Maximum bonus % available	31.25%
		Actual: delivered three	**Actual % payout**	**31.25%**
Organic and inorganic growth Deliver projects that contribute to ongoing growth of the Company	20.00%	Threshold: deliver one Target: deliver two Maximum: deliver three or more	Maximum bonus % available	25.00%
		Actual: delivered one with partial delivery of another	**Actual % payout**	**11.25%**
Total bonus outturn (% of salary)				**92.88%**

Notes:
1 Rounding has been applied to percentages and figures shown
2 In relation to the financial measures, threshold, target and stretch performance pay out at 0%, 60% and 100% of maximum respectively and on a straight-line basis between threshold and target performance and between target and stretch performance

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 above-target performance in relation to HSEA metrics, it was the view of the Committee that the scorecard outcome was a reasonable representation of Executive Director performance and did not require further adjustment.

The annual bonus summary for the Executive Directors for 2022 is shown in the table on the following page based on the achievement of the performance conditions against the CPC for both Amjad Bseisu and Salman Malik.

Performance measure[2]	Weighting	Maximum	Amjad Bseisu Actual outturn % of salary[1]	Salman Malik
Production (Kboed)	25.00%	31.25%	19.75%	
Expenditure – opex/capex/abex ($ million)	15.00%	18.75%	18.75%	
ESG, culture and D&I: emission reduction	5.00%	6.25%	4.75%	
ESG, culture and D&I: D&I survey	5.00%	6.25%	1.88%	
ESG, culture and D&I: employee attrition	5.00%	6.25%	5.25%	
Liquidity management	25.00%	31.25%	31.25%	
Growth - organic & inorganic	20.00%	25.00%	11.25%	
Total outturn (%)	**100.00%**	**125.00%**	**92.88%**	
Total payout (% of maximum)			**74.30%**	**74.30%**
Total payout (%)			**92.88%**	**92.88%**
(Pro-rated applies from appointment as CFO on 15 August 2022)			**n/a**	**35.37%**
Total 2022 bonus award (£)			**£458,347**	**£155,623**

Notes:
1 Rounding has been applied to the percentages shown
2 The total bonus outturn for Salman Malik was applied to his pro-rated annual base salary from the date of his appointment as CFO in August 2022. Salman Malik also received a pro-rated performance bonus based on targets set in his role as Managing Director, Corporate Development, Infrastructure and New Energy

2020 PSP awards that vest in 2023

The LTIP award made to Executive Directors on 10 September 2020 was based on the performance to the year ended 31 December 2022 and will vest on 9 September 2023.

Targets applying to the 2020 PSP award were set by the Committee in August 2020 following a period of consultation with shareholders. Performance conditions would normally be set in March each year, with awards granted in April; however, due to significant oil price volatility early in the year and the developing situation around COVID-19, awards were delayed in 2020.

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)	Actual ranking	Vesting outcome (% of maximum)
Relative TSR over the period 1 January 2020 to 31 December 2022	100.0%	50th percentile	75th percentile	67th percentile	**74.80%**

Note:
The TSR comparators for the 2020 PSP cycle are shown in the table on page 97

The table below shows the number of nil cost options awarded on 10 September 2020 that will vest on 9 September 2023 and their value as at 31 December 2022. This figure is calculated by taking the average closing share price on each trading day of the period 1 October 2022 to 31 December 2022 and is used as the basis for reporting the 2022 'single figure' of remuneration. The actual value of these shares recorded in the remuneration table will be updated in 2023 to represent the actual value received on the day of vesting.

Name	Original number of shares	Adjusted number of shares[1]	Portion vesting	No. of shares vesting	Average share price £	Value at 31 Dec 2022 £
Amjad Bseisu	7,057,406	7,090,042	74.80%	5,303,351	0.2550	1,352,270
Salman Malik[2]	1,297,406	1,303,405	74.80%	974,946	0.2550	248,596

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 CFO in August 2022

The 2020 PSP award granted to Amjad Bseisu was based on the average middle market quotation of the 12 months preceding the date of grant of 10 September 2020 of 16.64 pence. Compared to the average value of the EnQuest share price between 1 October 2022 and 31 December 2022 of 25.50 pence, this represents a 53.3% increase in the share price over the period and means that 34.7% of the reported value at 31 December 2022 is due to share price appreciation. The award made to Salman Malik in 2020 was while he was a member of the Executive Committee and was reduced in value by 15% in line with other Executive Committee members at the time.

The Committee is satisfied that the implied values vesting to Executive Directors and the overall single figures of remuneration for the year are appropriate taking into account the performance of the Group. At the time of grant a 12-month average share price was used instead of the normal three-day average, which led to the grant price being approximately 40% higher than it would otherwise have been. Due to this action that was applied at the time of grant, the Committee agrees that no further discretion was needed in relation to the change in share price. Awards will be subject to a mandatory two-year holding period ending in September 2025.

April 2022 PSP award grant
After due consideration of Business performance in 2021, the Remuneration and Social Responsibility Committee awarded the Executive Directors the following performance shares on 25 April 2022:

	Face value (% of salary)	Face value at date of grant £	Number of shares[1]	Performance period
Amjad Bseisu	250.0%	1,197,840	3,343,689	1 Jan 2022–31 Dec 2024
Salman Malik[2]	171.9%	580,017	1,619,078	1 Jan 2022–31 Dec 2024

Notes:
1 Based on the average middle market quote for the three days preceding the date of grant of 35.82 pence
2 The level of the PSP awarded to Salman Malik in 2022 was aligned to the level of his role prior to being appointed CFO

Summary of performance measures and targets – April 2022 PSP grant
The 2022 PSP share awards granted on 25 April 2022 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 2022 to 31 December 2024 and thereafter subject to a mandatory two-year holding period.

2022 PSP – schedule for vesting in 2025

Measure	Weighting	Threshold (25% vesting)	Maximum (100% vesting)
Relative TSR over the period 1 January 2022 to 31 December 2024	80.0%	50th percentile	75th percentile or higher
Emission reduction over the period 1 January 2022 to 31 December 2024	20.0%	10% reduction	12% reduction or more

Note:
1 Linear between threshold and maximum

PSP measure – base levels
These are the historical base levels that performance is measured from, for a three-year period for each annual PSP grant, up to and including the PSP award granted in 2022:

Year of grant	Emissions – base level
2020 100% relative TSR	n/a
2021 80% relative TSR/20% emission reduction	1,343 ktCO_2e
2022 80% relative TSR/20% emission reduction	1,145 ktCO_2e

The comparator group companies for the TSR performance condition relating to the 2020 PSP award are as follows:

FTSE 350	FTSE All-Share	FTSE AIM – Top 100	NASDAQ OMX Stockholm	Other
Capricorn Energy[1]	Harbour Energy[2]	Hurricane Energy	Africa Oil	Genel Energy
Tullow Oil	Pharos Energy	Rockhopper Exploration	Orrön Energy[3]	
		Bowleven	Aker BP ASA	
		Serica		

Notes:
1 Capricorn Energy was previously known as Cairn Energy
2 Harbour Energy was previously known as Premier Oil
3 Orrön Energy was previously known as Lundin Petroleum

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

FTSE 250	FTSE AIM – Top 100	FTSE Small Cap	NASDAQ OMX Stockholm	Oslo Bors	Other
Capricorn Energy[1]	Jadestone	Pharos Energy	Africa Oil	Aker BP ASA	Genel Energy
Diversified Energy	Serica	Tullow Oil	Orrön Energy[3]	BW Energy	Hibiscus
Energean				DNO	Hurricane Energy
Harbour Energy[2]				Okea	Kosmos
					Maurel & Prom
					Santos

Notes:
1 Capricorn Energy was previously known as Cairn Energy
2 Harbour Energy was previously known as Premier Oil
3 Orrön Energy was previously known as Lundin Petroleum

The number of PSP awards outstanding as at 31 December 2022 is as follows:

	Total shares awarded	Adjusted shares awarded	Performance period	Performance conditions (and weighting)	Vesting date
Grant date – September 2020					
Amjad Bseisu	7,057,406	7,090,042	1 Jan 2020–31 Dec 2022	TSR (100%)	9 Sep 2023
Salman Malik	1,297,406	1,303,405			
Grant date – April 2021					
Amjad Bseisu	7,407,792	7,442,048	1 Jan 2021–31 Dec 2023	TSR (80%)	26 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%)	24 Apr 2025
Salman Malik	1,619,078	n/a		Emission reduction (20%)	

Pension allowance
Executive Directors who do not participate in the EnQuest pension plan instead receive cash in lieu. Amjad Bseisu received £50,000, Jonathan Swinney received £21,000 and Salman Malik received £20,000 in 2022. This was equivalent to 10.1% of Amjad Bseisu's 2022 salary and 10.0% of the Executive Director salary received by Jonathan Swinney and Salman Malik in 2022.

Statement of Directors' shareholding and share interests
The interests of the Directors in the share capital of the Company as at 31 December 2022 are shown below:

In 2022, the following awards were granted, lapsed and adjusted for the Executive Directors.

PSP	31 December 2021	Granted	Lapsed	31 December 2022	Vesting period	Expiry date
Amjad Bseisu	5,240,006		2,940,168	0[1]	24 Apr 2019–24 Apr 2022	24 Apr 2029
	7,090,042			7,090,042	10 Sep 2020–9 Sep 2023	9 Sep 2030
	7,442,048			7,442,048	27 Apr 2021–26 Apr 2024	26 Apr 2031
		3,343,689		3,343,689	25 Apr 2022–24 Apr 2025	24 Apr 2032

PSP	31 December 2021	Granted	Lapsed	31 December 2022	Vesting period	Expiry date
Salman Malik	732,758		411,151	321,607	24 Apr 2019–24 Apr 2022	24 Apr 2029
	1,303,405			1,303,405	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

Note:
1 Amjad Bseisu elected to exercise 2,299,838 shares in July 2022

The table above shows 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 vesting from 2019 onwards will then be 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.

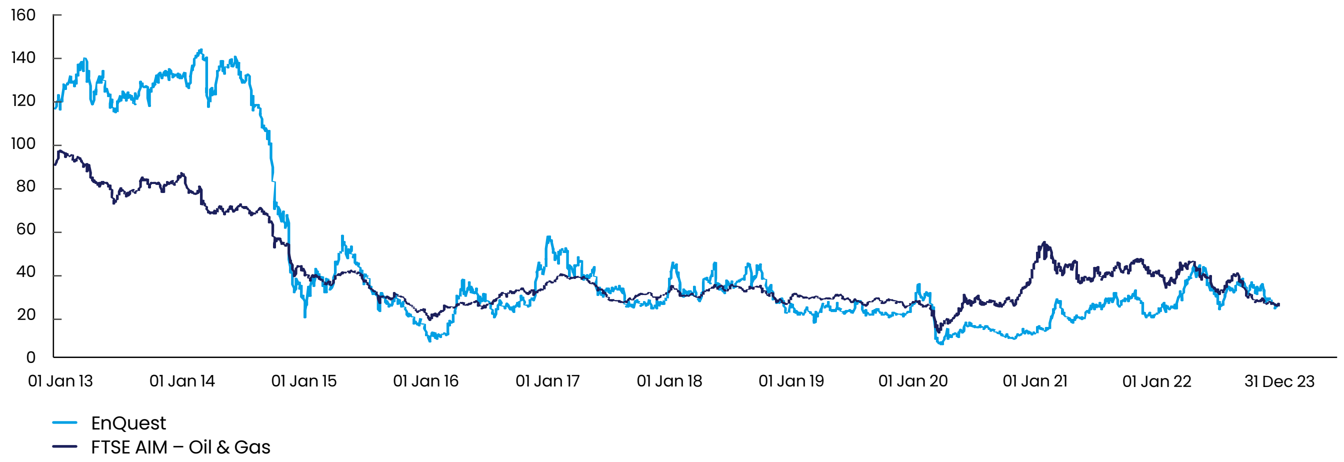
Statement of Directors' shareholdings and share interests
Executive Directors are currently required to build up and hold shares in the Company worth 200% of salary and are expected to retain 50% of shares from vested awards under the PSP (other than sales to settle any tax or social security withholdings 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 2022	Value of shareholding as a % of salary[1]
Amjad Bseisu[2]	234,732,857	12,128%	16,089,088	4,604,010	–	–	72,475	255,498,430	13,201%
Salman Malik	565,705	33%	3,757,247	444,086	–	–	–	4,767,038	276%
Gareth Penny	–	n/a	n/a	n/a	n/a	n/a	n/a	–	n/a
Howard Paver	457,617	n/a	n/a	n/a	n/a	n/a	n/a	457,617	n/a
Carl Hughes	109,390	n/a	n/a	n/a	n/a	n/a	n/a	109,390	n/a
Farina Khan	211,235	n/a	n/a	n/a	n/a	n/a	n/a	211,235	n/a
Rani Koya	–	n/a	n/a	n/a	n/a	n/a	n/a	–	n/a
Liv Monica Stubholt	–	n/a	n/a	n/a	n/a	n/a	n/a	–	n/a
John Winterman	221,123	n/a	n/a	n/a	n/a	n/a	n/a	221,123	n/a

Notes:
1 Shares are valued by taking the average closing share price on each trading day of the period 1 October 2022 to 31 December 2022
2 As at 31 December 2022, 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

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 2022 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:

	2013	2014	2015	2016	2017	2018	2019	2020	2021	**2022**
'Single figure' of total remuneration (£'000s)	1,356	817	884	941	998	1,306	1,275	1,244	1,658[1]	**2,355**[2]
Annual bonus (as a % of maximum)	50	24	27	33	57	79	81	60	65	**74**
Long-term incentive vesting rate (as a % of maximum PSP)	67	79	77	56	11	56	50	64	44	**75**

Notes:
1 Confirmed outcome
2 Forecast outcome

CEO pay ratio 2022
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 2022 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)
2022	A	STFR	25:1	20:1	17:1
2021			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 2022, with remuneration of part-time employees and those employees on statutory leave included on a full-time equivalent basis. The increase in the CEO pay ratio in 2022 can be attributed to the higher value of the PSP at vest.

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

Financial year	Methodology		CEO	UK STFR P25 (lower quartile)	UK STFR P50 (median)	UK STFR P75 (upper quartile)
2022	A	STFR	£2,355,344	£95,589	£115,917	£136,877
2021			£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
2022	A	Base salary	£493,510	£71,268	£71,675	£71,966
2021			£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

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:

	2021 $ million	**2022 $ million**
Adjusted EBITDA[1]	743	**979**
EnQuest net debt[1]	1,222	**717**
Distribution to shareholders	0	**0**
Total employee pay	103	**93**

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

Change in Directors' pay relative to the workforce

	Base salary/fees %			Bonus %			Benefits %		
	2021 to 2022	2020 to 2021	2019 to 2020	2021 to 2022	2020 to 2021	2019 to 2020	2021 to 2022	2020 to 2021	2019 to 2020
Amjad Bseisu	**3**	5	(3)	**17**	9	(25)	**0**	0	0
Salman Malik	**–**	–	–	**–**	–	–	**–**	–	–
Gareth Penny	**–**	–	–	**–**	–	–	**–**	–	–
Rani Koya	**–**	–		**–**	–	–	**–**	–	–
Martin Houston[1]	**32**	5	(5)	**–**	–	–	**–**	–	–
Howard Paver	**31**	14	27	**–**	–	–	**–**	–	–
Philip Holland[2]	**36**	5	(5)	**–**	–	–	**–**	–	–
Carl Hughes	**36**	5	(5)	**–**	–	–	**–**	–	–
Farina Khan	**42**	–	–	**–**	–	–	**–**	–	–
Liv Monica Stubholt[3]	**42**	–	–	**–**	–	–	**–**	–	–
John Winterman	**36**	5	(8)	**–**	–	–	**–**	–	–
UK employees (average)[4]	**3**	0	3	**(7)**	3	(21)	**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 2021 and 2022. Benefits include employer pension contribution and/or allowance

1 Martin Houston resigned as Non-Executive Chairman in 2022. His fees in 2022 include a fee as payment in lieu of notice
2 Phillip Holland resigned as a Director in 2022. His fees in 2022 were pro-rated
3 Liv Monica Stubholt was appointed as a Director in 2021. Her fees in 2021 were pro-rated
4 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

Statement of implementation of the Remuneration Policy for the year ending 31 December 2023

Base salary and 2023 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 the Group grows, as well as the performance of the Executive Director. The table below shows the changes applied to salaries for 2023.

Name	Salary for 2022 £	Salary for 2023 £	Increase %
Amjad Bseisu	493,500	513,300	4.0%
Salman Malik[1]	440,000	440,000	0.0%

Note:
1 The salary for Salman Malik in 2022 is shown as the annual rate from the appointment on 15 August 2022 and does not reflect the total base salary received during 2022

The average salary uplift for Group employees was 4.5%, although individual uplifts varied according to market position, and individual experience and performance.

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 will receive 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 as part of the relocation arrangements made and to reflect the multi-country residence of his dependents.

Annual bonus

For the year ended 31 December 2023, the annual bonus opportunities for the CEO and CFO will continue to be 75% of salary at target and 125% of salary at maximum.

The annual bonus scheme for 2023 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 2023 metrics and weightings, which will determine the level of short-term incentive awards for the CEO and CFO, are set out below.

Group 2023 performance measures scorecard

Metric	Weighting
Production	25%
Expenditure	15%
ESG, culture and D&I	10%
Liquidity management	20%
Growth	30%

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 only be payable 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

2023 PSP awards

After due consideration of Business performance in 2022 and the performance of the Executive Directors, as well as other factors, the Remuneration and Social Responsibility Committee decided to award a grant equal to 250% of salary to Amjad Bseisu and Salman Malik, to be awarded in April 2023. The Committee recognises the preference of some shareholders for an upfront reduction to award levels where there has been a fall in share price compared to the previous year's grant. However, the Committee believes that making this assessment at the end of the vesting period, once all relevant information is known and the impact of potential 'windfall gains' can be more readily quantified, is preferable.

Summary of 2022 PSP performance measures and targets

The PSP share awards granted in 2023 will have two performance metrics, both measured over a three-year financial period:

- 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.

2023 PSP – schedule for 2026 vesting

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

2023 PSP award TSR comparator group

Africa Oil	Energean	Hurricane Energy	Maurel & Prom
Aker BP	Genel Energy	Ithaca	Okea
BW Energy	Gulf Keystone	Jadestone	Pharos Energy
Capricorn Energy	Harbour Energy	Kistos	Serica Energy
DNO	Hibiscus	Kosmos	Tullow Oil

Non-Executive Directors

The fees for the Non-Executive Directors with effect from 1 January 2023 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 2022 levels following a benchmark review.

Advisers to the Committee

Mercer Kepler provided advice to the Remuneration and Social Responsibility Committee until March 2022. Ellason LLP were appointed by the Committee following a competitive tender process and began providing advice to the Committee from August 2022.

The Committee satisfied itself that the advice given was objective and independent. Both Ellason LLP and Mercer Kepler are signatories to the Remuneration Consultants Group Code of Conduct, which sets out guidelines for managing conflicts of interest. Neither Mercer Kepler nor Ellason LLP provide any other services to the Group.

The fees paid to Mercer Kepler totalled £23,575 (excluding VAT), and fees paid to Ellason LLP in 2022 totalled £38,240 (excluding VAT). In both cases, the fees were charged on the basis of the number of hours worked.

Statement of voting at the Annual General Meeting

The table below summarises the voting at the AGM held on 17 June 2022 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 (2022)	811,351,326	86.13%	130,652,955	13.87%	942,004,281	9,693,270

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

Howard Paver
Chair of the Remuneration and Social Responsibility Committee
4 April 2023

Safety, Sustainability and Risk Committee report

"EnQuest is actively driving decarbonisation and emission reductions in support of the United Nation's Sustainable Development Goals and the UK's net zero carbon emissions commitment."

Rani Koya
Chair of the Safety, Sustainability and Risk Committee

Dear shareholder

On behalf of the Board and my fellow Committee members, I am pleased to present EnQuest's Safety, Sustainability and Risk Committee report.

During 2022, recognising the increased focus on climate, the scope of the Committee has been broadened to cover Sustainability as well as the key areas of Safety and Risk. The Group has adopted the United Nations Sustainable Development Goal ('SDG') 12 target of "By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse" through its waste reduction activities.

The Committee reviewed the plans of the Group's Infrastructure and New Energy Business, both in its emission reduction objectives and longer-term renewable energy and decarbonisation opportunities, and see exciting and positive opportunities in this area for the Group.

The UK Government's North Sea Transition Deal ('NSTD') requires the industry to deliver material, progressive CO_2 equivalent reductions by 2025, 2027 and 2030, measured 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 will review the suitability of waste reduction as a Scope 3 emission measure thus allowing for further improvement in our emission reduction targets.

The health and safety of our personnel remain a key priority and throughout 2022 we continued to undertake detailed analysis of specific risk areas such that asset integrity and the safety of our personnel are not compromised.

We continued to progress the improvement actions identified by the 2021 asset integrity review. Engagement with the Health and Safety Executive ('HSE') remained positive throughout the year and the three HSE Improvement Notices ('INs') received in 2021 were all successfully closed out ahead of the agreed deadline. The North Sea Transition Authority ('NSTA') issued an IN in November in relation to the isolation arrangements at Magnus. While receiving the IN is disappointing, it represents an opportunity for the Group to identify and drive further improvements and we are confident that this will be closed out ahead of the deadline.

There has been some deterioration in HSEA performance, particularly in lagging indicators, but the Committee is satisfied that necessary steps have been taken to improve the performance of the Group in this critical area. Reflecting the desire for improved performance, the Group developed an integrated HSEA Continuous Improvement Plan ('CIP') to drive enhanced performance in 2023 and beyond.

The Group has developed a robust Risk Management Framework, which the Committee reviews regularly, incorporating a wide range of risks in a complex and rapidly changing landscape for the sector. The Committee has reviewed these areas and plans for 2023 incorporate enhancement in the Group's activity on Safety, Sustainability and Risk in support of it's strategic purpose to provide creative solutions through the energy transition.

Rani Koya
Chair of the Safety, Sustainability and Risk Committee
4 April 2023

Safety, Sustainability and Risk Committee membership

Membership of the Committee and attendance at the three meetings held during 2022 is provided in the table below:

Member	Date appointed Committee member	Attendance at meetings during the year
Philip Holland[1]	25 January 2016	2/2
Rani Koya[2]	1 September 2022	1/1
Carl Hughes	1 January 2017	3/3
Farina Khan[3]	1 November 2020	1/1
Liv Monica Stubholt	15 February 2021	3/3
Joh Winterman	9 December 2020	3/3

Notes:
1 Philip Holland stepped down from the Board of Directors and as Chair of the Safety, Sustainability and Risk Committee following EnQuest's Annual General Meeting on 17 June 2022
2 Rani Koya joined the Safety, Sustainability and Risk Committee and assumed the Chair position on 1 September 2022
3 Farina Khan stepped down from her position on the Committee on 2 February 2022

Safety, Sustainability and Risk 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' (including assessing emissions updates) and review actions to mitigate these risks in line with its assessment of other risks;
- Review and monitor the Group's decarbonisation activities, including reviewing the adequacy of the associated framework and its alignment with the evolving regulatory environment (for example, around those being developed by the ISSB and UK TPT); and
- Review targets and milestones for the achievement of decarbonisation objectives.

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

Committee activities during the year
The Committee:
- 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 'financial risks', 'compliance with regulation, legislation and ethical conduct' 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; and
- Received routine updates on the Group's emission reduction targets and strategy for further enhancing its contributions to SDG 12.

For further information on these risks, please see the Risks and uncertainties section on pages 40 to 51.

Priorities for the coming year
In 2023, the Committee will continue to focus on detailed analysis of key risk areas, including those relating to the Group's activity on Safety, Sustainability and Risk in support of its strategic purpose to provide creative solutions through the energy transition.

Technical and Reserves Committee report

"The Committee remains focused on providing technical expertise to the Board to assist in its decisions."

John Winterman
Chair of the Technical and Reserves Committee

Dear fellow shareholder

On behalf of the Board and my fellow Committee members, I am pleased to present the Technical and Reserves Committee report.

The Committee was established to support the Board and management in relation to all technical matters, including the business plan, major development projects, acquisitions, and the review of reserves. During the year, the Committee undertook a trip to the Aberdeen office to meet with technical staff and receive presentations on subsurface, decommissioning, operations, production, supply chain and wells. We were pleased to note the quality of staff and to observe the positive morale at the site.

While there, we held a dinner with mainly new employees and a breakfast with high-potential employees to listen to their views.

Towards the end of the year, the Committee carried out a post-investment review of the Golden Eagle acquisition, a transaction that completed in 2021. Each major investment decision is reviewed by the Committee 12–18 months after implementation or acquisition to both assess the project and to note and share key learnings.

The Committee reviewed the year-end reserves and recommended to the Board a move to reporting Malaysia 2P reserves on a working interest basis, with entitlement reserves reported as a secondary datapoint. This brings us into line with our industry peer group.

From time to time the Committee reviews business development opportunities which, if appropriate, will be recommended to the Board.

Both Martin Houston and Philip Holland stood down from the Committee on their respective departures from the Board. On behalf of the Committee, I thank them both for their valued contribution. As reported last year, Rani Koya joined the Committee on her appointment to the Board. She brings with her a wealth of technical expertise and experience to support the Committee's work.

John Winterman
Chairman of the Technical and Reserves Committee
4 April 2022

Technical and Reserves Committee responsibilities
The main responsibility of the Committee is to provide the Board with additional technical insight when making Board decisions. The Committee's full terms of reference can be found on the Group's website, www.enquest.com, under Corporate Governance.

Technical and Reserves Committee membership

Member	Date appointed Committee member	Attendance at meetings during the year
John Winterman	15 October 2019	3/3
Philip Holland[1]	15 October 2019	2/2
Martin Houston[2]	15 October 2019	2/2
Howard Paver	15 October 2019	3/3
Rani Koya	1 January 2022	3/3

Notes:
1 Philip Holland stepped down from the Board as Non-Executive Director on 17 June 2022
2 Martin Houston stepped down from the Board as Chairman and Non-Executive Director on 6 December 2022

Committee activities during the year
- Visit to Aberdeen to meet technical employees
- Review of Malaysia drilling and workover readiness
- Review of 2021 and 2022 year-end reserves and resources
- Review of business development opportunities
- Review of technical assumptions underlying the 2023 business plan
- Update on Golden Eagle Area Development

Priorities for the coming year
In 2023, the Committee will continue to focus on supporting the business, in particular when assessing new opportunities, reserve and resource maturation and asset integrity management across its assets. Deep dives, with presentations by asset personnel, will remain a key part of this process.

"The Directors of EnQuest present their Annual Report together with the Group and Company audited financial statements for the year ended 31 December 2022."

Chris Sawyer
Company Secretary

Directors
The Directors' biographical details are set out on pages 66 and 67. Gareth Penny and Salman Malik will stand for election at the 2023 Annual General Meeting ('AGM') on 5 June 2023, 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 provision remains in force as at the date of approving the Directors' report. 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 2022	% of issued share capital held at 31 December 2022[2]	Number of Ordinary shares held as at 4 April 2023	% of issued share capital held as at 4 April 2023
Bseisu consolidated interests[1]	234,732,857	12.45	234,732,857	12.45
Aberforth Partners LLP	153,086,238	8.12	154,851,175	8.21
Schroders Plc	107,791,256	5.72	107,599,635	5.71
Baillie Gifford & Co Ltd	97,461,903	5.17	92,908,242	4.93
Hargreaves Lansdown Asset Management	80,680,736	4.28	86,537,010	4.59
Cobas Asset Management	73,527,084	3.90	78,398,386	4.16
Dimensional Fund Advisors	70,851,770	3.76	71,709,307	3.80
BlackRock Inc	69,246,326	3.67	73,099,461	3.88
Avanza Fonder AB	64,018,826	3.39	67,947,513	3.60

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

Directors' interests
The interests of the Directors in the Ordinary shares of the Company, which are unchanged between 31 December 2022 and 4 April 2023, are shown below:

Name	At 31 December 2022	At 4 April 2023
Amjad Bseisu[1]	234,732,857	**234,732,857**
Gareth Penny	–	**–**
Carl Hughes	109,390	**109,390**
Farina Khan	211,235	**211,235**
Rani Koya	–	**–**
Salman Malik	565,705	**565,705**
Howard Paver	457,617	**457,617**
Liv Monica Stubholt	–	**–**
John Winterman	221,123	**221,123**

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

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. Throughout 2022, there were 1,885,924,339 Ordinary shares in issue. No further 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 153. No person has any special rights with respect to control of the Company.

The Company did not purchase any of its own shares during 2022 or up to and including 4 April 2023, being the date of this Directors' report. At the 2023 AGM, shareholders will be asked to renew authorities relating to the issue and purchase of Company shares. Details of the resolutions will be included in the Notice of AGM, which can be found on the Company's website.

Company share schemes
The trustees of the Employee Benefit Trust ('EBT') did not purchase any Ordinary shares in the Company during 2022. At year end, the EBT held 1.36% of the issued share capital of the Company (2021: 2.14%) for the benefit of employees and their dependants. The voting rights in relation to these shares are exercised by the trustees.

Employee engagement
EnQuest operates a framework for employee information and consultation which complies with the requirements of the Information and Consultation of Employees Regulations 2005. Employees are informed about significant business issues and other matters of concern via regular business briefings, country-level Town Hall meetings, Global Town Hall meetings (whereby staff in all geographic locations are invited to attend), email and other electronic communications, particularly the Company's intranet and internal 'Yammer' channel.

Following the lifting of COVID-19 restrictions, face-to-face briefing meetings have resumed along with the use of virtual communications to ensure all employees have the opportunity to participate. Appropriate consultations take place with employees when business change is undertaken.

A Global Employee Forum, to allow for direct employee engagement with the Board of Directors, was established in early 2019 in line with the UK Corporate Governance Code (the 'Code'). During the year, the Board considered the continued effectiveness of the Global Employee Forum and concluded that its primary function had been for the raising of non-strategic issues. As such, the Board agreed that the Forum should continue under the direction of the Director of People, Culture and Diversity and without the participation of the two Non-Executive Directors who are the designated Directors for workplace engagement. These designated Directors now have the responsibility to ensure that a broader range of activities are undertaken such that the Board gets a clear understanding of the views of employees in accordance with the requirement of the Code.

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. 70% of eligible employees currently participate in SAYE. Eligibility for participation in other share schemes depends on a number of factors, such as seniority.

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. While there are no specific restrictions, the transfer of shares in the Company is also provided for in the Articles.

Annual General Meeting
The Company's AGM will be held at Ashurst LLP, London Fruit & Wool Exchange, 1 Duval Square, London, E1 6PW on 5 June 2023. 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

In connection with the Ordinary shares traded on the London Stock Exchange, the Company's share registrar is Link Asset Services. For the Ordinary shares traded on NASDAQ OMX Stockholm, the Company's share registrar is Euroclear Sweden. Full details of both registrars can be found in the Company information section on the inside back cover.

Political donations

At the 2022 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 2022 by the Company, or any of its subsidiaries.

Dividends

The Company has not declared or paid any dividends since incorporation and does not plan to pay dividends in the immediate future. However, the Board anticipates reviewing the policy when appropriate, the timing of which will be subject to the earnings and financial condition of the Company meeting the conditions for dividend payments which the Company has agreed with its lenders and such other factors as the Board of Directors of the Company consider appropriate, including the Company's expected future cash flows.

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 reserve based lending facility, 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 working capital facility, originally dated 1 December 2017, in respect of the operation of the Sullom Voe Terminal ('SVT'), which includes provisions that upon a change of control, permit the 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 and 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 Company's Euro Medium Term Note Programme (under which the Company has in issue Euro Medium Term Notes originally due in 2022, which was subsequently automatically extended to 15 October 2023, with an aggregate nominal amount of approximately £111.3 million, including capitalised interest, at the date of this report), pursuant to which, if there is a change of control of the Company, a holder of a note has the option to require the Company to redeem such note at its principal amount, together with any accrued interest thereon; and

(e) under the indenture governing the Company's high yield notes originally due in 2027, which at the date of this report have an aggregate nominal amount of approximately $305.0 million, 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 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 pages 83 to 84.

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 64. The financial position of the Group, its cash flow, liquidity position and borrowing facilities are described in the Financial review on pages 20 to 26. The Board's assessment of going concern and viability for the Group is set out on pages 25 and 26. In addition, note 27 to the financial statements on page 161 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		2022 SECR	2021[5, 6] SECR	2018 baseline
	Total emissions tCO_2e[2]	1,051,869	1,164,138	1,704,893
Scope 1	Extraction emissions tCO_2e[2]	949,275	1,065,443	1,562,507
Scope 2	Extraction emissions tCO_2e[2]	796	787	1,515
	Extraction intensity ratio $kgCO_2e$/Boe[2]	45.01	49.08	47.54
Scope 1	Terminal (SVT) emissions tCO_2e[2, 3]	29,794	29,296	54,859
Scope 2	Terminal (SVT) emissions tCO_2e[2, 3]	72,003	68,612	86,011
	Terminal (SVT) intensity ratio $kgCO_2e$/Boe[2] throughput[3]	2.28	2.09	4.65

Energy Consumption[4]		2022 SECR	2021 SECR
	Total kWh	4,455,083,433	4,944,948,025
Scope 1	Extraction kWh	3,924,133,320	4,415,389,182
Scope 2	Extraction kWh	2,548,727	2,446,472
	Extraction intensity ratio kWh/Boe[2]	186.04	203.37
Scope 1	Terminal (SVT) kWh[2, 3]	116,158,249	143,280,355
Scope 2	Terminal (SVT) kWh[2, 3]	412,243,137	383,832,016
	Terminal (SVT) intensity ratio kWh/Boe[2] throughput[3]	11.84	11.24

UK & Overseas Breakdown		2022 SECR (operational control) scope	2021 SECR (operational control) scope
Scope 1	UK onshore tCO_2e	29,823	29,318
	UK offshore tCO_2e	637,070	634,678
	Non-UK tCO_2e	312,176	430,743
Scope 2	UK onshore tCO_2e	72,384	69,019
	UK offshore tCO_2e	0	0
	Non-UK tCO_2e	416	380
Scope 1	UK onshore kWh	116,302,182	143,390,072
	UK offshore kWh	2,599,376,955	2,578,121,049
	Non-UK kWh	1,324,612,431	1,837,158,416
Scope 2	UK onshore kWh	414,208,783	385,749,524
	UK offshore kWh	0	0
	Non-UK kWh	583,081	528,964

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 PM8/Seligi (Malaysia) fuel gas/flare calculation: An improved accuracy calculation/methodology has been applied to 2018 to 2022 data to ensure accurate and transparent comparatives. Some activity data anomalies were also identified and have been corrected. The change in total reported emissions for 2018–2021 inclusive is 5% or less

6 2022 is the first year that the PM8/Seligi (Malaysian) asset has been included within the verified scope as supportable metering uncertainty documentation has become available for 2022. The 2021 and 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 2021 or the 2018 baseline

Directors' report continued

Energy efficiency strategy

A number of emission reduction opportunities have previously been identified via energy saving workshops and developed as projects. These include compressor remapping on Kittiwake, and the commissioning of Waste Heat Recovery Units on Kraken, both completed during 2020 with ongoing reductions achieved in 2021 and 2022. It is recognised that improved environmental performance is a continuous process, and during 2021, the Group established its Infrastructure and New Energy business with overall responsibility for delivering the Group's emission reduction and other decarbonisation ambitions. A number of projects, which range from minor modifications, such as "right-sizing" export pumps, to material technical alterations, such as flaring reconfiguration, are currently being assessed against a range of criteria. Additional workshops will be scheduled during 2023 to ensure the correct projects continue to be identified, shortlisted and progressed to realise further emission reduction opportunities across the Group's portfolio of assets. In addition, The Group's Infrastructure and New Energy business is developing plans for a multi-year programme of projects which will right-size the SVT facilities for expected future throughput and prepare the way for the next phase of SVT operations, which includes a potential renewable energy power solution for the terminal. This programme of work will ensure EnQuest reduces the emissions footprint of the site.

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	6 to 17
Acquisitions and disposals	8, 11 and 20
Fair treatment of disabled employees	38
Anti-slavery disclosure	52
Corporate governance statement	70 to 74
Gender diversity	38 and 77
Financial risk and financial instruments	161
Important events subsequent to year end	n/a
Branches outside of the UK	165
s.172 statement and stakeholder engagement	62 to 64
Research and development	n/a
Related party transactions	160

The Directors' report was approved by the Board and signed on its behalf by the Company Secretary on 4 April 2023.

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 70 of the Annual Report.