



**Division of Responsibilities of:**

Executive Chairman

Executive Leadership

Deputy Chairman & Senior Independent Director

Non-Executive Directors

**Adopted 19 May 2022.**

This document sets out the general scope of responsibilities of Esken Limited's (**Esken** or the **Company**) board of Directors (**Board**), its Executive Chairman, its Executive Leadership (consisting of the Executive Chairman, its Chief Operating Officer and its Chief Financial Officer), its Deputy Chairman and Senior Independent Director and its other non-executive directors as at 19 May 2022.

# 1. EXECUTIVE CHAIRMAN

**The role of the Executive Chairman in relation to his position as chairman of the Board of Directors are set out below in this section 1. The executive responsibilities associated with that role are set out in section 2: Executive Leadership.**

- To lead the Board and be responsible for its overall effectiveness in directing the Company and the Group. The Chairman will set clear expectations concerning the Company's culture, values and behaviours and the style and tone of Board discussions. In this capacity they will ensure that there is a forum for constructive discussion and challenge, as well as for an informed exchange of views. He will also create a framework and the conditions to enable the Board as a whole, and its individual Directors, to contribute effectively in the performance of their duties.
- To set the Board's agenda (primarily focused on strategy, performance, value creation and accountability) and ensure that adequate time is available for discussion of all agenda items, in particular strategic issues.
- To promote a culture of openness and debate.
- To facilitate relations amongst members of the Board and the effective contribution of all Non-executive Directors.
- To guide the Board to provide the Company with entrepreneurial leadership within a framework of prudent and effective controls, whilst promoting the highest standards of corporate governance and setting clear expectations concerning purpose, culture, values and behaviours and the style and tone of Board discussions.
- To be responsible for ensuring that the Board is approving the Group's strategic aims and ensuring the necessary resources (including financial) are in place to meet its objectives.
- To ensure effective communication exists between shareholders and the Board/Executive Leadership such that the views of shareholders are understood.
- To establish a close relationship of trust with the Chief Operations Officer and Chief Financial Officer and Finance Director (and any other Executive Directors), providing support and advice while respecting executive responsibility. To ensure that there is appropriate delegation of authority from the Board to executive management including adoption by the Board of a formal schedule of matters reserved to it for decision and setting out clearly and in writing the role and responsibilities of the executive management (including his/her executive responsibilities and those of the COO and CFO).
- Work with the Executive Leadership (and other senior management where appropriate) to guide key projects, support business development and M&A activity and input into strategic planning and shaping of key initiatives, whilst developing productive working relationships with Executive Directors.
- To run the Board and set its agenda (primarily focused on strategy, performance, value creation and accountability), ensuring adequate time is available for discussion of all agenda items (in particular, strategic issues) with consideration given to key issues facing the Group and any concerns of Board members.

- To ensure the Board has effective decision-making processes in place and apply sufficient challenge to major proposals, with the advice, where appropriate, of the Group Company Secretary, whilst ensuring compliance with the Board's approved policies and procedures, including reserved matters and Committee Terms of Reference.
  - To ensure the Board receives accurate, timely and clear information on the Group's performance, its reserved matters and any issues, challenges or opportunities facing the Group; and the performance of the Board as a whole, its Committees and individual Directors are formally and rigorously evaluated at least annually.
  - To be available to shareholders, and ensure that there are effective communications with shareholders and that the Board has a clear understanding of the views of the major investors, including their major issues and concerns;
  - To ensure that the Board determines the nature and extent of the significant risks that the Company is willing to embrace in implementing its strategy.
  - To ensure new Directors participate in a full, formal and tailored induction programme and assume the lead in identifying and addressing the development needs of individual Directors and the Board as a whole, assisted, as appropriate, by the Company Secretary.
  - To arrange for the Board Committee Chairs to be available to answer questions and for all Directors to attend the AGM.
  - To establish a process that enables the performance of its individual Directors, the Board as a whole and its Committees to be evaluated at least once a year. The Chairman will also ensure that the outcomes of the process are implemented and acted upon.
  - To consult the Senior Independent Director on Board matters in accordance with the UK Corporate Governance Code.
  - With assistance from the Company Secretary, to promote high standards of integrity, probity and corporate governance throughout the Company and particularly at Board level, seeking compliance with relevant and applicable corporate governance codes and ensuring the reasons for any non-compliance are understood, agreed by the Board and explained to shareholders.
  - To be the Chairman of the Nomination Committee ( except when it relates to his own reappointment or succession) and lead the process for selecting Board appointments and making recommendations to the Board and for building an effective and complementary Board with an appropriate balance of skills and experience . This includes taking the lead in identifying and meeting the development needs of individual directors as well as addressing the development needs of the Board as a whole with a view to enhancing its overall effectiveness as a team. It will also include ensuring that appropriate plans are in place for the succession of the executive directors of the Company;
  - The Chairman shall be consulted about the proposals of the Remuneration Committee in relation to the remuneration of Executive Directors.
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# EXECUTIVE LEADERSHIP

**A. The Executive Leadership of the Company shall consist of the Executive Chairman (for so long as his role remains executive), the Chief Operations Officer and Executive Director Energy (COO) and the Chief Financial Officer and Executive Director Aviation (CFO).**

- The COO and the CFO shall report to the Executive Chairman, in his executive capacity, and the Executive Chairman shall report to the Board on matters within his executive competence.
- The Executive Leadership shall have principal responsibility to run the Group's business, whilst conducting the affairs of the Group with the highest standards of corporate governance.
- The COO shall have primary executive responsibility for the Energy Division alongside his other executive duties. The CFO shall have primary executive responsibility for the Aviation Division alongside his other executive duties. Such responsibilities shall be exercised within the framework of governance and control that is otherwise established for the business.

**B. The specific executive responsibilities of the Executive Chairman shall include:**

The Executive Chairman shall carry ultimate executive responsibility for the Group and as part of his executive responsibilities be responsible for the following:

- Supporting the senior executive team of the Company in the development of its strategic growth plans, including setting key performance criteria and KPIs;
- Reviewing the capabilities of the leadership team and group structure in the context of the Company's strategic growth agenda;
- Providing coaching and mentoring support to the senior executive team in relation to the planning and execution of the strategy;
- Providing directional input into ancillary matters in relation to strategy and execution of the Company's plans;
- Doing such other things as the board of directors may reasonably request that are commensurate with the role of Executive Chairman; and
- Agreeing the annual performance objectives of the CFO and the COO.

**C. The collective responsibilities of the Executive Leadership (under the leadership of the Executive Chairman) shall consist of the following:**

- Business Strategy and Management
    - Developing Group objectives and strategy having regard to the Group's responsibilities to its shareholders, customers, employees and other stakeholders;
    - The successful achievement of objectives and execution of strategy following
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presentation to, and approval by, the Board;

- Recommending to the Board annual operating and five-year plans and ensuring their achievement following Board approval;
  - Optimising as far as is reasonably possible the use and adequacy of the Group's resources;
  - Having overall responsibility for the operational and financial performance of the Group and managing the Company's affairs and resources on behalf of the Board, except for those reserved for decision by the Board.
- Investment and Financing
    - Examining all investments and major capital expenditure proposed by subsidiary companies and the recommendation to the Board of those which, in a Group context, are material either by nature or cost;
    - Identifying and executing acquisitions and disposals, approving major proposals or bids;
    - Leading diversification initiatives, business development activities and new product development/product innovation programmes; and
    - Identifying and executing new business opportunities outside the current core activities.
  - Risk Management and Controls
    - Managing the Group's risk profile, including the health and safety performance of the business, in line with the extent and categories of risk identified as acceptable by the Board;
    - Implementing effective risk management systems in respect of strategic, operational, financial, ESG and compliance risks, including risk identification, assessment, mitigation and monitoring processes; keeping these under review and making recommendations to the Board for any changes; and ensuring business continuity plans are implemented, tested, reviewed and updated; and
    - Ensuring appropriate internal controls are in place.
  - Board Committees
    - Making recommendations to the Remuneration Committee on the Group's policy on executive remuneration, including on the structure and overall level of remuneration, as well as on key terms of employment, insofar as it affects members of the senior executive team; and
    - Making recommendations to the Nomination Committee on the role and capabilities required in respect of the appointment of executive directors.
  - Communication
    - Providing a means for timely and accurate disclosure of information, including an escalation route for issues;
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- Ensuring effective communication with shareholders.
- Other
  - Overall responsibility for: (i) setting all Group HR policies, including management development and succession planning for the senior executive team; (ii) approving the appointment and termination of employment of all members of the senior executive team (other than other executive directors), including determining total compensation packages and all other terms and conditions of employment (but without prejudice to the remit of the Remuneration Committee); and (iii) fostering a culture of performance, responsibility, customer service and innovation throughout the Group;
  - Overall responsibility for the development and implementation of a Group IT strategy to support the execution of business strategy and in line with agreed risk management and internal control systems;
  - Overall responsibility for the role and performance of the Group's legal and compliance functions, including: (i) ensuring the implementation of Group policies and processes; (ii) setting standards and values in relation to business conduct and ethics, as well as for the compliance by all aspects of the business with applicable laws and regulations; and (iii) appropriate resource allocation within this key aspect of the business; and
  - Overall responsibility for managing the Group's activities in and responses to corporate responsibility requirements, including on employees, human rights, HSE performance, supply chain responsibilities and in relation to ESG matters (as relevant).

D. The duties which derive from these responsibilities include:

- Leading the executive directors and the senior executive team in the day to day management of the Group's business, including chairing any Executive Committees and communicating its decisions/recommendations on major issues affecting the business or performance to the Board;
  - Ensuring effective implementation of Board decisions;
  - Regularly reviewing the operational performance and strategic direction of the Group's businesses;
  - Regularly reviewing the Group's organisational structure and recommending changes as appropriate;
  - Formalising the roles and responsibilities of the senior executive team, including clear delegation of authorities;
  - Supervising the activities of subsidiary companies' most senior executives;
  - Developing senior teams within subsidiaries and ensuring succession planning;
  - Developing the key policies for Board approval and then implementing them;
  - Ensuring that all Group policies and procedures are followed and conform to high
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standards;

- Providing coherent leadership of the Company, including, representing the Group to customers, suppliers, government, shareholders, financial institutions, employees, the media, the community and the public; and
  - Together with the Company Secretary, input into the Board agenda to ensure dialogue is maintained with the Executive Chairman on key issues facing the Group, including potential complex, contentious and/or sensitive matters.
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# DEPUTY CHAIR & SENIOR INDEPENDENT DIRECTOR

**The specific executive responsibilities of the Deputy Chairman and Senior Independent Director shall include:**

- To work closely with the Executive Chairman regarding the discharge of his Board responsibilities and to constructively challenge and help develop proposals, ensuring that no one Board member has unfettered decision-making powers;
  - To deputise for the Executive Chairman in relation to this role set out in Section 1 above in his absence;
  - To be available to shareholders if they have concerns which contact through the normal channels of Executive Chairman and Executive Leadership has failed to resolve or for which such contact is inappropriate;
  - To attend sufficient meetings with a range of major shareholders and to listen to their views in order to help develop a balanced understanding of the issues and concerns of major shareholders; Provide the Executive Chairman with advice and guidance in relation to FCA requirements and general UK related corporate governance matters;
  - To lead the process for the appointment of a successor to the Chairman;
  - To provide a sounding board for Executive Chairman and to serve as an intermediary for the other Directors when required; and
  - To Meet with the Non-executive Directors at least once a year to appraise the Executive Chairman's performance and on such other occasions as are deemed appropriate.
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# NON-EXECUTIVE DIRECTORS

**The non-executive directors shall:**

- Constructively challenge and help develop proposals on strategy including scrutinising the performance of the Executive Leadership and senior management in meeting agreed goals and objectives;
  - Monitor the reporting of performance;
  - Satisfy themselves on the integrity of financial information;
  - Ensure financial controls and systems of risk management are robust and defensible;
  - Determine appropriate levels of remuneration of Executive Leadership and senior management;
  - Play a primary role in appointing and where necessary, removing Executive Directors and succession planning;
  - Have meetings without the Executive Leadership and meet without the Executive Chairman present at least annually (and on other occasions deemed appropriate) to appraise his performance; and
  - Ensure that any concerns about the running of the Company or course of proposed action are recorded in the Board minutes and, if necessary following resignation, should provide a written statement to the Executive Chairman for circulation to the Board.
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